

# WAL MART STORES INC

## FORM S-3

(Securities Registration Statement (simplified form))

Filed 12/13/02

Address	702 SOUTHWEST 8TH ST BENTONVILLE, AR 72716
Telephone	5012734000
CIK	0000104169
Symbol	WMT
SIC Code	5331 - Variety Stores
Industry	Retail (Department & Discount)
Sector	Services
Fiscal Year	01/31

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Address	702 SOUTHWEST 8TH ST BENTONVILLE, Arkansas 72716
Telephone	501-273-4000
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**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

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**FORM S-3**  
**REGISTRATION STATEMENT**  
*UNDER*  
*THE SECURITIES ACT OF 1933*

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**WAL-MART STORES, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**71-0415188**  
(I.R.S. Employer  
Identification No.)

**702 S.W. Eighth Street**  
**Bentonville, Arkansas 72716**  
**(479) 273-4000**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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*With copies to:*

**ANTHONY D. GEORGE, ESQ.**  
**Assistant General Counsel, Finance**  
**Wal-Mart Stores, Inc.**  
**702 S.W. Eighth Street**  
**Bentonville, Arkansas 72716**  
**(479) 273-4000**

(Name, address, and telephone number,  
including area code, of agent for service)

**DUDLEY W. MURREY, ESQ.**  
**Hughes & Luce, L.L.P**  
**1717 Main Street, Suite 2800**  
**Dallas, Texas 75201**  
**(214) 939-5500**

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**Approximate date of commencement of proposed sale to the public:** From time to time after this registration statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box:

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box:

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**CALCULATION OF REGISTRATION FEE**

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Title of each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Security	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Debt Securities	\$10,000,000,000	100% <sup>1</sup>	10,000,000,000 \$ <sup>1</sup>	\$ 795,000 <sup>2</sup>

(footnotes on next page)

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- (1) The debt securities registered hereby will be offered from time to time on a delayed basis pursuant to Rule 415 under the Securities Act. The registrant will determine the proposed maximum offering price per security as the debt securities registered hereunder are offered and sold. The proposed maximum aggregate offering price of the debt securities being registered hereby as set forth herein has been estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act.
- (2) The registrant previously paid a registration fee of \$1,500,000 in connection with a registration statement on Form S-3 that the registrant and several co-registrants, all of which are wholly-owned subsidiaries of the registrant, initially filed on July 6, 2001 (Registration No. 333-64740). \$500,000,000 of debt securities registered by means of that registration statement have not been issued. Pursuant to Rule 457 (p) under the Securities Act, the registrant is offsetting \$125,000 of the registration fee related to unissued debt securities registered pursuant to that registration statement against the registration fee of \$920,000 to be paid in connection with this registration statement, leaving a balance of \$795,000 to be paid in connection with this registration statement.

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**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this prospectus is not complete and may be changed. We may not sell these securities until the Securities and Exchange Commission declares our registration statement effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**Subject to completion, dated December 13, 2002**

**PROSPECTUS**

**WAL-MART STORES, INC.**

**\$10,000,000,000**

**DEBT SECURITIES**

This prospectus forms part of a shelf registration statement that we filed with the Securities and Exchange Commission. We may use that registration statement to offer and sell, in one or more offerings at various times, up to a total of \$10,000,000,000 of our debt securities.

We may offer and sell debt securities in different series that have different terms and conditions, including debt securities convertible into or exchangeable for other securities. This prospectus provides you with a general description of certain material terms of those debt securities. When we sell a particular series of the debt securities, we will provide a prospectus supplement describing the specific terms and conditions of that series of debt securities, including:

- the public offering price at which the securities of that series are then being offered;
- the maturity date;
- the interest rate or rates, which may be fixed or variable;
- the times for payment of principal, interest and any premium;
- any redemption provisions; and
- any conversion or exchange provisions of the debt securities in the series.

The prospectus supplement may also contain important information about U.S. federal income tax consequences and, in certain circumstances, consequences under other countries' tax laws to which you may become subject if you acquire the debt securities being offered by that prospectus supplement. The prospectus supplement may also update or change information contained in this prospectus.

**THIS PROSPECTUS MAY NOT BE USED TO SELL SECURITIES UNLESS ACCOMPANIED BY A PROSPECTUS SUPPLEMENT.**

You should read carefully both this prospectus and the prospectus supplement accompanying this prospectus, together with the additional information described under the heading "Where You Can Find More Information" before making your investment decision.

We maintain our principal executive offices at:

702 S.W. 8<sup>th</sup> Street  
Bentonville, Arkansas 72716  
Telephone: (479) 273-4000

**Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this Prospectus is ● , 2002.

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You should rely only on the information contained or incorporated by reference in this prospectus and in any accompanying prospectus supplement relating to any of our debt securities being offered by means of this prospectus and the accompanying prospectus supplement. We have not authorized anyone to provide you with different information.

We are not offering the debt securities in any jurisdiction in which the offer is not permitted.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and special reports, proxy statements and other information with the SEC. Instead of repeating the information that we have already filed with the SEC, the SEC allows us to “incorporate by reference” in this prospectus information contained in documents we have filed with the SEC. Those documents that we are incorporating by reference into this prospectus form an important part of this prospectus. Any documents that we file with the SEC in the future and that are incorporated by reference as noted below will also be considered to be part of this prospectus and will automatically update and supersede, as appropriate, the information contained in this prospectus.

We incorporate by reference in this prospectus the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until we complete or terminate the offering of debt securities by this prospectus.

- Wal-Mart’s Annual Report on Form 10-K for its fiscal year ended January 31, 2002.
- Wal-Mart’s Quarterly Report on Form 10-Q for its fiscal quarter ended April 30, 2002.
- Wal-Mart’s Quarterly Report on Form 10-Q for its fiscal quarter ended July 31, 2002.
- Wal-Mart’s Quarterly Report on Form 10-Q for its fiscal quarter ended October 31, 2002.
- Wal-Mart’s Current Report on Form 8-K dated March 12, 2002.
- Wal-Mart’s Current Report on Form 8-K dated July 12, 2002.
- Wal-Mart’s Current Report on Form 8-K dated August 14, 2002.
- Wal-Mart’s Current Report on Form 8-K dated September 24, 2002.

We filed a registration statement on Form S-3 to register with the SEC the securities described in this prospectus. As allowed by the SEC’s rules, we have not included in this prospectus all of the information that is included in the registration statement. At your request we will provide you, free of charge, with a copy of the registration statement, any of the exhibits to the registration statement or a copy of any other information we have incorporated by reference into the registration statement. If you want more information, you should write or call:

Anthony D. George, Esq.  
Assistant General Counsel, Finance

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and Assistant Secretary  
Wal-Mart Stores, Inc.  
Corporate Offices  
702 S.W. 8<sup>th</sup> Street, Mail Stop 0290  
Bentonville, Arkansas 72716  
Telephone: (479) 273-4505

You may also obtain a copy of any filing we have made with the SEC directly from the SEC. You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site at <http://www.sec.gov> through which certain materials that we file with the SEC may be viewed.

### **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus includes and incorporates by reference certain statements that may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that are intended to enjoy the protection of the safe harbor for forward-looking statements provided by that Act. Forward-looking statements may be included, for example, under "Wal-Mart Stores, Inc." and "Use of Proceeds," and in certain portions of our reports and other information incorporated in this prospectus by reference, and generally can be identified by use of words such as "believe," "expect," "anticipate," "intend," "plan," "foresee" or other similar words or phrases. These forward-looking statements may include statements that address activities, events or developments that we expect or anticipate will or may occur in the future, including:

- future capital expenditures, including the amount and nature of those expenditures;
- expansion and other development trends of industry segments in which we and our subsidiaries are active;
- future revenues and cash flows;
- future performance;
- our business strategy;
- our financing strategy;
- expansion and growth of our business;
- our operations and other similar matters; and
- our management's anticipation and expectations as to future occurrences and trends.

Although we believe the expectations expressed in the forward-looking statements are based on reasonable assumptions within the bounds of our knowledge of our business, a number of risks, uncertainties and factors, domestically and internationally, could cause actual results to differ materially from those expressed in any forward-looking statements, whether oral or written, made by us or on our behalf. We have previously identified many of these factors in filings or statements we made or that were made on our behalf.

Our business operations are subject to risks, uncertainties and factors outside our control. Any one, or a combination, of these could materially affect our financial performance. These risks, uncertainties and factors include:

- the costs of goods;
- the cost of electricity and other energy requirements;
- competitive pressures;
- inflation;
- consumer spending patterns;

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- consumer debt levels;
- currency exchange fluctuations;
- trade restrictions;
- changes in tariff and freight rates;
- unemployment levels;
- interest rate fluctuations; and
- other capital market and economic conditions.

Forward-looking statements that we make or that are made by others on our behalf are based on a knowledge of our business and the environment in which we operate but, because of the risks, uncertainties and factors listed above and other similar factors, actual results may differ from those in the forward-looking statements. Consequently, all of the forward-looking statements made are qualified by these cautionary statements. We cannot assure you that the results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to or effects on us or on our business or operations. Prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. We assume no obligation to update any of the forward-looking statements.

**WAL-MART STORES, INC.**

We are the world's largest retailer as measured by total net sales for fiscal 2002. Our total net sales exceeded \$217 billion in fiscal 2002, over 83% of which was generated in the United States. We operate mass merchandising stores that serve our customers primarily through the operation of three segments:

- Wal-Mart stores, which include our discount stores, Supercenters and Neighborhood Markets in the United States;
- SAM'S Clubs, which include our warehouse membership clubs in the United States; and
- the international segment of our business.

We currently operate in all 50 states of the United States, Argentina, Brazil, Canada, Germany, Mexico, Puerto Rico, South Korea and the United Kingdom, and in China under joint venture agreements. In addition, through our subsidiary, McLane Company, Inc., we provide products and distribution services to retail industry and institutional food service customers. As of November 30, 2002, we operated in the United States:

- 1,566 Wal-Mart stores;
- 1,244 Supercenters;
- 39 Neighborhood Markets; and
- 522 SAM'S Clubs.

As of November 30, 2002, we also operated 207 Canadian Wal-Mart stores, 11 units in Argentina, 22 units in Brazil, 22 units in China, 95 units in Germany, 592 units in Mexico, 19 units in Puerto Rico, 14 units in South Korea and 258 units in the United Kingdom. The units operated by our International Division represent a variety of retail formats. As of November 30, 2002, we employed more than 1,000,000 associates in the United States and 300,000 associates internationally.

We also own a 6.1% interest in Seiyu, Ltd. and options to purchase additional equity interests of Seiyu, Ltd. that will permit us to own up to 66.7% of Seiyu, Ltd.'s equity interests. Seiyu, Ltd. operates over 400 stores located throughout Japan.

Wal-Mart Stores, Inc. is the parent company of a group of subsidiary companies, including McLane Company, Inc., Wal-Mart.com, Inc., Wal-Mart de Mexico, S.A. de C.V., Asda Group Limited, Sam's West, Inc., Sam's East, Inc., Wal-Mart Stores East, Inc., Wal-Mart Stores East, LP, Sam's Property Co., Wal-Mart Property Co., Wal-Mart Real Estate Business Trust, Sam's Real Estate Business Trust and Wares Delaware Corporation. The information presented above relates to our operations and our subsidiaries on a consolidated basis.

Wal-Mart Stores, Inc. was incorporated in the State of Delaware on October 31, 1969.

Our principal executive offices are located at 702 S.W. Eighth Street, Bentonville, Arkansas 72716. Our telephone number there is (479) 273-4000, and our Internet address is [www.wal-martstores.com](http://www.wal-martstores.com). Information contained in our website is not a part of this prospectus.

**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth the ratio of our earnings to fixed charges, for the periods indicated:

Year Ended January 31,					Nine Months Ended October 31,	
1998	1999	2000	2001	2002	2001	2002
5.33x	6.24x	6.76x	5.54x	5.56x	5.13x	6.25x

For the purpose of computing our ratios of earnings to fixed charges, we have defined “earnings” to mean our earnings before income taxes and fixed charges, excluding capitalized interest and earnings attributable to minority interests owned by others in our subsidiaries.

We have defined “fixed charges” to mean:

- the interest that we pay; plus
- the capitalized interest that we show on our accounting records; plus
- amortized premiums, discounts and capitalized expenses related to indebtedness; plus
- the portion of the rental expense for real and personal property that we believe represents the interest factor in those rentals.

Our fixed charges do not include any dividend requirements with respect to preferred stock because we do not have any shares of preferred stock outstanding.

**USE OF PROCEEDS**

Except as we otherwise specifically described in the applicable prospectus supplement, we will use the net proceeds from the sale of the debt securities:

- to repay the short-term borrowings that we have incurred for corporate purposes, including to finance capital expenditures such as the purchase of land and construction of stores and other facilities;
- to finance acquisitions;
- to repay long-term debt as it matures or to refinance debt of our subsidiaries;
- to repay short-term borrowings that we have incurred to acquire other companies and assets;
- to repay short-term borrowings that we have incurred to acquire our common stock pursuant to our share repurchase program; and
- to meet our other general working capital requirements.

Before we apply the net proceeds to one or more of these uses, we may invest those net proceeds in short-term marketable securities.

We may also incur from time to time additional debt other than through the offering of debt securities under this prospectus.

**DESCRIPTION OF THE DEBT SECURITIES**

We will issue the debt securities in one or more series under an indenture, dated as of December 11, 2002, between us and Bank One Trust Company, NA, as the indenture trustee.

The indenture is a contract between us and the trustee. The trustee has two main roles. First, the trustee can enforce your rights against us if an “event of default,” as that term is described below, occurs under the indenture in relation to debt securities we have issued. Second, the trustee performs certain administrative duties for us.

We have summarized below material provisions of the debt securities that we will offer and sell pursuant to this prospectus and material provisions of the indenture. However, you should understand that this is only a summary. We have not described all of the provisions of the indenture. We have filed the indenture with the SEC, and we suggest that you read the indenture. We are incorporating by reference the provisions of the indenture referred to by section numbers and summarized below. The following summary is qualified in its entirety by those provisions of the indenture.

We will describe the particular terms and conditions of a particular series of debt securities offered in a prospectus supplement relating to the offer of that series of debt securities. The prospectus supplement, which we will file with the SEC, may or may not modify the general terms found in this prospectus. For a complete description of any series of debt securities offered pursuant to this prospectus, you should read both this prospectus and the prospectus supplement relating to that series of debt securities.

**General**

As a holder of the debt securities issued under the indenture, you will be one of our unsecured creditors and will have a right to payment equal to that of our other unsecured creditors.

The debt securities offered by this prospectus will be limited to a total of \$10,000,000,000, which will include the equivalent amount of any debt securities that we issue that are denominated in any non-U.S. currency. The indenture, however, does not limit the amount of debt securities that may be issued under it and provides that debt securities may be issued under it from time to time in one or more series.

With respect to each particular series of debt securities that we offer by this prospectus, the prospectus supplement will describe the following terms of each series of debt securities:

- the title of the series;
- the maximum aggregate principal amount, if any, established for debt securities of the series;
- the maximum aggregate initial public offering price, if any, established for the debt securities of the series;
- the date or dates on which the principal will be paid;
- the conditions pursuant to which and the times at which any premium on the debt securities of the series will be paid;
- the annual rate or rates, if any, which may be fixed or variable, at which the debt securities of the series shall bear interest, or the method or methods by which the rate or rates, if any, at which the debt securities of the series shall bear interest may be determined;
- the date or dates from which interest, if any, shall accrue;
- the dates on which any accrued interest shall be payable and the record dates for the interest payment dates;
- the percentage of the principal amount at which the debt securities of the series will be issued, and if less than face amount, the portion of the principal amount that will be payable upon acceleration

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of those debt securities' maturity or at the time of any prepayment of those debt securities or the method for determining that amount;

- if we may prepay the debt securities of the series in whole or part, the terms of our prepayment right, the time or times at which any such prepayment may be made, whether the prepayment may be made in whole or may be made in part from time to time and the terms and conditions on which such prepayment may be made, including the obligation to pay any premium or any other make-whole amount in connection with any prepayment;
- the offices or agencies where the debt securities of the series may be presented for registration of transfer or exchange;
- the place or places where the principal of, premium, if any, and interest, if any, on debt securities of the series will be paid;
- if we will have the right to redeem or repurchase the debt securities of the series, in whole or in part, at our option, the terms of our redemption or repurchase right, when those redemptions or repurchases may be made, the redemption or repurchase price or the method or methods for determining the redemption or repurchase price, and any other terms and conditions relating to any such redemption or repurchase by us;
- if we will be obligated to redeem or repurchase the debt securities of the series in whole or part at any time pursuant to any sinking fund or analogous provisions or without the benefit of any sinking fund or analogous provisions, the terms of our redemption or repurchase obligation, including when and at whose option we will be obligated to redeem or repurchase the debt securities of the series, and the redemption or repurchase price or the method for determining the redemption or repurchase price;
- if the debt securities of the series will be convertible into or exchangeable for any other of our securities, the terms of the conversion or exchange rights, including when the conversion or exchange right may be exercised, the conversion or exchange price or the ratio or ratios or method of determining the conversion or exchange price or ratios and any other terms and conditions, including anti-dilution terms, upon which conversion or exchange may occur;
- if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which we will issue debt securities of the series;
- the currency in which we will pay principal, any premium, interest or other amounts owing with respect to the debt securities of the series, which may be U.S. dollars, a foreign currency or a composite currency;
- any index, formula or other method that we must use to determine the amount of any payment of principal, any premium or interest on the debt securities of the series;
- if we are required to pay any additional amounts, the terms of our obligation to pay additional amounts and under what conditions we will be required to pay such amounts;
- whether the debt securities of the series will be issued in certificated or book-entry form;
- any addition to, or change in, the events of default with respect to, or covenants relating to, the debt securities in the series;
- whether the debt securities of the series will be subject to defeasance as provided in the indenture; and
- any other specific terms and conditions of the series of debt securities.

(Section 3.01)

If we sell any series of debt securities for, that we may pay in, or that are denominated in, one or more foreign currencies, currency units or composite currencies, we will disclose any material applicable restrictions,

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elections, tax consequences, specific terms and other information with respect to that series of debt securities and the relevant currencies, currency units or composite currencies in the prospectus supplement relating to that series.

We may offer and sell series of the debt securities as original issue discount securities, bearing no interest or interest at a rate that at the time of issuance is below market rates, or at a substantial discount below their stated principal amount. We will describe the income tax consequences and other special considerations applicable to any original issue discount securities of that kind described in the prospectus supplement relating to that series.

### Conversion or Exchange Rights

Debt securities offered by this prospectus may be convertible into or exchangeable for other securities, including, for example, shares of our equity securities. We will describe the terms and conditions of conversion or exchange in the applicable prospectus supplement. The terms and conditions will include, among others, the following:

- the conversion or exchange price or prices or the ratio or ratios or method of determining the conversion or exchange prices or ratios;
- the conversion or exchange period;
- provisions regarding our ability or the ability of the holder to convert or exchange the debt securities;
- events requiring adjustment to the conversion or exchange price; and
- provisions affecting conversion or exchange in the event of our redemption of the debt securities.

### Events of Default and Waiver

An event of default with respect to debt securities of a series issued will occur if:

- we fail to pay interest on any outstanding debt securities of that series when it is due and payable and that failure continues for 30 days;
- we fail to pay principal of, or premium, if any, on any outstanding debt securities of that series when it is due and payable;
- we fail to perform or we breach any covenant or warranty in the indenture with respect to any outstanding debt securities of that series and that failure continues for 90 days after we receive written notice of that default;
- certain events of bankruptcy, insolvency or reorganization occur with respect to us; or
- any other event occurs that is designated as an event of default with respect to the particular series of debt securities when that particular series of debt securities is established.

(Section 7.01)

An event of default with respect to a particular series of debt securities issued under the indenture does not necessarily constitute an event of default with respect to any other series of debt securities issued under the indenture. If an event of default with respect to any series of outstanding debt securities occurs and is continuing, the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding debt securities of that series may declare the principal amount of the outstanding debt securities of that series to be immediately due and payable. (Section 7.02) The holders of a majority in aggregate principal amount of the outstanding debt securities of a series may waive an event of default resulting in acceleration of the debt securities of that series and rescind and annul that acceleration, but only if all other events of default with respect to the debt securities of that series have been remedied or waived and all payments due with respect to the debt securities of that series, other than those due as a result of acceleration, have been made. (Section 7.02) If an event of default occurs and is

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continuing with respect to the debt securities of a series, the trustee may, in its discretion, and will, at the written request of holders of not less than a majority in aggregate principal amount of the outstanding debt securities of that series and upon reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request and subject to certain other conditions set forth in the indenture, proceed to protect the rights of the holders of the debt securities of that series. (Section 7.03; Section 7.12) The holders of a majority in aggregate principal amount of the debt securities of that series may waive any past default under the indenture and its consequences except a default in the payment of principal of, premium, if any, or interest on, those debt securities and any covenant or provision of the indenture that cannot be waived without the consent of each holder of debt securities of that series. Upon such a waiver, the default and any event of default arising out of the default will be deemed cured for all purposes of the debt securities of that series. (Section 7.13)

The indenture provides that upon the occurrence of an event of default described in the first two bullet points in the first paragraph under “Events of Default and Waiver” with respect to debt securities of a series, we will, upon the trustee’s demand, pay to the trustee for the benefit of the holders of the outstanding debt securities of that series, the whole amount then due and payable on the debt securities of that series for principal, premium, if any, and interest. The indenture also provides that if we fail to pay such amount forthwith upon such demand, the trustee may, among other things, institute a judicial proceeding for the collection of those amounts. (Section 7.03)

The indenture also provides that, notwithstanding any other provision of the indenture, the holder of any debt securities of a series will have the right to institute suit for the enforcement of any payment of principal of, and interest on, the debt securities of that series or any redemption price or repurchase price when due and that that right will not be impaired without the consent of that holder. (Section 7.08)

The trustee is required, within 90 days after the occurrence of a default with respect to the debt securities of a series, to give to the holders of the debt securities of that series notice of all uncured defaults known to it. However, except in the case of default in the payment of principal or interest on any of the debt securities of that series, the trustee will be protected in withholding that notice if the trustee in good faith determines that the withholding of that notice is in the interest of the holders of the debt securities of that series. The term “default,” for the purpose of this provision only, means the occurrence of any event that is or would become, after notice or the passage of time or both, an event of default with respect to that series. (Section 8.02)

We are required to file annually with the trustee a written statement as to the existence or non-existence of defaults under the indenture or any series of debt securities. (Section 5.05)

### Legal Defeasance and Covenant Defeasance

We may, at our option and at any time, elect to have all of the obligations discharged with respect to the outstanding debt securities or as to any series thereof, except for:

- the rights of holders of debt securities to receive payments of principal and interest from the trust referred to below when those payments are due;
- our obligations respecting the debt securities concerning issuing temporary notes, registration of transfers of debt securities, mutilated, destroyed, lost or stolen debt securities, the maintenance of an office or agency for payment and money for debt security payments being held in trust;
- the rights, powers, trusts, duties and immunities of the trustee and our obligations in connection therewith; and
- the provisions of the indenture relating to such a discharge of obligations.

We refer to a discharge of this type as “defeasance.” (Section 11.02)

In addition, other than our covenant to pay the amounts due and owing with respect to a series of debt securities, we may elect to have our obligations as the issuer of a series of debt securities released with respect to covenants relating to that series of debt securities. Thereafter, any failure to comply with those obligations will not constitute a default or event of default with respect to the debt securities of that series. If such a release of our

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covenants occurs, our failure to perform or our breach of the covenants or warranties defeased will no longer constitute an event of default with respect to those debt securities. (Section 11.03)

To exercise either of the rights we describe above, certain conditions must be met, including:

- we must irrevocably deposit with the trustee, in trust for the debt security holders' benefit, moneys in the currency in which the securities are denominated, securities issued by a government, governmental agency or central bank of the country in whose currency the securities are denominated, or a combination of cash and such securities, in amounts sufficient to pay the principal of and interest on all of the then outstanding debt securities to be affected by the defeasance at their stated maturity;
- the trustee must receive an opinion of counsel confirming that the holders of the outstanding debt securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of that defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if that defeasance had not occurred, which opinion, only in the case of the type of defeasance described first above, will be based on a ruling of the Internal Revenue Service or a change in federal income tax law to that effect occurring after the date of the indenture;
- no default or event of default exists on the date of such deposit, subject to certain exceptions; and
- the trustee must receive an opinion of counsel to the effect that, after the 91st day following the deposit, the trust funds will not be part of any "estate" formed by the bankruptcy or reorganization of the party depositing those funds with the trustee or subject to the "automatic stay" under the United States Bankruptcy Code or, in the case of covenant defeasance, will be subject to a first priority lien in favor of the trustee for the benefit of the holders.

(Section 11.04)

### Satisfaction and Discharge

If we so request, the indenture will cease to be of further effect, other than as to certain rights of registration of transfer or exchange of the notes, as provided for in the indenture, and the trustee, at our expense, will execute proper instruments acknowledging satisfaction and discharge of the indenture and the debt securities when:

- either all the debt securities previously authenticated and delivered under the indenture, other than destroyed, lost or stolen securities that have been replaced or paid and notes that have been subject to defeasance, have been delivered to the trustee for cancellation; or
- all of the securities issued under the indenture not previously delivered to the trustee for cancellation have become due and payable, will become due and payable at their stated maturity within 60 days or will become due and payable at redemption within 60 days under arrangements satisfactory to the trustee for the giving of notice of redemption by the trustee in our name and expense; and
- in each of the foregoing cases, we have irrevocably deposited or caused to be deposited with the trustee cash in U.S. dollars, certain United States government securities or a combination thereof, in trust for the purpose and in an amount sufficient to pay and discharge the entire indebtedness arising under the debt securities issued pursuant to the indenture not previously delivered to the trustee for cancellation, for principal and premium, if any, on and interest on these securities to the date of such deposit (in the case of notes that have become due and payable) or to the stated maturity of these securities or redemption date, as the case may be; and
- we have paid or caused to be paid all sums payable under the indenture by us; and
- no default or event of default then exists; and
- we have delivered to the trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent provided in the indenture relating to the satisfaction and discharge of the indenture and the securities issued under the indenture have been complied with.

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(Section 11.08)

### **Modification of the Indenture**

The indenture provides that, with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding debt securities of each affected series, modifications and alterations of the indenture may be made which affect the rights of the holders of such debt securities. However, no such modification or alteration may be made without the consent of the holder of each debt security affected if the modification or alteration would, among other things:

- change the maturity of the principal of, or of any installment of interest on, any such debt security, or reduce the principal amount of any such debt security, or change the method of calculation of interest or the currency of payment of principal or interest on, or reduce the minimum rate of interest thereon, or impair the right to institute suit for the enforcement of any such payment on or with respect to any such debt security, or
- reduce the above-stated percentage in principal amount of outstanding debt securities required to modify or alter the indenture.

(Section 9.02)

The trustee and we, without the consent of the holders of the debt securities, may execute a supplemental indenture to, among other things:

- evidence the succession of another corporation to us and the successor's assumption to our respective covenants with respect to the debt securities and the indenture;
- add to our covenants further restrictions or conditions that our board of directors and the trustee consider to be for the protection of holders of all or any series of the debt securities and to make the occurrence of a default in any of those additional covenants, restrictions or conditions a default or an event of default under the indenture subject to certain limitations;
- cure ambiguities or correct or supplement any provision contained in the indenture or any supplemental indenture that may be defective or inconsistent with another provision;
- add additional events of default with respect to all or any series of the debt securities;
- add to, change or eliminate any provision of the indenture provided that the addition, change or elimination will not affect any outstanding debt securities;
- provide for the issuance of debt securities whether or not then outstanding under the indenture in coupon form and to provide for exchangeability of the coupon form securities with other debt securities issued under the indenture in fully registered form;
- establish new series of debt securities and the form or terms of such series of debt securities and to provide for the issuance of securities of any series so established; and
- evidence and provide for the acceptance of appointment of a successor trustee and to change the indenture as necessary to have more than one trustee under the indenture.

(Section 9.01)

### **Amalgamation, Consolidation, Merger or Sale of Assets**

The indenture provides that we may, without the consent of the holders of any of the outstanding debt securities of any series, amalgamate, consolidate with, merge into or transfer our assets substantially as an entirety to any person, provided that:

- any successor to us assumes our obligations on the debt securities and under the indenture;

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- any successor to us must be an entity incorporated or organized under the laws of the United States;
- after giving effect thereto, no event of default, as defined in the indenture, shall have occurred and be continuing; and
- certain other conditions under the indenture are met.

Any such amalgamation, consolidation, merger or transfer of assets substantially as an entirety that meets the conditions described above would not constitute a default or event of default that would entitle holders of the debt securities or the trustee, on their behalf, to take any of the actions described above under “Events of Default and Waiver.” (Section 10.01; Section 10.02)

### **No Limitations on Additional Debt and Liens**

The indenture does not contain any covenants or other provisions that would limit our right to incur additional indebtedness, enter into any sale and leaseback transaction or grant liens on our assets.

### **The Indenture Trustee**

Bank One Trust Company, NA is the trustee under the indenture governing the debt securities and will also be the registrar and paying agent for each series of debt securities unless otherwise noted in the prospectus supplement. The trustee is a national banking association with its principal offices in Chicago, Illinois.

The trustee has two main roles under the indenture. First, the trustee can enforce your rights against us if any of the actions described above under “Events of Default and Waiver” occurs. Second, the trustee performs certain administrative duties related to the debt securities for us. The trustee is entitled, subject to the duty of the trustee during a default to act with the required standard of care, to be indemnified by the holders of the debt securities before proceeding to exercise any right or power under the indenture at the request of those holders. The indenture provides that the holders of a majority in principal amount of the debt securities may direct, with regard to that series, the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the debt securities, although the trustee may decline to act if that direction is contrary to law or if the trustee determines in good faith that the proceeding so directed would be illegal or would result in personal liability to it.

Bank One Trust Company, NA also serves as trustee under an indenture, dated as of July 5, 2001, between it, us and three of our finance subsidiaries. As of September 30, 2002, we had issued a total of \$5.50 billion of our senior unsecured securities under that indenture. Bank One Trust Company, NA also serves as trustee under an indenture, dated as of April 1, 1991, between it and us, as supplemented through the date of this prospectus. As of May 31, 2001, we had issued a total of \$17.46 billion of our senior unsecured securities under that indenture. Bank One Trust Company, NA also serves as trustee under an indenture, dated as of December 1, 1986, covering secured bonds issued in the aggregate principal amount of \$137,082,000 by the owner trustees of approximately 24 SAM’S Clubs store properties that are leased to one of our subsidiaries. Bank One Leasing Corporation, an affiliate of Bank One Trust Company, NA, established a business trust that purchased 15 Wal-Mart discount stores for \$53,661,785 and leased the stores back to us for an initial term of 20 years in a transaction consummated on December 22, 1992. On November 10, 1994, a second business trust of which Bank One Leasing Corporation is a beneficiary purchased an additional 23 Wal-Mart discount stores for \$128,842,500 and leased the stores back to us for an initial term of 20 years. Bank One Trust Company, NA also serves as trustee under an indenture, dated as of April 27, 2001, between Wal-Mart Canada Venture Corp., one of our subsidiaries, us, as guarantor, and it. On April 27, 2001, Wal-Mart Canada Venture Corp. issued a total of \$325,000,000 of its senior unsecured debt securities under that indenture, which debt securities we have guaranteed.

We expect to maintain banking relationships in the ordinary course of business with Bank One, NA, an affiliate of Bank One Trust Company, NA.

## **TAX CONSEQUENCES TO HOLDERS**

A prospectus supplement may describe the principal U.S. federal income tax consequences of acquiring, owning and disposing of debt securities of some series in certain circumstances, including the following:

- payment of the principal, interest and any premium in a currency other than the U. S. dollar;
- the issuance of any debt securities with “original issue discount,” as defined for U.S. federal income tax purposes;
- the issuance of any debt securities with an associated “bond premium,” as defined for U.S. federal income tax purposes; and
- the inclusion of any special terms in debt securities that may have a material effect for U.S. federal income tax purposes.

In addition, if the tax laws of foreign countries are material to a particular series of debt securities, a prospectus supplement may describe the principal income tax consequences of acquiring, owning and disposing of debt securities of some series in similar circumstances under those foreign tax laws.

## **PLAN OF DISTRIBUTION**

### **General**

We may sell the debt securities being offered hereby:

- directly to purchasers;
- through agents;
- through dealers;
- through underwriters; or
- through a combination of any of those methods of sale.

We may effect the distribution of the debt securities from time to time in one or more transactions either:

- at a fixed price or prices which may be changed;
- at market prices prevailing at the time of sale;
- at prices related to the prevailing market prices; or
- at negotiated prices.

We may directly solicit offers to purchase the debt securities. Offers to purchase debt securities may also be solicited by agents designated by us from time to time. Any of those agents, who may be deemed to be an “underwriter,” as that term is defined in the Securities Act of 1933, as amended, involved in the offer or sale of the debt securities in respect of which this prospectus is delivered will be named, and any commissions payable by us to that agent will be set forth in, the prospectus supplement.

If a dealer is utilized in the sale of the debt securities in respect of which this prospectus is delivered, we will sell those debt securities to the dealer, as principal. The dealer, who may be deemed to be an “underwriter,” as that term is defined in the Securities Act of 1933, may then resell those debt securities to the public at varying prices to be determined by that dealer at the time of resale.

If we use an underwriter or underwriters in the sales, we will execute an underwriting agreement with those underwriters at the time of sale of the debt securities, and the name of the underwriters will be set forth in the prospectus supplement, which will be used by the underwriters, along with this prospectus, to make resales of the

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debt securities in respect of which this prospectus is delivered to the public. The compensation of any underwriters will also be set forth in the prospectus supplement.

Underwriters, dealers, agents and other persons may be entitled, under agreements that may be entered into with us, to indemnification by us against certain civil liabilities, including liabilities under the Securities Act of 1933, or to our contributing to payments those underwriters, dealers, agents and other persons are required to make.

Underwriters, dealers and agents may engage in transactions with, or perform services for, us or any of our subsidiaries in the ordinary course of business.

### **LEGAL MATTERS**

The validity of the debt securities offered by this prospectus and any prospectus supplement will be passed upon for us by Hughes & Luce, L.L.P., our counsel.

### **EXPERTS**

The consolidated financial statements of Wal-Mart Stores, Inc. and its subsidiaries incorporated by reference in Wal-Mart Stores, Inc.'s Annual Report on Form 10-K for the fiscal year ended January 31, 2002, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon incorporated by reference therein and incorporated herein by reference. Such financial statements are, and audited financial statements to be included in subsequently filed documents will be, incorporated herein in reliance upon the reports of Ernst & Young LLP pertaining to such financial statements, to the extent covered by their consents filed with the SEC, given on the authority of such firm as experts in accounting and auditing.

**PART II**  
**INFORMATION NOT REQUIRED IN PROSPECTUS**

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth all fees and expenses payable by the registrant in connection with the issuance and distribution of the securities being registered hereby (other than any underwriting discounts and commissions).

Securities and Exchange Commission registration fee	\$795,000
* Printing and engraving	5,000
* Legal fees and charges	20,000
* Accounting services	5,000
* Trustee services	10,000
* Miscellaneous	2,500
Total	<u>\$837,500</u>

\* Estimated.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The By-Laws of Wal-Mart Stores, Inc., as amended to date, provide that each person who was or is made a party to, or is involved in, any action, suit or proceeding by reason of the fact that he or she was a director or officer of Wal-Mart Stores, Inc. (or was serving at the request of Wal-Mart Stores, Inc. as a director, officer, employee or agent for another entity) will be indemnified and held harmless by us to the full extent authorized by the Delaware General Corporation Law.

Section 145 of the Delaware General Corporation Law provides, among other things, that Wal-Mart Stores, Inc. may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of Wal-Mart Stores, Inc.) by reason of the fact that the person is or was a director, officer, employee or agent of Wal-Mart Stores, Inc., or is or was serving at the request of Wal-Mart Stores, Inc. as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding. This power to indemnify applies only if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of Wal-Mart Stores, Inc. and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

This power to indemnify applies to actions brought by or in the right of Wal-Mart Stores, Inc. as well, but only to the extent of defense expenses (including attorney's fees but excluding amounts paid in settlement) actually and reasonably incurred and not to any satisfaction of a judgment or settlement of the claim itself, and with the further limitation that in such actions no indemnification shall be made in the event of any adjudication of liability to Wal-Mart Stores, Inc., unless the court believes that in light of all the circumstances indemnification should apply.

To the extent that a present or former director or officer of Wal-Mart Stores, Inc. is successful on the merits or otherwise in defense of any action, suit or proceeding, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

The Restated Certificate of Incorporation of Wal-Mart Stores, Inc., as amended to date, provides that, to the fullest extent permitted by the Delaware General Corporation Law as the same exists or may hereafter be amended, a director of Wal-Mart Stores, Inc. shall not be liable to Wal-Mart Stores, Inc. or its stockholders for monetary

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damages for breach of fiduciary duty as a director. The Delaware General Corporation Law permits Delaware corporations to include in their certificates of incorporation a provision eliminating or limiting director liability for monetary damages arising from breaches of their fiduciary duty. The only limitations imposed under the statute are that the provision may not eliminate or limit a director's liability (i) for breaches of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or involving intentional misconduct or known violations of law, (iii) for the payment of unlawful dividends or unlawful stock purchases or redemptions, or (iv) for transactions in which the director received an improper personal benefit.

Wal-Mart Stores, Inc. is insured against liabilities that it may incur by reason of its indemnification of officers and directors in accordance with its By-Laws. In addition, directors and officers are insured, at Wal-Mart Stores, Inc.'s expense, against certain liabilities that might arise out of their employment and are not subject to indemnification under its By-Laws.

The foregoing summaries are necessarily subject to the complete text of the statute, the Restated Certificate of Incorporation, as amended, the By-Laws and the agreements referred to above and are qualified in their entirety by reference thereto.

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### ITEM 16. EXHIBITS.

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION OF DOCUMENT</u>
1.1*	Form of Underwriting Agreement.
4.1	Restated Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 3(a) to the Company's Annual Report on Form 10-K for the year ended January 31, 1989).
4.2	Certificate of Amendment to Restated Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 4(b) to the Company's Registration Statement on Form S-8 (File No. 33-43315)).
4.3	Certificate of Amendment to Restated Certificate of Incorporation of the Company (incorporated herein by reference to the Company's Current Report on Form 8-K dated July 27, 1999).
4.4	By-laws of the Company, as amended June 3, 1993 (incorporated herein by reference to Exhibit 3(b) to the Company's Annual Report on Form 10-K for the year ended January 31, 1994).
4.5	Indenture dated as of December 11, 2002, between the Company and Bank One Trust Company, NA, as Trustee.
5.1	Opinion of Hughes & Luce, L.L.P. with respect to the legality of the securities being registered.
12.1	Statement Regarding Computation of Ratios.
23.1	Consent of Ernst & Young LLP.
23.2	Consent of Hughes & Luce, L.L.P. (included in Exhibit 5.1).
24.1	Power of Attorney (included in signature pages hereto).
25.1	Statement of Eligibility of Trustee on Form T-1.

\* To be filed by amendment or as an exhibit to a document to be incorporated by reference herein.

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### ITEM 17. UNDERTAKINGS.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar amount of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated offering range may be reflected in the form of a prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel in the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Bentonville, State of Arkansas, on December 13, 2002.

**WAL-MART STORES, INC.**

By:           /s/ H. Lee Scott, Jr.

Name: H. Lee Scott, Jr.

Title: President and Chief Executive Officer

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints H. Lee Scott, Jr. and Thomas M. Schoewe, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her in his or her name, place and stead, in any and all capacities, to sign any or all amendments to this registration statement and additional registration statements relating to the same offering, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

DATE: December 13, 2002

          /s/ S. Robson Walton

S. Robson Walton  
Chairman of the Board and Director

DATE: December 13, 2002

          /s/ H. Lee Scott, Jr.

H. Lee Scott, Jr.  
President, Chief Executive Officer and Director

DATE: December 13, 2002

          /s/ Thomas M. Schoewe

Thomas M. Schoewe  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

DATE: December 13, 2002

          /s/ James A. Walker, Jr.

James A. Walker, Jr.  
Senior Vice President and Controller  
(Principal Accounting Officer)

DATE: December 13, 2002

          /s/ James W. Breyer

James W. Breyer  
Director

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DATE: December , 2002

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John T. Chambers  
Director

DATE: December 13, 2002

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/s/ Thomas M. Coughlin

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Thomas M. Coughlin  
Director

DATE: December , 2002

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Stephen Friedman  
Director

DATE: December 13, 2002

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/s/ Stanley C. Gault

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Stanley C. Gault  
Director

DATE: December 13, 2002

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/s/ David D. Glass

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David D. Glass  
Director

DATE: December 13, 2002

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/s/ Roland A. Hernandez

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Roland A. Hernandez  
Director

DATE: December , 2002

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Dawn G. Lepore  
Director

DATE: December 13, 2002

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/s/ J. Paul Reason

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J. Paul Reason  
Director

DATE: December 13, 2002

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/s/ Elizabeth A. Sanders

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Elizabeth A. Sanders  
Director

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DATE: December 13, 2002

/s/ Jack C. Shewmaker

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Jack C. Shewmaker  
Director

DATE: December , 2002

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José H. Villarreal  
Director

DATE: December 13, 2002

/s/ John T. Walton

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John T. Walton  
Director

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**EXHIBIT 4.5**

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**WAL-MART STORES, INC.,**

and

**BANK ONE TRUST COMPANY, NA,**

**as Indenture Trustee**

**INDENTURE**

**Dated as of December 11, 2002**

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\*This cross-reference table shall not, for any purpose, be deemed to be part of this Indenture.

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THIS INDENTURE, dated as of December 11, 2002, is made by and between Wal-Mart Stores, Inc., a Delaware corporation (the "Company"), which has its principal executive office at 702 SW 8th Street, Bentonville, Arkansas 72716 and Bank One Trust Company, NA, a national banking association, which has its principal corporate trust office at 70 West Madison, Suite IL1-0823, Chicago, Illinois 60670-0823 (the "Trustee").

## RECITALS OF THE COMPANY

The Company deems it necessary from time to time to issue its unsecured notes, debentures, bonds and other evidences of indebtedness that shall be issued in one or more Series (hereinafter called the "Securities") as hereinafter set forth. To provide for the issuance and governance of the Securities, the Company has duly authorized the execution and delivery of this Indenture. The Company has taken all actions necessary to make this Indenture a valid agreement of the Company.

For and in consideration of the premises set forth in this Indenture and the purchase of the Securities by the Holders thereof, the Company and the Trustee mutually covenant and agree for the equal and proportionate benefit of all Holders of the Securities and of any Series thereof, as follows:

## ARTICLE ONE

### Definitions and Other Provisions of General Application

SECTION 1.01. Definitions. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires or any Security issued hereunder shall expressly define a term defined below in a different manner:

(i) the term "this Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more Supplemental Indentures entered into pursuant to the applicable provisions hereof and, with reference and respect to the Securities of any Series, the particular terms and conditions of that Series as established in accordance with Section 3.01;

(ii) all references in this Indenture to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Indenture. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision of this Indenture;

(iii) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(iv) all other terms used herein that are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them in the Trust Indenture Act; and

(v) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles, and, except as may be otherwise expressly provided herein or in one or more Supplemental Indentures, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted at the date of such computation.

"Act," when used with respect to any Holder, has the meaning specified in Section 1.04.

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

"Authenticating Agent" means any Person authorized, pursuant to Section 8.14, to act on behalf of the Trustee to authenticate Securities.

"Authorized Newspaper" means a newspaper, in an official language of the country of publication or in the English language, customarily published on each Business Day, whether or not published on Saturdays, Sundays or holidays, and of general circulation in the place in connection with which the term is used or in the financial community of such place. Where successive publications are required to be made in Authorized Newspapers, the successive publications may be made in the same or in different newspapers in the same city meeting the foregoing requirements and in each case on any Business Day.

"Authorized Officer," means each of the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, any Vice Chairman of the Board, the Chief Financial Officer, any Executive or Senior Vice President, the Controller, the Treasurer and the Vice President of Planning and Analysis of the Company.

"Board of Directors" means, the board of directors of the Company, the executive committee of the board of directors of the Company or any other committee of the board of directors of the Company or any other group of the Company's directors, which other committee or group has been duly authorized by the Company's board of directors or to which the Company's board of directors has delegated the authority, either generally or specifically, to make a decision on the matter in question or to bind the Company as to the matter in question.

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

"Business Day" means any day, other than a Saturday or Sunday, on which banking institutions in the City of New York, New York and any Place of Payment for the Securities are open for business.

"Clearstream, Luxembourg" means Clearstream Banking, Luxembourg, societe anonyme or its successors.

"Commission" means the United States Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or if any time after the execution and delivery of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Company" has the meaning assigned to it in the first paragraph of this instrument until any successor entity or other business organization shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean any such successor entity or other business organization to the Person named in the first paragraph of this instrument.

"Company Request" and "Company Order" mean, respectively, a written request or order signed in the name of the Company by an Authorized Officer, and delivered to the Trustee.

"corporation" includes corporations, companies limited by shares, partnerships, limited liability companies, joint ventures, associations, joint-stock companies, real estate investment trusts and business trusts.

"Defaulted Interest" has the meaning specified in Section 3.08.

"Definitive Security" means one or more certificated Securities registered in the name of the Holder thereof and issued in accordance with Section 3.06.

"Depository" means, with respect to the Securities of any Series issuable or issued in the form of a Global Security, the Person initially designated as the depository for the Securities of that Series by the Company pursuant to Section 3.01 until a successor Depository shall have been appointed for the Securities of that Series pursuant to Section 3.06, and thereafter "Depository" shall mean or include each Person who is appointed as a depository with respect to the Securities of that Series pursuant to Section 3.06.

"Designated Currency" has the meaning specified in Section 3.12.

"Dollar" or "\$" means the coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

"Euroclear" means Euroclear Bank S.A./N.V.

"Event of Default" has the meaning specified in Section 7.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and any statute successor thereto.

"Exchange Rate" means, with respect to any Securities of a Series that are denominated in the currency of one country, a common currency or a composite currency, but are required to be paid in, or, at the option of the Holders of the Securities, will be payable in, the currency of another country, a common currency or a composite currency, the rate at which the currency, the common currency or the composite currency of denomination will be converted into the currency, the common currency or the composite currency of payment or determined in accordance with the terms of those Securities.

"Exchange Rate Agent" means an agent appointed to determine the Exchange Rate if it is not expressly stated in the terms of any Security and to calculate the amounts payable under a Security if payable in the currency of a country, a common currency or a composite currency other than the currency in which that Security is denominated.

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

"Foreign Currency" means a currency issued by the government of any country other than the United States of America, including any common currency and composite currency.

"Global Exchange Date" has the meaning specified in Section 3.05(b)(ii).

"Global Security" means a Security issued to evidence all or a part of the Securities of a Series in accordance with Section 3.03.

"Government Securities" means (i) direct obligations of the United States of America, (ii) obligations the timely payment of the principal of and interest on which is fully and unconditionally guaranteed by the United States of America, and (iii) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (i) or (ii) above or in any specific principal or interest payments due in respect thereof.

"Holder" with respect to a Registered Security, means a Person in whose name such Registered Security is registered in the Registry.

"interest," when used with respect to an Original Issue Discount Security that by its terms bears interest only after Maturity, means the interest accruing with respect to that Security after Maturity.

"Interest Payment Date" means, with respect to any Series of Securities, the Stated Maturity of an installment of interest on such Securities.

"Maturity" means, with respect to any Security, the date on which the principal of that Security (or any installment of principal) becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, pursuant to any redemption right, pursuant to any put or repurchase right or otherwise.

"Officers' Certificate" means a certificate signed by an Authorized Officer or Vice President, and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary of

the Company, and delivered to the Trustee. Each such certificate shall contain the statements set forth in Section 1.02, if applicable.

"Opinion of Counsel" means a written opinion of counsel, who may (except as otherwise expressly provided in this Indenture) be an employee of the Company, and who shall be reasonably acceptable to the Trustee. Each such opinion shall contain the statements set forth in Section 1.02, if applicable.

"Original Issue Discount Security" means any Security that provides for an amount less than the principal amount thereof that will be due and payable on the Stated Maturity to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 7.02.

"Outstanding" means, with respect to all Securities issued pursuant to this Indenture or the Securities of any Series, as of the date of determination, all such Securities theretofore authenticated and delivered under this Indenture, except:

(i) those Securities theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(ii) those Securities for whose payment, redemption or repurchase money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; provided that, if such Securities are to be redeemed pursuant to any redemptive right, or repurchased pursuant to any payment or repurchase right, notice of such redemption has been duly given pursuant to this Indenture or a provision therefor satisfactory to the Trustee has been made; and

(iii) such Securities in lieu of which other Securities have been authenticated and delivered pursuant to Section 3.07 of this Indenture;

provided, however, that in determining whether the Holders of the requisite principal amount of such Securities Outstanding have given or made any request, demand, authorization, direction, notice, consent or waiver hereunder or whether a quorum is present at a meeting of Holders of Securities, the principal amount of Original Issue Discount Securities that shall be deemed to be Outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the Maturity thereof pursuant to Section 7.02, and Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities that a Responsible Officer of the Trustee actually knows to be so owned shall be disregarded. Securities so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the securities of any affiliate of the Company or such other obligor.

"Participant" means, with respect to the Depository, a Person who maintains an account with the Depository, respectively (and, with respect to The Depository Trust Company, shall include Euroclear and Clearstream, Luxembourg) as a participant in the Depository.

"Paying Agent" shall have the meaning specified in Section 3.04.

"Person" means any individual, corporation, company limited by shares, partnership, limited liability company, joint venture, association, joint-stock company, trust, real estate investment trust, business trust, unincorporated organization or government or any agency or political subdivision thereof.

"Place of Payment" means, with respect to the Securities of any Series, the place or places where, subject to the provisions of Sections 3.04 and 5.02, the principal of, premium, if any, and interest on the Securities of that Series are payable as specified in accordance with the terms of the Securities of that Series.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and for the purposes of this definition, any Security authenticated and delivered under Section 3.07 in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Principal Corporate Trust Office" means the office of the Trustee, at which at any particular time its corporate trust business shall be principally administered, which office at the date of execution of this instrument is at the address set forth in the first paragraph of this instrument.

"Principal Paying Agent" means the Paying Agent, if any, designated as such by the Company pursuant to Section 3.01 of this Indenture.

"Redemption Date" means, with respect to any Security to be redeemed, the date fixed for such redemption pursuant to this Indenture.

"Redemption Price" means, with respect to any Security to be redeemed, the price specified in, or determined in accordance with the terms of, such Security at which it is to be redeemed pursuant to such Security and this Indenture.

"Registered Security" means any Security in the form established pursuant to Section 2.02 that is registered in the Register.

"Registrar" shall have the meaning specified in Section 3.04.

"Registry" shall have the meaning specified in Section 3.04.

"Regular Record Date" for the interest payable on any Security on any Interest Payment Date means the date, if any, specified in such Security as the "Regular Record Date" or as the "Record Date."

"Repurchase Date" means, with respect to any Security to be repurchased, the date fixed for such repurchase pursuant to the terms of that Security and this Indenture.

"Repurchase Price" means, with respect to any Security to be repurchased pursuant to the terms of that Security and this Indenture, the price specified in, or determined in accordance with the terms of, such Security at which it is to be repurchased pursuant to the terms of that Security and this Indenture.

"Responsible Officer" means, when used with respect to the Trustee, any officer of the Trustee with direct responsibility for the administration of this Indenture and also means, with respect to a particular corporate trust matter, any other officer of the Trustee to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

"Security" or "Securities" means any Security or Securities, as the case may be, authenticated and delivered under this Indenture; provided, however, that, if at any time more than one Person is acting as Trustee under this Indenture, "Securities," with respect to any such Person, shall mean Securities authenticated and delivered under this Indenture, exclusive, however, of Securities of any Series as to which such Person is not Trustee.

"Series" means a series of Securities designated or established pursuant to Section 3.01, all of which Securities in such series shall have like terms and conditions (other than the principal amount thereof).

"Series Terms Certificate" has the meaning specified in Section 3.01.

"Special Record Date" means the date fixed by the Trustee pursuant to Section 3.08 for the payment of any Defaulted Interest.

"Stated Maturity" means, when used with respect to any Security of any Series or any payment or installment of principal thereof or interest payable pursuant to the Security, the date specified in such Security as the fixed date on which the principal of such Security or such installment of principal or interest payable pursuant to that Security, is due and payable.

"Subsidiary" means, with respect to the Company, a corporation, limited liability company, company limited by shares, trust, real estate investment trust, business trust, partnership, joint stock company, or unincorporated association, at least a majority of the outstanding voting equity interests of which are owned, directly or indirectly, by the Company, or by the Company and one or more other Subsidiaries of the Company. For purposes of this definition, the term "voting equity interests" means equity interests having ordinary voting power for the election of directors, managers, trustees or other Persons in which the power to manage the entity issuing such equity interests is vested, irrespective of whether or not equity interests of any other class or classes shall have or might have voting power by reason of the occurrence of any contingency.

"Supplemental Indenture" means an indenture supplemental to this Indenture, which supplements, amends or modifies this Indenture and is entered into by the parties to this Indenture as provided in Article Nine.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have become the Trustee pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean or include each Person who is then a Trustee hereunder, and if at any time there is more than one such Person, "Trustee" as used with respect to the Securities of any Series shall mean the Trustee with respect to Securities of that Series.

"Trust Indenture Act" or "TIA" means the Trust Indenture Act of 1939, as in force at the date as of which this instrument was executed, and, to the extent required by law, as amended.

"United States" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

"United States Alien" means, except as otherwise provided in or pursuant to this Indenture, any Person who, for United States Federal income tax purposes, is a foreign corporation, a nonresident alien individual, a nonresident alien fiduciary of a foreign estate or trust, or a foreign partnership, one or more of the members of which is, for United States Federal income tax purposes, a foreign corporation, a nonresident alien individual or a nonresident alien fiduciary of a foreign estate or trust.

"Vice President," when used with respect to the Company or the Trustee, means any Vice President, whether or not designated by a number or a word or words added before or after the title "Vice President."

SECTION 1.02. Compliance Certificates and Opinions. Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition provided for in this Indenture (except as otherwise expressly provided in this Indenture or a certificate provided pursuant to TIA (S)314(a)(4)) shall comply with the provisions of TIA (S)314(e) and shall include:

- (i) a statement that each individual signing such certificate or opinion has read such condition or covenant and the definitions herein relating thereto;
- (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (iii) a statement which, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such condition or covenant has been complied with; and

(iv) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 1.03. Form of Documents Delivered to Trustee. (a) In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

(b) Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate provided by counsel or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company, stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

(c) Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 1.04. Acts of Holders. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture or in the Securities of any Series to be given or taken by Holders or Holders of the Securities of that Series may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing or, if such is authorized by the vote of the Holders at a meeting of the Holders duly called in accordance with the provisions of Article Fourteen, a record of the actions taken by the Holders at that meeting. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee, and, where it is hereby expressly required, to the Company. Such instrument or instruments and any such record (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments and so voting at any such meeting. Proof of execution of any such instrument or of a writing appointing any such agent, or any such Person being a Holder of a Security, shall be sufficient for any purpose of this Indenture and (subject to Section 8.01) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section. The record of any meeting of Holders of Securities shall be proved in the manner provided in Section 14.06.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying

that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit shall also constitute proof of the authority of the Person executing the same. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner that the Trustee deems sufficient.

(c) The ownership of Registered Securities shall be proved by the Registry.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, in respect of any action taken, suffered or omitted by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

(e) For purposes of determining the principal amount of Outstanding Securities of any Series the Holders of which are required, requested or permitted to give any request, demand, authorization, direction, notice, consent, waiver or take any other Act under the Indenture, each Security denominated in a Foreign Currency or composite currency shall be deemed to have the principal amount determined by the Exchange Rate Agent by converting the principal amount of such Security in the currency in which such Security is denominated into Dollars at the Exchange Rate as of the date such Act is delivered to the Trustee and, where it is hereby expressly required, to the Company, by Holders of the required aggregate principal amount of the Outstanding Securities of such Series (or, if there is no such rate on such date, such rate on the date determined as specified as contemplated in Section 3.01).

(f) The Company may, in the circumstances permitted by the Trust Indenture Act, set a record date for purposes of determining the identity of Holders of Securities of any Series entitled to give any request, demand, authorization, direction, notice, consent, waiver or take any other Act, or to vote or consent to any action by vote or consent authorized or permitted to be given or taken by Holders of Securities of such Series. If not set by the Company prior to the first solicitation of a Holder of Securities of such Series made by any Person in respect of any such action, or in the case of any such vote, prior to such vote, such record date shall be the later of 30 days prior to the first solicitation of such consent or the date of the most recent list of Holders of such Securities furnished to the Trustee pursuant to Section 6.01 prior to the commencement of such solicitation.

(g) Without limiting the foregoing, a Holder entitled hereunder to take any action hereunder with regard to any particular Security may do so with regard to all or any part of the principal amount of such Security or by one or more duly appointed agents, each of which may do so pursuant to such appointment with regard to all or any part of such principal amount. Any notice given or action taken by a Holder or its agents with regard to different parts of such principal amount pursuant to this paragraph shall have the same effect as if given or taken by separate Holders of each such different part.

(h) Without limiting the generality of the foregoing, unless otherwise specified pursuant to Section 3.01 or pursuant to one or more Supplemental Indentures, a Holder,

including a Depositary that is the Holder of a Global Security, may make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders, and a Depositary that is the Holder of a Global Security may provide its proxy or proxies to the beneficial owners of interests in any such Global Security through such Depositary's standing instructions and customary practices.

(i) The Company may fix a record date for the purpose of determining the Persons who are beneficial owners of interests in any Global Security held by a Depositary entitled under the procedures of such Depositary to make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders. If such a record date is fixed, the Holders on such record date or their duly appointed proxy or proxies, and only such Persons, shall be entitled to make, give or take such request, demand, authorization, direction, notice, consent, waiver or other action, whether or not such Holders remain Holders after such record date. No such request, demand, authorization, direction, notice, consent, waiver or other action shall be valid or effective if made, given or taken more than 90 days after such record date.

SECTION 1.05. Notices, etc., to Trustee and Company. Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with:

(i) the Trustee by any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Principal Corporate Trust Office, Attention: Corporate Trustee Administration Department; or

(ii) the Company by any Holder or by the Trustee shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, by certified or registered mail, with the postage prepaid, to the Company, to the attention of its Treasurer, or by an overnight delivery service that provides for confirmed receipts of delivery addressed to it at the address of its principal office specified in the first paragraph of this Indenture or at any other address previously furnished in writing to the Trustee by the Company.

SECTION 1.06. Notices to Holders; Waiver. Where this Indenture or any Security provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein or in such Security expressly provided) if in writing and mailed, first class, postage prepaid, to each Holder of Registered Securities affected by such event, at the Holder's address as it appears in the Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice to Holders of Registered Securities by mail, then such notification as shall be made at a time and in a manner approved by the Trustee shall constitute a sufficient notification for every purpose hereunder. In any case where notice to Holders of Registered Securities is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder of

Registered Securities shall affect the sufficiency of such notice with respect to other Holders of Registered Securities.

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

SECTION 1.07. Language of Notices, etc. Any request, demand, authorization, direction, notice, consent, or waiver required or permitted under this Indenture shall be in the English language, except that any published notice may be in an official language of the country of publication.

SECTION 1.08. Conflict with Trust Indenture Act. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with the duties imposed by, or with another provision (an "incorporated provision") included in this Indenture by operation of, Sections 310 to 318, inclusive, of the TIA, such imposed duties or incorporated provision shall control.

SECTION 1.09. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience of reference only and shall not affect the construction hereof.

SECTION 1.10. Successors and Assigns. All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 1.11. Severability Clause. In case any provision in this Indenture or in the Securities of any Series shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 1.12. Benefits of Indenture. Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 1.13. Legal Holidays. Unless otherwise provided as contemplated by Section 3.01 with respect to any Series of Securities, in any case where any Interest Payment Date, Stated Maturity, Repurchase Date or Redemption Date of any Security or any date on which any Defaulted Interest is proposed to be paid shall not be a Business Day at any Place of Payment, then (notwithstanding any other provisions of the Securities or this Indenture) payment of the principal of, premium, if any, or interest on any Securities need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date, Stated Maturity, Repurchase Date or Redemption Date or on the date on which Defaulted Interest is proposed to be paid, and, if such payment is made, no interest shall accrue on such payment for the period from and after any such

Interest Payment Date, Stated Maturity, Repurchase Date or Redemption Date, or date on which Defaulted Interest is proposed to be paid, as the case may be.

SECTION 1.14. Governing Law. This Indenture and each of the Securities shall be construed in accordance with and governed by the laws of the State of New York.

SECTION 1.15. Submission to Jurisdiction. Each of the parties hereto agrees that any suit, action or proceeding arising out of or based upon this Indenture, the Securities or the transactions contemplated hereby or thereby, may be instituted in any of the courts of the State of New York and the United States District Courts, in each case located in the Borough of Manhattan, The City of New York. In addition, each such party irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of such suit, action or proceeding brought in any such court and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Each such party hereby irrevocably waives any and all right to trial by jury in any suit, action or proceeding arising out of or relating to this Indenture, the Securities or the transactions contemplated hereby or thereby. Each such party agrees that final judgment in any suit, action or proceeding brought in such a court shall be conclusive and binding upon it and may be enforced in any court to whose jurisdiction it is subject by a suit upon such judgment.

For purposes of any such suit, action or proceeding brought in any of the foregoing courts, the Company irrevocably designates CSC Corporation Service Company, whose address on the date hereof is 80 State Street, Albany, New York 12207-2543, U.S.A., to receive for and on behalf of it and its property service of copies of the summons and complaints and any other process, by personal service or by mail, which may be served in any such suit, action or proceeding. Such service may be made by mailing or delivering a copy of such process to such agent at the above address. In the event that such agent for service of process resigns or ceases to serve as the agent of the Company, the Company agrees to give notice (as provided herein) to the Trustee of the name and address of any new agent for service of process with respect to it appointed hereunder. The Company agrees that the failure of its agent for service of process to forward such service to it shall not impair or affect the validity of such service or of any judgment based thereof.

If, despite the foregoing, in any such suit, action or proceeding brought in any of the aforesaid courts, there is for any reason no such agent for service of process for each of the parties available to be served, then to the extent that service of process by mail shall then be permitted by applicable law, each of such parties further irrevocably consents to the service of process on it in any such suit, action or proceeding in any such court by the mailing thereof by registered or certified mail, postage prepaid, to it at its address given in or pursuant to Section 1.05 hereof.

Nothing herein contained shall preclude any party from effecting service of process in any lawful manner or from bringing any suit, action or proceeding in respect of this Indenture in any other state, country or jurisdiction.

To the extent that the Company may in any jurisdiction claim for itself or its property any immunity from suit, execution, attachment (whether in aid of execution, before judgment or

otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its property such immunity (whether or not claimed), the Company irrevocably agrees not to claim and irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction.

## **ARTICLE TWO**

### **Forms of the Securities**

SECTION 2.01. Forms Generally. (a) All Securities shall have such appropriate terms, insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange and the Depositary, if any, for Securities of a Series or as may, consistently herewith, be determined by the Authorized Officers executing such Securities, as evidenced by their execution of the Securities.

(b) Unless otherwise provided as contemplated by Section 3.01 with respect to any Series of Securities, the Securities of each Series shall be issuable in registered form without coupons.

(c) The Securities shall be printed, typewritten, lithographed or engraved or produced by any combination of these methods on any type of paper, as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

SECTION 2.02. Form of Securities. Each Security in a Series shall be in a form approved by or pursuant to a Supplemental Indenture or a Board Resolution or by an Authorized Officer or Authorized Officers pursuant to authority delegated to that Authorized Officer or those Authorized Officers pursuant to a Board Resolution. If the form of the Securities of a Series is not prescribed by the Supplemental Indenture relating to that Series, upon or prior to the delivery to the Trustee for authentication of the first Security to be issued of that Series, the Company shall deliver to the Trustee, the Board Resolution by or pursuant to which such form of the Security for that Series has been approved, which Board Resolution shall have attached thereto a copy of the form of the Security approved, or a certificate of an Authorized Officer, attested to by the Secretary or an Assistant Secretary of the Company, certifying that an Authorized Officer, acting pursuant to delegated authority from the Board of Directors, approved the form of the Securities of that Series and attaching a copy of the form of the Security approved and a true and complete copy of the resolutions of the Board of Directors delegating authority to that Authorized Officer to approve the form of Securities. If temporary Securities of any Series are issued in global form as permitted by Section 3.05, the form thereof also shall be established as provided in this Section 2.02.

SECTION 2.03. Form of Trustee's Certificate of Authentication. The Trustee's certificates of authentication on the Securities issued pursuant to this Indenture shall be in substantially the following form:

## TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the Series designated herein referred to in the within-mentioned Indenture.

Bank One Trust Company, N.A, as Trustee,

By \_\_\_\_\_ Authorized Signatory

SECTION 2.04. Global Securities. If Securities of a Series are issuable in whole or in part in global form, as specified as contemplated by Section 3.01, then, notwithstanding clause (xiv) of Section 3.01 and the provisions of Section 3.02, such Global Security shall represent such of the outstanding Securities of that Series as shall be specified in such Global Security and may provide that it shall represent the aggregate amount of Outstanding Securities from time to time endorsed thereon and that the aggregate amount of Outstanding Securities represented thereby may from time to time be reduced or increased to reflect exchanges or partial redemptions or increased to reflect the issuance of additional uncertificated Securities of that Series. Any endorsement of a Global Security to reflect the amount, or any increase or decrease in the amount, of Outstanding Securities of a Series represented thereby shall be made in such manner and upon instructions given by such Person or Persons as shall be specified therein or in the Company Order to be delivered to the Trustee pursuant to Section 3.03 or Section 3.05.

Global Securities shall be issued in registered form and in either temporary or permanent form.

### ARTICLE THREE

#### The Securities

SECTION 3.01. Terms of Securities. The aggregate principal amount of Securities that may be authenticated and delivered under this Indenture is unlimited. The Company may issue up to the aggregate principal amount of Securities from time to time authorized by or pursuant to one or more Board Resolutions of the Company.

The Securities of the Company may be issued in one or more Series. All Securities of each Series issued under this Indenture shall in all respects be equally and ratably entitled to the benefits hereof with respect to that Series without preference, priority or distinction on account of the actual time or times of the authentication and delivery or Maturity of the Securities of such Series. Unless expressly provided otherwise with respect to a Series, not all Securities of a Series need be issued at the same time, and, unless otherwise provided in the Securities of that Series or in this Indenture, a Series may be reopened and the aggregate principal amount of the Securities of a Series may be increased and additional Securities of that Series may be issued up to a maximum aggregate principal amount authorized for that Series, as that maximum aggregate principal amount may be increased from time to time. All Securities of a Series shall rank

equally among themselves and with the other existing and future unsecured, unsubordinated indebtedness of the Company.

The Company may from time to time establish one or more Series pursuant to this Indenture. A Series shall be established by (1) the execution and delivery of a Supplemental Indenture or (2) the adoption of a Board Resolution by the Board of Directors establishing that Series. The specific terms and conditions of the Securities of any Series established shall be determined and set either (1) by the Supplemental Indenture that establishes the Series, (2) if the Series is established by a Supplemental Indenture, to the extent that those specific terms and conditions are not determined and set by that Supplemental Indenture, by the adoption of a Board Resolution or Board Resolutions by the Board of Directors and, to the extent that those specific terms and conditions are not determined and set by the Supplemental Indenture or by the adoption of a Board Resolution or Board Resolutions by the Board of Directors or by a combination of those means of determining and setting the specific terms and conditions of the Securities of that Series, by the action of one or more Authorized Officers pursuant to authority to determine and set the specific terms and conditions of the Securities of that Series specifically delegated by the Board of Directors to that Authorized Officer or those Authorized Officers or (3) if the Series is established by action of the Board of Directors, to the extent that those specific terms and conditions are not set by the adoption of a Board Resolution or Board Resolutions by the Board of Directors, by the action of one or more Authorized Officers pursuant to authority to determine and set the specific terms and conditions of the Securities of that Series specifically delegated by the Board of Directors to that Authorized Officer or those Authorized Officers. If the specific terms and specific conditions of the Securities of a Series are determined and set by action of the Board of Directors, that action shall be evidenced by a Board Resolution. If the specific terms and conditions of the Securities of a Series established by action of the Board of Directors are determined and set by an Authorized Officer or Authorized Officers pursuant to authority delegated to them by the Board of Directors, that action shall be evidenced by a certificate executed by the Authorized Officer or Authorized Officers determining and setting those terms and conditions, which certificate shall also be attested to by the Secretary or an Assistant Secretary of the Company (a "Series Terms Certificate"). If the specific terms and conditions of the Securities of a Series established by action of the Board of Directors are determined and set by an Authorized Officer or Authorized Officers pursuant to authority delegated to them by the Board of Directors and a Series Terms Certificate has been delivered in connection with the establishment of the terms and conditions of the Securities of a Series and the issuance of the Securities of that Series, an additional Series Term Certificate shall not be required to be delivered in connection with any subsequent issuance of additional Securities of that Series.

Upon a Series being established and the specific terms and conditions of the Securities of that Series being determined and set otherwise than through a Supplemental Indenture, the Company shall cause to be delivered to the Trustee an Officers' Certificate of the Company signed by an Authorized Officer and attested to by the Secretary or Assistant Secretary of the Company certifying that the Series has been established and the specific terms and conditions of the Securities of the Series have been determined and set and attaching to that Officers' Certificate (1) the Board Resolution establishing the Series, (2) the Board Resolution or Board Resolutions determining and setting the specific terms and conditions of the Securities of that Series or providing for the delegation of authority to one or more Authorized Officers to

determine and set the specific terms and conditions of the Securities of that Series and (3) if an Authorized Officer or Authorized Officers has determined and set the specific terms and conditions of the Securities of that Series, attaching the Series Terms Certificate evidencing the action of that Authorized Officer or those Authorized Officers. The Officers' Certificate of the Company that is required to be delivered to the Trustee in accordance with the immediately preceding sentence, may be provided before or at the time of the consummation of the first issuance of Securities of the Series to which the Officers' Certificate relates.

Each Board Resolution of the Company determining and setting the specific terms and conditions of the Securities of a Series and each Series Terms Certificate shall set forth therein, and each Supplemental Indenture setting forth the terms and conditions of the Securities of a Series, shall set forth the following information as to the terms and conditions of that Series:

- (i) the title of the Securities of the Series (which shall distinguish the Securities of the Series from all other Securities);
- (ii) if any limit has been established upon the aggregate principal amount or aggregate initial public offering price of the Securities of the Series that may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of that Series pursuant to this Article Three or Sections 4.07 or 9.06), the maximum aggregate principal amount or aggregate initial public offering price of the Securities of the Series that may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of that Series pursuant to this Article Three or Sections 4.07 or 9.06);
- (iii) if any priority of payment is set for the Securities of the Series, the nature and terms of that priority of payment set for the Securities of the Series;
- (iv) the date or dates on which the principal of and premium, if any, on the Securities of the Series or each installment of the principal of the Securities of the Series is payable;
- (v) the rate or rates, if any, at which the Securities of the Series shall bear interest, or the method or methods by which the rate or rates, if any, at which the Securities of the Series shall bear interest may be determined, the date or dates from which any interest shall accrue, the Interest Payment Dates on which any accrued interest shall be payable, the Regular Record Date for the interest payable on any Interest Payment Date and the basis upon which interest shall be calculated if other than that of a 360-day year consisting of twelve 30-day months;
- (vi) if any of the Securities of the Series will be issued as Original Issue Discount Securities, the terms on which such Securities of the Series will be issued as Original Discount Securities and the portion of the principal amount as shown on the face of those Securities that shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 7.02 or at the time of any prepayment of those Securities or

the method or methods for determining that portion of that principal amount payable at any of those times;

(vii) if the Company will have the right to prepay the Securities of the Series in whole or in part, the terms on which the Company may prepay the Securities of the Series in whole or in part, the time or times at which any such prepayment may be made, whether the prepayment may be made in whole or may be made in part from time to time and the terms and conditions on which such prepayment may be made, including the obligation to pay any premium, any break funding costs or any make-whole amount;

(viii) if any Securities of the Series will be issuable in temporary or permanent global form, the extent to which any of the Securities of the Series will be issuable in temporary or permanent global form, the Depositary or Depositaries for such Global Security or Global Securities, the terms and conditions, if any, upon which such Global Security may be exchanged in whole or in part for Definitive Securities, and the manner in which any interest payable on a temporary or permanent Global Security will be paid, whether or not consistent with Section 3.05 or 3.06;

(vix) the office or offices or agency where, subject to Sections 3.04 and 5.02, the Securities may be presented for registration of transfer or exchange;

(x) the place or places where, subject to the provisions of Sections 3.04 and 5.02, the principal of and premium, if any and interest, if any, on Securities of the Series shall be payable;

(xi) if the Company will have any right to redeem or repurchase the Securities of the Series, in whole or in part, at its option, the terms of the right or rights of the Company to redeem or repurchase the Securities of the Series, in whole or in part, at its option, the time or times or the period or periods within which, the price or prices at which, or the method or methods for determining the price or prices at which, and the terms and conditions upon which, Securities of the Series may be redeemed or repurchased by the Company at its option;

(xii) if the Company will be obligated to redeem or repurchase any Securities of the Series, the terms upon which the Company will be obligated to repurchase or redeem Securities of the Series, whether pursuant to any sinking fund or analogous provisions or without the benefit of any sinking fund or analogous provisions, stating whether each such redemption will be at the option of a Holder of any Security of a Series or upon the occurrence of any stated event or satisfaction of any condition or conditions, the time or times or the period or periods within which, the price or prices at which, or the method or methods for determining the price or prices at which, and the terms and conditions upon which, the Securities of the Series shall be redeemed, repaid or repurchased, in whole or in part, pursuant to such obligation;

(xiii) if any Securities of the Series will be convertible into any other securities of the Company or exchangeable for other securities of the Company or any other Person, the terms on which any Securities of the Series will be convertible into any other

securities of the Company or exchangeable for other securities of the Company or any other Person, the conversion or exchange price or prices or conversion or exchange ratio or ratios, when such conversion or exchange may occur, or the method or methods of determining that price or prices or that ratio or ratios and the other terms and conditions, including anti-dilution terms, upon which any conversion or exchange may occur;

(xiv) if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which Registered Securities of the Series shall be issuable;

(xv) the currency or currencies in which payment of the principal of, and premium, if any, interest on and any other amounts owing with respect to the Securities of that Series will be made, which may be in Dollars, a Foreign Currency or composite currency, any currency or currencies, if any, in which, at the election of each of the Holders thereof, payment of the principal of, and premium, if any, the interest and any other amounts owing with respect to Registered Securities, may be payable which may be in Dollars, Foreign Currency or composite currency, and the periods within which and the terms and conditions upon which such election is to be made, the Exchange Rate for calculating the amount of the payment in a currency other than the currency or currencies in which the Securities of that Series are denominated or, if the Exchange Rate is not expressly stated in the Securities of that Series, the method or methods for determining the Exchange Rate, the Exchange Rate Agent, and if any payment may be made in a composite currency, the agency or organization, if any, responsible for overseeing such composite currency;

(xvi) if the amount of payments of principal of, premium, if any, or any interest on Securities of the Series may be determined with reference to an index, the method or methods by which such amounts shall be determined;

(xvii) if the Securities of the Series will be subordinated in right of payment to other Securities or other indebtedness of the Company, the terms and conditions of that subordination;

(xviii) if additional amounts will be payable to Holders of Securities of the Series pursuant to Section 5.04, the terms (other than the terms expressly set forth in Section 5.04) upon, and conditions under, which such additional amounts will be payable;

(xix) if any Securities of the Series will be issued on a book--entry only basis, any appropriate information with respect to book-entry procedures to the extent that the book--entry procedures relating to those Securities of the Series will deviate from customary book--entry procedures in effect at the time at which the terms and conditions of the Securities of the Series are established;

(xx) any addition to or change in the Events of Default or covenants of the Company set forth in this Indenture pertaining to the Securities of the Series;

(xxi) whether the Securities of the Series will be subject to the defeasance provisions of Article Eleven or the terms, if any, on which they may otherwise be defeasible; and

(xxii) any other terms and conditions of the Series (which terms and conditions shall not be inconsistent with the provisions of this Indenture).

All Securities of any one Series shall be substantially identical except, in the case of Registered Securities, as to denomination and except as may otherwise be provided in or pursuant to the Officers' Certificate of the Company relating to the Series provided to the Trustee pursuant to this Section 3.01 and set forth or determined in the manner provided in that Officers' Certificate or in this Indenture or any Supplemental Indenture.

Securities of any particular Series may be issued at various times, with different dates on which the principal or any installment of principal is payable, with different rates of interest, if any, or different methods by which rates of interest may be determined, with different dates on which such interest may be payable and with different Redemption Dates or Repurchase Dates and may be denominated in different currencies or payable in different currencies.

**SECTION 3.02. Denominations.** The Securities of each Series shall be issuable in such form and denominations determined as contemplated by Section

3.01. In the absence of any specification with respect to the Securities of any Series, the Registered Securities of each Series shall be issuable only as Securities without coupons in denominations of \$1,000 and any integral multiple thereof.

**SECTION 3.03. Execution, Authentication, Delivery and Dating.**

(a) The Securities shall be executed on behalf of the Company by one of its Authorized Officers or such other officer or agent to which the authority to execute such Securities is delegated by the Board of Directors, and by its Secretary or one of its Assistant Secretaries. The signatures of any or all of these officers or agents on the Securities may be manual or facsimile. Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers or authorized agents of the Company shall bind the Company, notwithstanding that one or more of those individuals have ceased to hold a proper office prior to the authentication and delivery of such Securities or did not hold such offices or, in the case of an agent, continue to have proper authority at the date of such Securities.

(b) At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any Series, executed by the Company to the Trustee for authentication, together with a Company Order, for the authentication and delivery of such Securities, and the Trustee shall, upon receipt of the Company Order, authenticate and deliver such Securities as this Indenture provides and not otherwise.

If the Company shall establish pursuant to Section 3.01 that the Securities of a Series are to be issued in whole or in part in the form of one or more Global Securities, then the Company shall execute and the Trustee shall, in accordance with this Section and a Company Order of the Company for the authentication and delivery of such Global Securities with respect to that

Series, authenticate and deliver one or more Global Securities in permanent or temporary form, and such Global Securities (i) shall represent and shall be denominated in an aggregate amount equal to the aggregate principal amount of the Outstanding Securities of such Series to be represented by one or more Global Securities, (ii) shall be registered, if in registered form, in the name of the Depositary for such Global Security or Global Securities or the nominee of such Depositary, and (iii) shall be delivered by the Trustee to such Depositary or pursuant to such Depositary's instructions.

Each Depositary designated pursuant to Section 3.01 for a Global Security in registered form must, at the time of its designation and at all times while it serves as Depositary, be a clearing agency registered under the Exchange Act and any other applicable statute or regulation.

In authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 8.01) shall be fully protected in relying upon,

(a) an Officers' Certificate required pursuant to Section 3.01;

(b) a Company Order of the Company; and

(c) an Opinion of Counsel complying with Section 1.02 and stating that:

(i) the form of such Securities has been established in conformity with the provisions of this Indenture;

(ii) the terms of such Securities or the manner of determining such terms, have been established in conformity with the provisions of this Indenture;

(iii) that such Securities, when authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, fraudulent conveyance, moratorium and other laws of general applicability relating to or affecting the enforcement of creditors' rights and to general principles of equity; and

(iv) such other matters as the Trustee may reasonably request.

The Trustee shall not be required to authenticate any Securities if the issuance of the Securities pursuant to the Indenture will adversely affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner that is not reasonably acceptable to the Trustee.

Notwithstanding the provisions of Section 3.01 and of this Section 3.03, if all Securities of a Series are not to be originally issued at one time, it shall not be necessary to deliver the Board Resolution of the Company or Officers' Certificate otherwise required pursuant to Section 3.01 or the Company Order and Opinion of Counsel otherwise required pursuant to this Section 3.03 at or prior to the time of authentication of each Security of such Series if such documents

are delivered at or prior to the authentication upon original issuance of the first Security of such Series to be issued and such documents reasonably contemplate the issuance of all Securities of such Series; provided that any subsequent request by the Company to the Trustee to authenticate Securities of such Series upon original issuance shall constitute a representation and warranty by the Company that as of the date of such request, the statements made in the Officers' Certificate or other certificates delivered pursuant to Sections 1.02 and 3.01 shall be true and correct as if made on such date.

A Company Order, Officers' Certificate or Board Resolution or Supplemental Indenture delivered by the Company to the Trustee in the circumstances set forth in the preceding paragraph may provide that Securities that are the subject thereof will be authenticated and delivered by the Trustee or its agent on original issue from time to time in the aggregate principal amount, if any, established for such Series pursuant to such procedures acceptable to the Trustee as may be specified from time to time by a Company Order upon telephonic (promptly confirmed in writing), electronic or written order of Persons designated in that Company Order, Officers' Certificate, Supplemental Indenture or Board Resolution and that such Persons are authorized to determine, consistent with that Company Order, Officers' Certificate, Supplemental Indenture or Board Resolution, those terms and conditions of said Securities as are specified in that Company Order, Officers' Certificate, Supplemental Indenture or Board Resolution.

Each Registered Security shall be dated the date of its authentication, and unless otherwise specified as contemplated by Section 3.01, any temporary Global Security referred to in Section 3.05 shall be dated as of the date of original issuance of that Security.

No Security shall be entitled to any benefit under this Indenture endorsed thereon or be valid or obligatory for any purpose, unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature of an authorized officer, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture. Notwithstanding the foregoing, if any Security or portion thereof shall have been duly authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 3.10 together with a written statement (that need not comply with Section 1.02 and need not be accompanied by an Opinion of Counsel) stating that such Security or portion thereof has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

**SECTION 3.04. Registrar, Paying Agent and Depository.** (a) The Company will maintain an office or agency in the Borough of Manhattan, The City of New York, where Securities issued by it may be presented for registration of transfer or for exchange ("Registrar") and an office or agency where Securities may be presented and surrendered for payment ("Paying Agent"). The Registrar shall keep a register of the Securities issued by the Company ("Registry") and of their transfer and exchange. The Company may appoint one or more co-registrars and one or more additional paying agents for the Securities of each Series issued by it. The term "Registrar" includes any co-registrar, and the term "Paying Agent" includes any

additional paying agent. The Company may change any Paying Agent or Registrar with respect to the Securities of any Series that it issues without notice to any Holder. The Company shall notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent for the affected Series of Securities, the Trustee shall act as that Registrar or Paying Agent, as the case may be. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

(b) If the Company or any of its Subsidiaries acts as Paying Agent for any Series, each such Paying Agent shall segregate and hold in a separate trust fund for the benefit of the Holders of the Securities of that Series all money held by it as Paying Agent with respect to the Securities of that Series. Upon any bankruptcy or reorganization proceedings relating to the Company, the Trustee shall serve as Paying Agent for the Securities issued by the Company.

(c) If the Securities of a Series are listed on the Luxembourg Stock Exchange or any other stock exchange located outside the United States and such stock exchange shall so require, the Company will maintain a Paying Agent for the Securities of that Series in Luxembourg or any other required city located outside the United States, so long as the Securities of that Series are listed on such exchange, and subject to any laws or regulations applicable thereto, in a Place of Payment for Securities of that Series located outside the United States an office for registration of transfer or exchange of Securities of that Series.

SECTION 3.05. Temporary Securities. (a) If the Definitive Securities of any Series are to be printed on paper with engraved borders or engraved, then pending the preparation of Definitive Securities of that Series, the Company may execute, and upon the receipt of a Company Order and the receipt of the certifications and opinions required under Sections 3.01 and 3.03, the Trustee shall authenticate and deliver, temporary Securities that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denominations, substantially of the tenor of the Definitive Securities in lieu of which they are issued in registered form and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

(b) Unless otherwise provided pursuant to Section 3.01:

(i) Except in the case of temporary Securities in global form, each of which shall be exchanged in accordance with the provisions of the following paragraphs, if temporary Securities of any Series are issued, the Company will cause Definitive Securities of such Series to be prepared without unreasonable delay. After the preparation of Definitive Securities, the temporary Securities of such Series shall be exchangeable for Definitive Securities of such Series upon surrender of the temporary Securities of such Series at the office or agency of the Company in a Place of Payment for that Series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any Series, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of Definitive Securities of such Series of authorized denominations. Until so exchanged, the temporary Securities of any Series shall in all respects be entitled to the same benefits under this Indenture as Definitive Securities of such Series.

(ii) Without unnecessary delay but in any event not later than the date specified in, or determined pursuant to the terms of, any such temporary Global Security as the "Global Exchange Date" (the "Global Exchange Date"), the Company shall deliver to the Trustee, or, if the Trustee appoints an Authenticating Agent pursuant to Section 8.14, to any such Authenticating Agent, Definitive Securities in aggregate principal amount equal to the principal amount of such temporary Global Security, executed by the Company. On or after the Global Exchange Date, such temporary Global Security shall be surrendered by the Depository to the Trustee or any such Authenticating Agent, as the Company's agent for such purpose, to be exchanged, in whole or from time to time in part, for Definitive Securities without charge and the Trustee or any such Authenticating Agent shall authenticate and deliver, in exchange for each portion of such temporary Global Security, an equal aggregate principal amount of Definitive Securities of the same Series, of authorized denominations and of like tenor as the portion of such temporary Global Security to be exchanged.

(iii) Upon any exchange of a portion of any such temporary Global Security, such temporary Global Security shall be endorsed by the Trustee or any such Authenticating Agent, as the case may be, to reflect the reduction of the principal amount evidenced thereby, whereupon its remaining principal amount shall be reduced for all purposes by the amount so exchanged. Until so exchanged in full, such temporary Global Security shall in all respects be entitled to the same benefits under this Indenture as Definitive Securities of such Series authenticated and delivered hereunder.

#### SECTION 3.06. Transfer and Exchange.

(a) Upon surrender for registration of transfer of any Security of any Series at the office or agency of the Company maintained for such purpose, the Company shall execute, and upon receipt of an authentication order, the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same Series of any authorized denomination or denominations, of like tenor and aggregate principal amount. At the option of the Holder, Securities of any Series (other than a Global Security) may be exchanged for other Securities of the same Series of any authorized denomination or denominations of a like aggregate principal amount, upon surrender of the Securities to be exchanged at the office or agency of the Company maintained for such purpose. Upon receipt at such office or agency of an appropriate request for exchange, the Company shall execute, and upon receipt of an authentication order from the Company, the Trustee shall authenticate and deliver in the name of the exchanging Holder, one or more new Securities of the appropriate Series of any authorized denomination or denominations of like tenor and aggregate principal amount to the Securities surrendered for exchange. Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company, the Registrar or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company, the Registrar and the Trustee duly executed, by the Holder thereof or his attorney duly authorized in writing.

(b) Upon the issuance of a Global Security, the Depository or its nominee will credit, on its book-entry registration and transfer system, the respective principal amounts of the individual Securities represented by the Global Security to the accounts of institutions that have

accounts with the Depository. The institutional accounts to be credited may be designated by the underwriter, underwriters, agent or agents for such Securities or, if the Securities are offered and sold directly by the Company, by the Company. Upon receipt of any payment in respect of a Global Security, the Depository or its nominee will immediately credit the institutional accounts with amounts proportionate to their respective beneficial interests in the principal amount of the Global Security as shown in the records of the Depository or its nominee.

(c) Notwithstanding any other provision of this Section, unless and until it is exchanged in whole or in part for Definitive Securities, a Global Security representing all or a portion of the Securities of a Series may not be transferred except as a whole by the Depository for such Series to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository or by such Depository or any such nominee to a successor Depository for such Series or a nominee of such successor Depository.

(d) If at any time the Depository for the Securities of a Series notifies the Company that it is unwilling or unable to continue as Depository for the Securities of such Series or if at any time the Depository for the Securities of such Series shall no longer be eligible under Section 3.03(b), the Company shall appoint a successor Depository with respect to the Securities of such Series.

(e) The Company may at any time and in its sole discretion determine that Securities of any Series issued in the form of one or more Global Securities shall no longer be represented by such Global Security or Global Securities. In such event, the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of Securities of such Series, will authenticate and deliver, certificated Securities of such Series ("Definitive Securities") in an aggregate principal amount equal to the principal amount of the Global Security or Global Securities representing Securities of such Series in exchange for such Global Security or Global Securities.

(f) If specified by the Company pursuant to Section 3.01 with respect to a Series of Securities, the Depository for such Series of Securities may surrender a Global Security for such Series of Securities in exchange in whole or in part for Definitive Securities of such Series on such terms as are acceptable to the Company and such Depository. Thereupon, the Company shall execute, and the Trustee shall authenticate and deliver, without service charge:

(1) to each Person specified by such Depository a new definitive Security or Securities of the same Series of any authorized denomination as requested by such Person in aggregate principal amount equal to and in exchange for such Person's beneficial interest in the Global Security; and (2) to such Depository a new Global Security in a denomination equal to the difference, if any, between the principal amount of the surrendered Global Security and the aggregate principal amount of Definitive Securities delivered to Holders thereof.

(g) Upon the exchange of a Global Security for Definitive Securities, such Global Security shall be cancelled by the Trustee. Definitive Securities exchanged for portions of a Global Security pursuant to this Section 3.06 shall be registered in such names and in such authorized denominations as the Depository for such Global Security, pursuant to instructions

from its direct or indirect Participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Securities to the persons in whose names such Securities are so registered.

(h) No service charge shall be made to a holder of a beneficial interest in a Global Security or to a Holder of a Definitive Security for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 3.05 and 4.07).

(i) All Global Securities and Definitive Securities issued upon any registration of transfer or exchange of Global Securities or Definitive Securities shall be the valid obligations of the Company, evidencing the same indebtedness, and entitled to the same benefits under this Indenture as the Global Securities or Definitive Securities surrendered upon such registration of transfer or exchange.

(j) The Registrar shall not be required (A) to issue, to register the transfer of or to exchange any Securities during a period beginning at the opening of business 15 days before the day of any selection of Securities for redemption under Section 4.03 and ending at the close of business on the day of selection, (B) to register the transfer of or to exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part or (C) to register the transfer of or to exchange a Security between a Record Date and the next succeeding Interest Payment Date.

(k) Prior to due presentment for the registration of a transfer of any Security, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Security is registered as the absolute owner of such Security for the purpose of receiving payment of principal of, premium, if any, and interest on such Securities, payment of the redemption price of the Securities and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(l) The Trustee shall authenticate Global Securities and Definitive Securities in accordance with the provisions of Section 3.03.

**SECTION 3.07. Mutilated, Destroyed, Lost and Stolen Securities.** If (i) any mutilated Security is surrendered to the Trustee or the Registrar, or if the Company, the Trustee and the Registrar receive evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) there is delivered to the Company, the Trustee and the Registrar such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Company, the Trustee or the Registrar that such Security has been acquired by a bona fide purchaser, the Company and upon its request the Trustee shall authenticate and deliver, in lieu of any such mutilated, destroyed, lost or stolen Security, a new Security of the same Series and Stated Maturity and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

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

Upon the issuance of any new Security under this Section 3.07, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security of any Series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture, equally and proportionately with any and all other Securities of the same Series duly issued hereunder.

The provisions of this Section 3.07 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the placement or payment of mutilated, destroyed, lost or stolen Securities.

**SECTION 3.08. Payment of Interest; Interest Rights Preserved.** (a) Unless otherwise provided for by the terms of the Securities of any Series as established in accordance with Section 3.01, interest on any Registered Security that is payable, and is punctually paid or duly provided for on any Interest Payment Date shall unless otherwise provided in that Security be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for that interest payment. At the option of the Company, payment of interest on any Registered Security may be made by check in the currency designated for such payment pursuant to the terms of such Registered Security mailed to the address of the Person entitled thereto as such address shall appear in the Register or by wire transfer to an account in such currency designated by such Person in writing not later than ten days prior to the date of such payment.

(b) Any interest on any Registered Security that is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of his having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (i) or clause (ii) below.

(i) The Company may elect to make payments of any Defaulted Interest to the Persons in whose names any such Registered Securities (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Registered Security and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust

for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class, postage prepaid, to each Holder at his address as it appears in the Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names such Registered Securities (or their respective Predecessor Securities) are registered on such Special Record Date and shall no longer be payable pursuant to the following clause (ii) of this Section 3.08.

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

Subject to the foregoing provisions of this Section 3.08, each Security delivered under this Indenture upon registration of transfer of, or in exchange for, or in lieu of, any other Security shall carry the rights to interest accrued and unpaid, and to accrue, that were carried by such other Security.

#### SECTION 3.09. Persons Deemed Owners.

(a) Prior to due presentment for registration of transfer of any Registered Security, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of, premium, if any, and, subject to Section 3.08, interest on such Security, and for all purposes whatsoever, whether or not that Security is overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

(b) None of the Company, the Trustee, any Paying Agent, any Authenticating Agent or the Registrar will have the responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interest of a Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interest, and they shall be fully protected in acting or refraining from acting on any such information provided by the Depositary.

SECTION 3.10. Cancellation. Unless otherwise provided with respect to a Series of Securities, all Securities surrendered for payment, registration of transfer, exchange, repayment or redemption shall, if surrendered to any Person other than the Trustee, be delivered

to the Trustee. All Securities so delivered or surrendered directly to the Trustee for any such purpose shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder that the Company may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture or such Securities. All cancelled Securities held by the Trustee shall be disposed of by the Trustee in accordance with the Trustee's customary procedures, and the Trustee shall deliver a certificate of such disposition to the Company.

SECTION 3.11. Computation of Interest. Interest on the Securities of each Series shall be computed as shall be specified in the terms of those Securities as established in accordance with Section 3.01; provided, however, that if the terms of any Securities do not provide a method for computation of interest with respect thereto, interest on that Security shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 3.12. Currency Indemnity. The Company may provide, pursuant to Section 3.01, for the Securities of any Series that, to the fullest extent possible under applicable law and except as may otherwise be specified as contemplated in Section 3.01, (a) the obligation, if any, of the Company to pay the principal of, premium, if any, and interest on the Securities of any Series in a Foreign Currency, composite currency or Dollars (the "Designated Currency") as may be specified pursuant to Section 3.01 is of the essence and agrees that judgments in respect of such Securities shall be given in the Designated Currency; (b) the obligation of the Company to make payments in the Designated Currency of the principal of, premium, if any, and interest on such Securities shall, notwithstanding any payment in any other currency, whether pursuant to a judgment or otherwise, be discharged only to the extent of the amount in the Designated Currency that the Holder receiving such payment may, in accordance with normal banking procedures, purchase with the sum paid in such other currency, after any premium and cost of exchange, in the country of issue of the Designated Currency in the case of Foreign Currency or Dollars or in the international banking community in the case of a composite currency on the Business Day immediately following the day on which such Holder receives such payment; (c) if the amount in the Designated Currency that may be so purchased for any reason falls short of the amount originally due, the Company shall pay such additional amounts as may be necessary to compensate for such shortfall; and (d) any obligation of the Company not discharged by such payment shall be due as a separate and independent obligation and, until discharged as provided herein, shall continue in full force and effect.

SECTION 3.13. CUSIP Numbers. The Company in issuing the Securities may use "CUSIP," "ISIN," or "Common Code" numbers or other Euroclear or Clearstream, Luxembourg reference numbers (if then generally in use), and, if so, the Trustee shall use such numbers in notices of redemption or other related material as a convenience to Holders; provided that any such notice or other related material may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of redemption or other related material and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company shall promptly notify the Trustee of any change in any such reference number.

SECTION 3.14. Book-Entry Only System. If made a part of the terms of the Securities of a Series in accordance with Section 3.01 with respect to Securities represented by a Global Security, Securities of a Series may be issued initially in book-entry only form and, if issued in such form, shall be represented by one or more Global Securities registered in the name of the Depository or other depository designated with respect thereto. So long as such book-entry only system of registration is in effect, (a) Securities of a Series so issued in book-entry only form will not be issuable in the form of or exchangeable for Securities in certificated or definitive registered form, (b) the records of the Depository or such other depository will be determinative for all purposes as to the beneficial owners of the Securities of that Series and (c) neither the Company, the Trustee nor any Paying Agent, or Registrar for such Securities will have any responsibility or liability for (i) any aspect of the records relating to or payments made on account of owners of beneficial interests in the Securities of that Series, (ii) maintaining, supervising or reviewing any records relating to such beneficial interests, (iii) receipt of notices, voting and requesting or directing the Trustee to take, or not to take, or consenting to, certain actions hereunder, or (iv) the record and procedures of the Depository or such other depository, as the case may be.

## **ARTICLE FOUR**

### **Redemption of Securities**

SECTION 4.01. Applicability of Article. Securities of any Series that are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and, except as otherwise set forth in the terms of the Securities of that Series as established in accordance with Section 3.01, in accordance with this Article.

SECTION 4.02. Election To Redeem; Notice To Trustee. The election of the Company to redeem any Securities redeemable at the option of the Company shall be evidenced by an Officers' Certificate. In case of any redemption at the election of the Company, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee and the Registrar of such Redemption Date and of the principal amount of Securities of such Series to be redeemed. In the case of any redemption of Securities (i) prior to the expiration of any restriction on such redemption provided in the terms of those Securities or elsewhere in this Indenture, or (ii) pursuant to an election of the Company that is subject to a condition specified in the terms of those Securities, the Company shall furnish the Trustee with an Officers' Certificate evidencing compliance with such restriction or condition.

SECTION 4.03. Selection by Trustee of Securities To Be Redeemed. If less than all the Securities of any Series with the same terms are to be redeemed, the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee from the Outstanding Securities of that Series having such terms not previously called for redemption, by such method as the Trustee shall deem fair and appropriate and that may provide for the selection for redemption of portions of the principal amount of Securities of such Series of a denomination equal to or larger than the minimum authorized denomination for

Securities of such Series. Unless otherwise provided by the terms of the Securities of any Series so selected for partial redemption, the portions of the principal of Securities of that Series so selected for partial redemption shall be, in the case of Registered Securities, equal to \$1,000 or an integral multiple thereof, and the principal amount of any such Security that remains outstanding shall not be less than the minimum authorized denomination for Securities of such Series.

The Trustee shall promptly notify the Company, the Registrar and the Co-Registrar, if any, in writing of the Securities selected for redemption and, in the case of any Security selected for partial redemption, the principal amount thereof to be redeemed.

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

**SECTION 4.04. Notice of Redemption.** Notice of redemption shall be given in the manner provided in Section 1.06, not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed.

All notices of redemption shall state:

(i) the Redemption Date;

(ii) the Redemption Price;

(iii) if less than all Outstanding Securities of any Series having the same terms are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the particular Securities to be redeemed;

(iv) that on the Redemption Date, the Redemption Price will become due and payable upon each such Security to be redeemed, and that interest, if any, thereon shall cease to accrue on and after said date;

(v) the place or places where such Securities, maturing after the Redemption Date, are to be surrendered for payment of the Redemption Price;

(vi) that the redemption is for a sinking fund, if such is the case; and

(vii) the CUSIP number or the Euroclear or the Clearstream, Luxembourg reference numbers (or any other number used by a Depository to identify such Securities), if any, of the Securities to be redeemed.

A notice of redemption published as contemplated by Section 1.06 need not identify particular Registered Securities to be redeemed.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, on Company Request, by the Trustee in the name and at the expense of the Company.

SECTION 4.05. Deposit of Redemption Price. At or prior to the opening of business on any Redemption Date, the Company shall deposit or cause to be deposited with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 5.03) an amount of money sufficient to pay the Redemption Price of all the Securities that are to be redeemed on that date.

SECTION 4.06. Securities Payable on Redemption Date. Notice of redemption having been given as aforesaid, the Securities to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified and from and after such date (unless the Company shall default in the payment of the Redemption Price) such Securities shall cease to bear interest. Upon surrender of any such Securities for redemption in accordance with said notice, those Securities surrendered shall be paid by the Company at the Redemption Price. Installments of interest on Registered Securities whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such on the close of business on the relevant Regular Record Dates according to their terms and the provisions of Section 3.08.

If any Security called for redemption shall not be paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate borne by such Security, or as otherwise provided in such Security.

SECTION 4.07. Securities Redeemed in Part. Any Security that is to be redeemed only in part shall be surrendered at the office or agency of the Company in a Place of Payment therefor (with, if the Company or the Registrar so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Registrar duly executed by, the Holder of such Security or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same Series and Stated Maturity, containing identical terms and conditions, of any authorized denominations as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

SECTION 4.08. Redemption Suspended During Event of Default. The Trustee shall not redeem any Securities (unless all Securities then Outstanding are to be redeemed) or commence the giving of any notice of redemption of Securities during the continuance of any Event of Default known to the Trustee, except that where the giving of notice of redemption of any Securities shall theretofore have been made, the Trustee shall redeem such Securities, provided funds are deposited with it for such purpose. Any moneys theretofore or thereafter received by the Trustee shall, during the continuance of such Event of Default, be held in trust for the benefit of the Holders and applied in the manner set forth in Section 7.06; provided, however, that in case such Event of Default shall have been waived as provided herein or otherwise cured, such moneys shall thereafter be held and applied in accordance with the provisions of this Article.

## ARTICLE FIVE

### Covenants

SECTION 5.01. Payment of Principal, Premium and Interest. The Company covenants and agrees for the benefit of each Series of Securities that it will duly and punctually pay the principal of, premium, if any, and interest on the Securities of such Series in accordance with the terms of the Securities of that Series, any coupons appertaining thereto and this Indenture. Principal, premium if any, or interest payable with respect to any Securities shall be considered paid on the date due if the Paying Agent holds, or if the Company acts as its own Paying Agent, the Company holds in a segregated account in trust for the Holders due such payment, on the date money sufficient to pay all principal and premium, if any and interest then due. Unless otherwise set forth in the terms of Securities of Series established in accordance with Section 3.01, at the option of the Company, all payments of principal may be paid by check to the registered Holder of the Registered Security or other person entitled thereto against surrender of such Security.

SECTION 5.02. Maintenance of Office or Agency. In addition to the offices and agencies maintained pursuant to Section 3.04, the Company will maintain in each Place of Payment for any Series of Securities as to which it issues Securities, an office or agency where Securities of any Series that are convertible or exchangeable may be surrendered for conversion or exchange, as applicable, and where notices and demands to or upon the Company in respect of the Securities of that Series and this Indenture may be served. Each such office may be the office of any Paying Agent appointed by the Company. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of any such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands where Securities of that Series, if they are convertible or exchangeable, may be surrendered for conversion or exchange, as applicable, and where notices and demands to or upon the Company, in respect of the Securities of that Series and this Indenture may be served.

The Company may also from time to time designate one or more other offices or agencies where the Securities of one or more Series may be presented or surrendered for any or all of such purposes specified above in this Section. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

SECTION 5.03. Money for Security Payments To Be Held in Trust. If the Company shall at any time act as its own Paying Agent for any Series of Securities, it will, on or before each due date of the principal of, premium, if any, or interest on any of the Securities of such Series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum in the currency in which the Securities of such Series are payable sufficient to pay the principal, premium or interest so becoming due until such sums shall be paid to such Persons or otherwise

disposed of as herein provided, and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents for any Series of Securities, it will, at or prior to the opening of business on each due date of the principal of, premium, if any, or interest on any Securities of such Series, deposit with a Paying Agent a sum in the currency in which the Securities of such Series are payable sufficient to pay the principal, premium or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company will cause each Paying Agent for any Series of Securities other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee subject to the provisions of this Section, that such Paying Agent will:

(i) hold all sums held by it for the payment of principal of, premium, if any, or interest on Securities of that Series in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(ii) give the Trustee notice of any default by the Company (or any other obligor upon the Securities of such Series) in the making of any payment of principal, premium or interest on the Securities of that Series; and

(iii) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent, and, upon such payments by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest on any Security of any Series and remaining unclaimed for two years after such principal, premium or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of that Security shall thereafter, as an unsecured general creditor, look only to the Company with respect to that Security for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in an Authorized Newspaper in each Place of Payment, notice that such money remains unclaimed and

that, after a date specified therein, that shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company.

SECTION 5.04. Additional Amounts. If the Securities of a Series provide for the payment of additional amounts, the Company will pay to the Holder of any Security of any Series the additional amounts as provided in the terms of the Securities of that Series. Whenever in this Indenture there is mentioned, in any context, the payment of the principal of, premium, if any, or interest on, or in respect of, any Security of any Series or the net proceeds received on the sale or exchange of any Security of any Series, such mention shall be deemed to include mention of the payment of additional amounts provided for in this Section to the extent that, in such context, additional amounts are, were or would be payable in respect thereof pursuant to the provisions of this Section and express mention of the payment of additional amounts, if applicable, in any provisions hereof shall not be construed as excluding additional amounts in those provisions hereof where such express mention is not made.

If the Securities of a Series provide for the payment of additional amounts, at least 10 days prior to the first Interest Payment Date with respect to that Series of Securities (or if the Securities of that Series will not bear interest prior to Maturity, the first day on which a payment of principal, and premium, if any, is made), and at least 10 days prior to each date of payment of principal, and premium, if any, or interest if there has been any change with respect to the matters set forth in the below-mentioned Officers' Certificate, the Company will furnish the Trustee and the Company's Principal Paying Agent or Paying Agents, if other than the Trustee, with an Officers' Certificate instructing the Trustee and such Paying Agent or Paying Agents whether such payment of principal of (and premium, if any) or interest on the Securities of that Series shall be made to Holders of Securities of that Series who are United States Aliens without withholding for or on account of any tax, assessment or other governmental charge described in the Securities of that Series. If any such withholding shall be required, then such Officers' Certificate shall specify by country the amount, if any, required to be withheld on such payments to such Holders of Securities, and the Company will pay to the Trustee or such Paying Agent the additional amounts required by this Section. The Company covenants to indemnify the Trustee and any Paying Agent for, and to hold them harmless against, any loss, liability or reasonable expense incurred without negligence or bad faith on their part arising out of or in connection with actions taken or omitted by any of them in reliance on any Officers' Certificate furnished pursuant to this Section.

SECTION 5.05. Statement as to Compliance. The Company will deliver to the Trustee, within 120 days after the end of each fiscal year of the Company, an Officers' Certificate (that need not comply with Section 1.02) (provided, however, that one of the signatories of that Officers' Certificate shall be the Company's principal executive officer, principal financial officer or principal accounting officer) stating, as to each signer thereof, that:

(i) a review of the activities of the Company during such year and of performance under this Indenture and under the terms of the Securities has been made under his supervision; and

(ii) to the best of each signer's knowledge, based on such review,

(a) the Company has fulfilled all of its obligations and complied with all conditions and covenants under this Indenture and under the terms of the Securities throughout such year, or, if there has been a default in the fulfillment of any such obligation, condition or covenant specifying each such default known to the signer and the nature and status thereof, and (b) no event has occurred and is continuing that is, or after notice or lapse of time or both would become, an Event of Default, or if such an event has occurred and is continuing, specifying such event known to him and the nature and status thereof.

For purposes of this Section 5.05, compliance or default shall be determined without regard to any period of grace or requirement of notice provided for herein.

**SECTION 5.06. Maintenance of Corporate Existence, Rights and Franchises.** So long as any of the Securities shall be Outstanding, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights and franchises to carry on its business; provided, however, that nothing in this Section 5.06 shall (i) require the Company to preserve any such right or franchise if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Holders, (ii) prevent any consolidation or merger of the Company, or any conveyance or transfer of its property and assets substantially as an entirety to any person, permitted by Article Ten, or (iii) prevent the liquidation or dissolution of the Company after any conveyance or transfer of its property and assets substantially as an entirety to any person permitted by Article Ten.

## **ARTICLE SIX**

### **Holders' Lists and Reports by the Trustee and the Company**

**SECTION 6.01. Preservation of Information; Communications to Holders; Communications Between Holders.** (a) The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders of the Securities of each Series issued hereunder and shall otherwise comply with TIA (S)312(a) with respect to each Series of Securities issued hereunder. If the Trustee is not the Registrar, the Company shall furnish, or shall cause the Registrar (if other than the Company) to furnish, to the Trustee at least seven Business Days before each Interest Payment Date and at such other times as the Trustee may reasonably request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of the Securities of that Series, and the Company shall otherwise comply with TIA (S)312(a) with respect to the Securities of that Series. The Trustee may destroy any list furnished to it as provided in this Section 6.01 upon receipt of a new list so furnished.

(b) If three or more Holders of Securities of any Series (hereinafter referred to as "applicants") apply in writing to the Trustee, and furnish to the Trustee reasonable proof that each such applicant has owned a Security of such Series for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders of Securities of such Series or with the Holders of all Securities with respect to their rights under this Indenture or under such Securities and is accompanied by a

copy of the form of proxy or other communication that such applicants propose to transmit, then the Trustee shall, within five Business Days after the receipt of such application, at its election, either:

(i) afford such applicants access to the information preserved at the time by the Trustee in accordance with Section 6.01(a); or

(ii) inform such applicants as to the approximate number of Holders of Securities of such Series or all Securities, as the case may be, whose names and addresses appear in the information preserved at the time by the Trustee in accordance with Section 6.01(a), and as to the approximate cost of mailing to such Holders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Holder of a Security of such Series or all Holders of Securities, as the case may be, whose names and addresses appear in the information preserved at the time by the Trustee in accordance with Section 6.01(a), a copy of the form of proxy or other communication that is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless, within five days after such tender, the Trustee shall mail to such applicants and file with the Commission, together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the Holders of Securities of such Series or all Securities, as the case may be, or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If the Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, the Commission shall find, after notice and opportunity for hearing, that all the objections so sustained have been met and shall enter an order so declaring, the Trustee shall mail copies of such material to all such Holders of Securities with reasonable promptness after the entry of such order and the renewal of such tender; otherwise, the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that none of the Company, the Trustee, any Authenticating Agent, any Payment Agent or any Registrar shall be held accountable by reason of the disclosure of any information as to the names and addresses of the Holders of Securities in accordance with Section 6.01 or TIA (S)312, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under this Section 6.01 or TIA (S)312(b).

(d) Holders may communicate pursuant to TIA (S)312(b) with other Holders with respect to their rights under this Indenture or the Securities of any Series issued hereunder. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA (S)312(c), and the Trustee shall comply with TIA (S)312(b) in connection with any such communication.

SECTION 6.02. Reports, Records and Filings by the Trustee.

(a) The Trustee shall, within 60 days after May 15 of each year commencing with the year 2003, mail to each Holder reports concerning the Trustee and its action under the Indenture as may be required pursuant to Section 313(a) of the TIA if and to the extent and in the manner provided pursuant thereto. The Trustee shall comply with TIA (S)313(b)(2) and shall transmit by mail all reports as required by TIA (S)313(c). The Trustee shall also comply with the other provisions of Section 313 of the TIA. Reports pursuant to this Section shall be transmitted by mail (1) to all Holders of Registered Securities, as their names and addresses appear in the Register, and (2) except in the cases of reports under Section 313(b)(2) of the TIA, to each Holder of a Security of any Series whose name and address appear in the information preserved at the time by the Trustee in accordance with Section 6.01. A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each securities exchange upon which any Securities are listed, and also with the Commission in accordance with TIA (S)313 (d). The Company will notify the Trustee when any Securities are listed on any securities exchange.

(b) The Trustee or the Paying Agent, as applicable, shall be responsible for (a) obtaining from Holders all Internal Revenue Service forms (and similar forms under applicable state, local, and foreign tax law) required under applicable U.S. federal, state, local, or foreign tax law in order to establish exemptions from or reductions in withholding taxes, (b) preparing, filing with the applicable taxing authority, and (to the extent required under applicable tax law) furnishing Holders with copies of, all tax reports or statements with respect to interest or principal payments on, or redemptions of, Securities which are required to be prepared, filed, and furnished under applicable U.S. federal, state, local, or foreign tax law, and (c) withholding and paying over to the applicable taxing authorities any tax withholdings that are required to be made under such applicable tax law.

(c) The Trustee or the Paying Agent, as applicable, shall maintain all appropriate records documenting compliance with such requirements until such time as all applicable periods of limitation for assessing or collecting any taxes or penalties for failure to comply fully with such requirements have expired, and shall make such records available, on written request, to the Company or its authorized representative within a reasonable period of time after receipt of such request.

SECTION 6.03. Reports by the Company. The Company will:

(a) file with the Trustee, within 15 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) that the Company is then required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if the Company is not required to file information, documents or reports pursuant to either of those sections of the Exchange Act, then the Company will file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports that may be required pursuant to

Section 13 of the Exchange Act in respect of a Security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(b) file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations; and

(c) transmit by mail to Holders of Securities, in the manner and to the extent provided in Section 6.02(a), within 30 days after the filing thereof with the Trustee, such summaries of any information, documents and reports required to be filed by the Company or pursuant to paragraphs (a) and (b) of this Section 6.03 as may be required by rules and regulations prescribed from time to time by the Commission.

## **ARTICLE SEVEN**

### **Events of Default and Remedies**

SECTION 7.01. Events of Default. "Event of Default," with respect to any Series of Securities, wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body), unless it is either inapplicable to a particular Series or it is specifically deleted or modified in the Supplemental Indenture, the Board Resolution or Officers' Certificate under which such Series of Securities is issued or in the form of Security for that Series:

(i) the Company fails to pay any interest upon any Security of that Series when it becomes due and payable, and such failure continues for a period of 30 days; or

(ii) the Company fails to pay the principal of, or premium, if any, on any Security of that Series at its Maturity; or

(iii) with respect to the Securities of that Series, the Company fails to perform, or a breach occurs as to any covenant or warranty it is obligated to perform or made by the Company in this Indenture with respect to the Securities of that Series (other than a covenant or warranty, a default in the performance of which or a breach of which is elsewhere in this Section specifically dealt with or that has expressly been included in this Indenture by means of a Supplemental Indenture solely for the benefit of Series of Securities other than that Series), and continuance of such failure or breach for a period of 90 days after there has been given, by registered or certified mail, to the Company by the Trustee or by the Holders of at least 25% in principal amount of the Outstanding Securities of that Series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(iv) the entry of a decree or order by a court having jurisdiction in the premises granting relief in respect of the Company in an involuntary case under the Federal Bankruptcy Code or any other applicable federal, state or foreign bankruptcy, insolvency or similar law, adjudging the Company, a bankrupt, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company, under the Federal Bankruptcy Code or any other applicable Federal or State, or foreign, bankruptcy, insolvency or similar law, or appointing a receiver, liquidator, custodian, assignee, trustee, sequestrator (or other similar official) of the Company or of substantially all of its properties, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(v) the institution by the Company of proceedings to be adjudicated a bankrupt, or the consent of the Company to the institution of bankruptcy proceedings against it, or the filing by the Company of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other applicable Federal, State or foreign bankruptcy, insolvency or similar law, or the consent by the Company to the filing of any such petition or to the appointment of a receiver, liquidator, custodian, assignee, trustee, sequestrator (or other similar official) of the Company or of substantially all of its properties; or

(vi) any other event or occurrence that is designated to be an Event of Default provided with respect to Securities of that Series in the Supplemental Indenture, Board Resolution or Resolutions or Series Terms Certificate that establishes or evidences the terms of the Securities of that Series.

**SECTION 7.02. Acceleration of Maturity; Rescission and Annulment.** If an Event of Default with respect to any Series of Securities for which there are Securities Outstanding occurs and is continuing, then, and in every such case, the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of such Series may declare the principal of all the Securities of such Series (or, if the Securities of that Series are Original Issue Discount Securities, such portion of the principal amount as may be specified in, or determined in accordance with, the terms of that Series) to be immediately due and payable, by giving a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration, such amount, together with accrued interest thereof, shall become immediately due and payable.

At any time after such a declaration of acceleration with respect to Securities of any Series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the Outstanding Securities of such Series by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences, and any Event of Default giving rise to such declaration shall not be deemed to have occurred, if:

(i) the Company has paid or deposited with the Trustee a sum sufficient to pay:

(A) all overdue installments of interest on all Securities of such Series,

(B) the principal of and premium, if any, of the Securities of such Series that have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor by the terms of the Securities of such Series,

(C) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor by the terms of the Securities of such Series, and

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, the Registrar, any Paying Agent, and their agents and counsel and all other amounts due the Trustee under Section 8.07; and

(ii) all Events of Default with respect to Securities of that Series, other than the nonpayment of the principal of Securities of that Series that have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 7.13.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 7.03. Collection of Indebtedness and Suits for Enforcement by Trustee. The Company covenants, that if:

(i) default is made in the payment of any installment of interest on any Security of any Series when such interest becomes due and payable and such default continues for a period of 30 days, or

(ii) default is made in the payment of the principal of or premium, if any, on any Security of any Series at the Maturity thereof,

the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holder of any such Security of that Series, the whole amount then due and payable on any Security of that Series for principal, premium, if any, and interest, with interest upon the overdue principal and premium, if any, and, to the extent that payment of such interest shall be lawful, upon overdue installments of interest, at the rate or rates prescribed therefor by the terms of any Security of that Series; and, in addition thereto, such further amount as shall be sufficient to cover the reasonable costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amounts due the Trustee under Section 8.07.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Company or any other obligor upon such Securities and

collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to any Series of Securities occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such Series by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

**SECTION 7.04. Trustee May File Proofs of Claim.** In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of any Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal, premium, if any, or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of principal, (or, in the case of Original Issue Discount Securities, the portion of the stated principal of the Original Issue Discount Securities as may be provided in the terms thereof) premium, if any, and interest due and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amounts due the Trustee under Section 8.07) and of the Holders allowed in such judicial proceeding;

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and

(iii) unless prohibited by law or applicable regulations, to vote on behalf of the Holders of the Securities in any election of a trustee in bankruptcy or other person performing similar functions;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 8.07.

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

SECTION 7.05. Trustee May Enforce Claims Without Possession of Securities. All rights of action and claims under this Indenture or under the Securities of any Series, may be prosecuted and enforced by the Trustee without the possession of any of the Securities of such Series or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amounts due the Trustee under Section 8.07, be for the ratable benefit of the Holders of the Securities of such Series in respect of which such judgment has been recovered.

SECTION 7.06. Application of Money Collected. Any money collected by the Trustee with respect to a Series of Securities pursuant to this Article shall be applied in the following order at the date or dates fixed by the Trustee, and, in case of the distribution of such money on account of principal, premium, if any, or interest, upon presentation of the Securities of that Series, and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 8.07 with respect to the Securities of that Series;

SECOND: To the payment of the amounts then due and unpaid upon the Securities of that Series for principal, premium, if any, and interest in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on Securities of that Series, for principal, premium, if any, and interest, respectively. The Holders of each Series of Securities denominated in any composite currency or a Foreign Currency shall be entitled to receive a ratable portion of the amount determined by the Exchange Rate Agent by converting the principal amount Outstanding of that Series of Securities and matured but unpaid interest on such Series of Securities in the currency in that Series of Securities denominated into Dollars at the Exchange Rate as of the Business Day immediately preceding the date of payment; and

THIRD: The balance, if any, to the Company.

SECTION 7.07. Limitation on Suits. No Holder of any Security of any Series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

- (i) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to Securities of such Series;
- (ii) the Holders of not less than 25% in principal amount of the Outstanding Securities of such Series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(iii) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(iv) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of such Series;

it being understood and intended that no one or more Holders of Securities of such Series shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Securities of such Series or to obtain or to seek to obtain priority or preference over any other such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders of Securities of such Series.

**SECTION 7.08. Unconditional Right of Holders To Receive Principal, Premium and Interest.** Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, that is absolute and unconditional, to receive payment of the principal of, premium, if any, and, subject to Section 3.08, interest on such Security on the respective Stated Maturities expressed in such Security or, in the case of redemption or repurchase on the Redemption Date or Repurchase Date and to institute suit for the enforcement of such payment, and such rights shall not be impaired without the consent of such Holder.

**SECTION 7.09. Restoration of Rights and Remedies.** If the Trustee or any Holder of a Security has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Company, the Trustee and the Holders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

**SECTION 7.10. Rights and Remedies Cumulative.** Except as otherwise provided with respect to the replacement or payment of mutilated, lost, destroyed or stolen Securities in the last paragraph of Section 3.07, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

**SECTION 7.11. Delay or Omission Not Waiver.** No delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to

the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 7.12. Control by Holders. The Holders of a majority in principal amount of the Outstanding Securities of any Series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the Securities of such Series; provided that:

- (i) such direction shall not be in conflict with any rule of law or with this Indenture;
- (ii) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders not taking part in such direction;
- (iii) subject to the provisions of Section 8.01, the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall, by a Responsible Officer or Officers of the Trustee, determine that the proceeding so directed would involve the Trustee in personal liability; and
- (iv) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction.

SECTION 7.13. Waiver of Past Defaults. The Holders of a majority in principal amount of the Outstanding Securities of any Series may on behalf of the Holders of all the Securities of such Series waive any past default hereunder and its consequences, except a default not theretofore cured:

- (i) in the payment of the principal of, premium, if any, or interest on any Security of such Series; or
- (ii) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Security of such Series affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of the Securities of such Series under this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 7.14. Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 7.14

shall not apply to any suit instituted by the Company, to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities of any Series, or to any suit instituted by any Holder of Securities for the enforcement of the payment of the principal of, premium, if any, or interest on any Security on or after the respective Stated Maturities expressed in that Security (or, in the case of redemption or repurchase, on or after the Redemption Date or Repurchase Date).

SECTION 7.15. Waiver of Stay or Extension Laws. The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture. The Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

## **ARTICLE EIGHT**

### **The Trustee**

SECTION 8.01. Certain Duties and Responsibilities. (i) Except during the continuance of an Event of Default with respect to any Series of Securities:

(a) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture with respect to Securities of such Series, and no implied covenants or obligations shall be read into this Indenture against the Trustee with respect to such Series; and

(b) in the absence of bad faith on its part, the Trustee may conclusively rely with respect to that Series, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificate or opinions that by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform as to form to the requirements of this Indenture.

(ii) In case an Event of Default with respect to any Series of Securities has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture with respect to such Series, and use the same degree of care and skill in their exercise, as a prudent person would exercise under the circumstances in the conduct of his or her own affairs.

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

(a) this Section 8.01(iii) shall not be construed to limit the effect of Section 8.01(i);

(b) the Trustee shall not be liable for any error or judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(c) the Trustee shall not be liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Securities of any Series relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to Securities of such Series; and

(d) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(iv) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 8.01.

SECTION 8.02. Notice of Default. Within 90 days after the occurrence of any default hereunder with respect to Securities of any Series, the Trustee shall transmit by mail to all Holders of Securities of such Series entitled to receive reports pursuant to Section 6.02(a) notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of, premium, if any, or interest on any Security of such Series, or in the payment of any sinking fund installment with respect to Securities of such Series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Holders of Securities of such Series. For the purpose of this Section 8.02, the term "default," with respect to Securities of any Series, means any event that is, or after notice or lapse of time, or both, would become, an Event of Default with respect to Securities of such Series.

SECTION 8.03. Certain Rights of Trustee. Except as otherwise provided in Section 8.01:

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

(ii) any request or direction of the Board of Directors referred to herein shall be sufficiently evidenced by a Company Request or Company Order, and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

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

(iv) the Trustee may consult with counsel and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

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

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

(vii) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(viii) the Trustee shall not be charged with knowledge of any default (as defined in Section 8.02) or Event of Default unless either (1) a Responsible Officer of the Trustee shall have actual knowledge of such default or Event of Default or (2) written notice of such default or Event of Default shall have been given to the Trustee by the Company or any Holder;

(ix) the Trustee shall not be liable for any action taken, suffered or omitted by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture; and

(x) in the event that the Trustee is also acting as Paying Agent, Authenticating Agent or Registrar hereunder, the rights and protections afforded to the Trustee pursuant

to this Article Eight shall also be afforded to such Paying Agent, Authenticating Agent or Registrar.

**SECTION 8.04. Not Responsible for Recitals or Issuance of Securities.** The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and neither the Trustee nor any Authenticating Agent assumes responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Company of Securities or the proceeds thereof.

**SECTION 8.05. May Hold Securities.** The Trustee, any Authenticating Agent, any Paying Agent, the Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 8.08 and 8.13, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Registrar or such other agent.

**SECTION 8.06. Money Held in Trust.** Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

**SECTION 8.07. Compensation and Reimbursement.** The Company agrees:

- (i) to pay to the Trustee from time to time reasonable compensation for all services rendered to the Company by the Trustee hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);
- (ii) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture and relating to Securities issued by the Company (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's negligence or bad faith; and
- (iii) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on the Trustee's part, arising out of or in connection with the acceptance or administration of this trust in connection with the Securities of the Company, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

As security for the performance of the obligations of the Company under this Section, the Trustee shall have a lien prior to the Securities upon all property and funds held or collected by the Trustee in connection with the Securities of the Company as such, except funds held in trust for the payment of principal of, premium, if any, or interest on particular Securities.

Without prejudice to any other rights available to the Trustee under applicable law, when the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 7.01(iv) or (v) as to the Securities of a Series, the expenses (including the reasonable fees and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration in connection with the Securities of the Company under any applicable bankruptcy, insolvency or other similar law.

The obligations of the Company set forth in this Section 8.07 and any lien arising hereunder shall survive the resignation or removal of any Trustee, the discharge of the Company's obligations pursuant to Article Eleven of this Indenture and the termination of this Indenture and the repayment of the Securities whether at the Stated Maturity or otherwise.

**SECTION 8.08. Disqualification; Conflicting Interests.** If the Trustee has or shall acquire a conflicting interest within the meaning of Section 310(b) of the TIA, the Trustee shall either eliminate such conflicting interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the TIA and this Indenture. To the extent permitted by the TIA, the Trustee shall not be deemed to have a conflicting interest with respect to the Securities of any Series by virtue of being Trustee with respect to the Securities of any particular Series of Securities other than that Series.

**SECTION 8.09. Corporate Trustee Required; Eligibility.** There shall at all times be a Trustee with respect to each Series of Securities hereunder that shall be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000, subject to supervision or examination by Federal or State authority; provided, however, that if Section 310(a) of the TIA or the rules and regulations of the Commission under the TIA at any time permit a corporation organized and doing business under the laws of any other jurisdiction to serve as trustee of an Indenture qualified under the TIA, this Section 8.09 shall be automatically deemed amended to permit a corporation organized and doing business under the laws of any such jurisdiction to serve as Trustee hereunder. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 8.09, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Neither the Company nor any person directly or indirectly controlling, controlled by or under common control with the Company may serve as Trustee. If at any time the Trustee with respect to any Series of Securities shall cease to be eligible in accordance with the provisions of this Section 8.09, it shall resign immediately in the manner and with the effect hereinafter specified in this Article Eight. The Trustee is subject to TIA (S)310(b), including the optional provision permitted by the second sentence of TIA (S)310(b)(9). The Trustee and any successor Trustee shall always satisfy the requirements of TIA (S)310(a)(1), (2) and (5).

**SECTION 8.10. Resignation and Removal; Appointment of Successor Trustee.**

(i) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 8.11.

(ii) The Trustee may resign with respect to any Series of Securities at any time by giving written notice thereof to the Company. If an instrument of acceptance by a successor Trustee shall not have been delivered to the resigning Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to Securities of such Series.

(iii) The Trustee may be removed with respect to any Series of Securities at any time by Act of the Holders of a majority in principal amount of the Outstanding Securities of such Series, delivered to the Trustee and to the Company.

(iv) If at any time:

(a) the Trustee shall fail to comply with Section 8.08 with respect to any Series of Securities after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security of such Series for at least six months; or

(b) the Trustee shall cease to be eligible under Section 8.09 with respect to any Series of Securities and shall fail to resign after written request therefor by the Company or by any Holder of Securities of such Series; or

(c) the Trustee shall become incapable of acting with respect to any Series of Securities or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, (1) the Company by a Board Resolution may remove the Trustee with respect to such Series, or (2) subject to Section 7.14, any Holder who has been a bona fide Holder of a Security of such Series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee with respect to such Series.

(v) If the Trustee shall resign, be removed or become incapable of acting with respect to any Series of Securities, or if a vacancy shall occur in the office of the Trustee with respect to any Series of Securities for any cause, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those Series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such Series and that at any time there shall be only one Trustee with respect to the Securities of any particular Series) and shall comply with the applicable requirements of Section 8.11. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to such Series of Securities shall be appointed by the Act of the Holders of a majority in principal amount of the Outstanding Securities of such Series delivered to the Company and the retiring Trustee with respect to such Series, the successor Trustee so appointed shall, forthwith upon its acceptance of such

appointment, become the successor Trustee with respect to such Series and to that extent supersede the successor Trustee appointed by the Company with respect to such Series. If no successor Trustee with respect to such Series shall have been so appointed by the Company or the Holders of Securities of such Series and accepted appointment in the manner hereinafter provided, any Holder who has been a bona fide Holder of a Security of such Series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to such Series.

(vi) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any Series and each appointment of a successor Trustee with respect to the Securities of any Series by mailing written notice of that event by first-class mail, postage prepaid, to the Holders of Registered Securities of that Series as their names and addresses appear in the Register. Each notice shall include the name of the successor Trustee with respect to the Securities of such Series and the address of its Principal Corporate Trust Office.

SECTION 8.11. Acceptance of Appointment by Successor Trustee. (i) In the case of the appointment hereunder of a successor Trustee with respect to any Series of Securities, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective with respect to all or any Series as to that it is resigning as Trustee, and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to all or any such Series; but, on request of the Company or such successor Trustee, such retiring Trustee shall upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of such retiring Trustee with respect to all or any such Series; and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to all or any such Series, subject nevertheless to its lien, if any, provided for in Section 8.07.

(ii) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) Series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more Series shall execute and deliver a Supplemental Indenture wherein each successor Trustee shall accept such appointment and that (a) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those Series to which the appointment of such successor Trustee relates, (b) if the retiring Trustee is not retiring with respect to all Series of Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those Series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (c) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such Supplemental Indenture shall constitute such Trustee's co-trustees of the same trust and

that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such Supplemental Indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those Series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those Series to which the appointment of such successor Trustee relates, subject nevertheless to its lien, if any, provided for in Section 8.07.

(iii) Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in paragraph (i) or (ii) of this Section, as the case may be.

(iv) No successor Trustee with respect to a Series of Securities shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible with respect to such Series under this Article.

SECTION 8.12. Merger, Conversion, Consolidation or Succession to Business of Trustee. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder; provided that such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 8.13. Preferential Collection of Claims Against the Company. The Trustee is and shall be subject to the provisions of TIA (S)311(a). There shall be excluded from the operation of TIA (S)311(a) for all purposes, each creditor relationship described or listed in TIA (S)311(b). A Trustee that has resigned or been removed shall be subject to and shall comply with TIA (S)311(a) to the extent required thereby.

SECTION 8.14. Appointment of Authenticating Agents. The Trustee may appoint an Authenticating Agent or Agents, that may include any Affiliate of the Company, with respect to one or more Series of Securities. Such Authenticating Agent or Agents shall, at the option of the Trustee, be authorized to act on behalf of the Trustee to authenticate Securities of such Series issued upon original issuance, exchange, registration of transfer or partial redemption thereof or pursuant to Section 3.07, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by

the Trustee hereunder. Whenever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication or the delivery of Securities to the Trustee for authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent, a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent and delivery of Securities to the Authenticating Agent on behalf of the Trustee. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by Federal or State authority. Notwithstanding the foregoing, an Authenticating Agent located outside the United States may be appointed by the Trustee if previously approved in writing by the Company and if such Authenticating Agent meets the minimum capitalization requirements of this Section 8.14. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent; provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time (and upon request by the Company shall) terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent that shall be acceptable to the Company. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

If an appointment with respect to one or more Series is made pursuant to this Section, the Securities of such Series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication substantially in the following form:

This is one of the Securities of the Series designated as set forth in the within-mentioned Indenture that is issued under the within-mentioned Indenture.

**BANK ONE TRUST COMPANY, NA,**  
as Trustee,

By \_\_\_\_\_  
Authenticating Agent

By \_\_\_\_\_  
Authorized Signatory

**ARTICLE NINE**

**Supplemental Indentures**

SECTION 9.01. Supplemental Indentures Without Consent of Holders. Without the consent of any Holder of any Securities, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more Supplemental Indentures, in form satisfactory to the Trustee, for any of the following purposes:

- (i) to evidence the succession of another corporation or Person to the Company, and the assumption by any such successor of the covenants of the Company herein and in the Securities contained; or
- (ii) to evidence and provide for the acceptance of appointment by another corporation as a successor Trustee hereunder with respect to one or more Series of Securities and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to Section 8.11; or
- (iii) to add to the covenants of the Company, for the benefit of the Holders of Securities of all or any Series of Securities (and if such covenants are to be for the benefit of less than all Series of Securities, stating that such covenants are expressly being included solely for the benefit of that Series or those Series specified in such Supplemental Indenture), or to surrender any right or power herein conferred upon the Company; or
- (iv) to cure any ambiguity, to correct or supplement any provision herein that may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under the Indenture; provided that such action shall not adversely affect the interests of the Holders of Securities of any Series; or
- (v) to add any additional Events of Default with respect to all or any Series of the Securities (and, if such Event of Default is applicable to less than all Series of Securities, specifying the Series to which such Event of Default is applicable); or
- (vi) to add to, change or eliminate any of the provisions of this Indenture; provided that any such addition, change or elimination (a) shall become effective only when there is no Security Outstanding of any Series created prior to the execution of such

Supplemental Indenture that is adversely affected by such change in or elimination of such provision or (b) shall not apply to any Securities Outstanding; or

(vii) to establish the form or terms of Securities of any Series as permitted by Sections 2.02 and 3.01; or

(viii) to evidence any changes to Section 8.09 as permitted by the terms thereof; or

(ix) to comply with requirements of the Commission in order to effect or maintain the qualification of this Indenture under the TIA; or

(x) to add to or change or eliminate any provision of this Indenture as shall be necessary or desirable in accordance with any amendments to the TIA; provided such action shall not adversely affect the interest of Holders of Securities of any Series.

**SECTION 9.02. Supplemental Indentures With Consent of Holders.** (a) With the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Securities of all Series affected by such Supplemental Indenture or Indentures (acting as one class), by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution and the Trustee may enter into an Indenture or Supplemental Indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of each such Series under this Indenture; provided, however, that no such Supplemental Indenture shall, without the consent of the Holder of each Outstanding Security affected thereby:

(i) change the Maturity of the principal of, or the Stated Maturity of any installment of interest (or premium, if any) on, any Security, or reduce the principal amount thereof or any premium thereon or the rate of interest thereon or change the method or methods for determining the rate of interest thereon or change the obligation of the Company to pay additional amounts pursuant to Section 5.04 (except as contemplated by Section 10.01(i) and permitted by Section 9.01), or reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 7.02 or a repurchase or redemption of any Securities affected, or change the method of calculating interest thereon or the coin or currency in which any Security, premium, if any, thereon, or the interest thereon is payable, or reduce the minimum rate of interest thereon, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption or repurchase on or after the Redemption Date or Repurchase Date);

(ii) reduce the percentage in principal amount of the Outstanding Securities of any Series, the consent of whose Holders is required for any such Supplemental Indenture or the consent of whose Holders is required for any waiver of certain defaults hereunder and their consequences) provided for in this Indenture or reduce the requirements of Section 14.04 for a quorum;

(iii) change any obligation of the Company to maintain an office or agency in the places and for the purposes specified in Section 5.02; or

(iv) modify any of the provisions of this Section 9.02 or Section 7.13, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived.

(b) It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such Act shall approve the substance thereof.

(c) A Supplemental Indenture that changes or eliminates any covenant or other provision of this Indenture that has expressly been included solely for the benefit of one or more particular Series of Securities, or that modifies the rights of the Holders of Securities of such Series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other Series.

SECTION 9.03. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article Nine or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 8.01) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such Supplemental Indenture is authorized or permitted by and complies with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture that affects the Trustee's own rights, liabilities, duties or immunities under this Indenture or otherwise.

SECTION 9.04. Effect of Supplemental Indentures. Upon the execution of any Supplemental Indenture under this Article Nine, this Indenture shall be modified in accordance therewith, and such Supplemental Indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 9.05. Conformity with Trust Indenture Act. Every Supplemental Indenture executed pursuant to this Article Nine shall conform to the requirements of the TIA as then in effect.

SECTION 9.06. Reference in Securities to Supplemental Indentures. Securities authenticated and delivered after the execution of any Supplemental Indenture pursuant to this Article Nine may, and shall, if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such Supplemental Indenture. If the Company shall so determine, new Securities so modified as to conform, in the opinion of the Trustee and the Company, to any such Supplemental Indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities.

## ARTICLE TEN

### **Amalgamation, Consolidation, Merger, Conveyance or Transfer**

SECTION 10.01. Company May Consolidate Only on Certain Terms. So long as any Security remains Outstanding, the Company shall not amalgamate or consolidate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety to any Person or enter into any reorganization or arrangement, unless:

(i) the Company shall be the surviving or continuing entity or the Person formed by such amalgamation, consolidation or into which the Company is merged or the Person that acquires by conveyance or transfer the properties and assets of the Company substantially as an entirety is an entity organized under the laws of a state of the United States of America, and the Company has delivered to the Trustee (x) an Opinion of Counsel to the effect that Holders will not recognize income, gain or loss for federal income tax purposes as a result of such amalgamation, consolidation, merger, conveyance or transfer transaction involving the Company, and will be subject to Federal income tax on the same amount and in the same manner and at the same times as would have been the case if such transaction had not been effected, which Opinion of Counsel shall be based upon (and accompanied by a copy of) a ruling of the Internal Revenue Service to the same effect unless there has been a change in applicable Federal income tax law after the Closing Date such that a ruling is no longer required or (y) a ruling directed to the Trustee received from the Internal Revenue Service to the same effect as the aforementioned Opinion of Counsel;

(ii) immediately after giving effect to such transaction, no Event of Default, and no event that, after notice or lapse of time, or both, would become an Event of Default, shall have happened and be continuing; and

(iii) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such amalgamation, consolidation, merger, conveyance or transfer and such Supplemental Indenture comply with this Article Ten and that all conditions precedent herein provided for relating to such transaction have been complied with.

SECTION 10.02 Successor Corporation Substituted. Upon any amalgamation, consolidation, merger, reorganization or arrangement or any conveyance or transfer of the properties and assets of the Company substantially as an entirety in accordance with Section 10.01, the successor Person formed by such amalgamation or consolidation or into which the Company is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company, as the case may be, under this Indenture with the same effect as if such successor Person had been named as the Company herein. In the event of any such conveyance or transfer, the Company, as the predecessor corporation, shall be relieved of all obligations and covenants under this Indenture and the Securities, and may be dissolved, wound up and liquidated at any time thereafter. Such successor Person thereupon may cause to be signed, and may issue either in its own name or in the name of the Company, any or all of Securities of any Series issuable hereunder which

theretofore shall not have been signed by the Company and delivered to the Trustee. All Securities so issued shall in all respects have the same legal rank and benefit under this Indenture as Securities theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Securities had been issued, or annexed, or endorsed at the date of the execution hereof.

## ARTICLE ELEVEN

### Satisfaction and Discharge

#### SECTION 11.01. Option to Effect Legal Defeasance or Covenant Defeasance.

The Company may, at the option of the Board of Directors evidenced by a resolution set forth in an Officers' Certificate, at any time, elect to have either Section 11.02 or 11.03 be applied to all outstanding Securities of all Series or any Series upon compliance with the conditions set forth below in this Article Eleven.

SECTION 11.02. Legal Defeasance and Discharge. Upon the Company's exercise under Section 11.01 of the option applicable to this Section 11.02 as to the outstanding Securities of all Series or any Series, the Company, as applicable, shall, subject to the satisfaction of the applicable conditions set forth in Section 11.04, be deemed to have been discharged from its obligations with respect to all outstanding Securities as to which the option provided in Section 11.01 is exercised, on the date the conditions set forth below are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by such outstanding Securities, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 11.05, Section 11.09 and the other Sections of this Indenture referred to below, and to have satisfied all its other obligations under such Securities and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of outstanding Securities to receive solely from the trust fund described in Section 11.04, and as more fully set forth in such Section, payments in respect of the principal of, premium, if any, and interest and Additional Interest, if any, on such Securities when such payments are due, (b) the Company's obligations with respect to such Securities under Article Three and Section 5.02, (c) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Company's obligations in connection therewith and (d) this Article Eleven. Subject to compliance with this Article Eleven, the Company may exercise its option under this Section 11.02 notwithstanding the prior exercise of its option under Section 11.03.

SECTION 11.03. Covenant Defeasance. Upon the Company's exercise under Section 11.01 of the option applicable to this Section 11.03 as to the outstanding Securities of all Series or any Series, subject to the satisfaction of the applicable conditions set forth in Section 11.04, the Company shall be released from its respective obligations under Section 5.06, in each case on and after the date the conditions set forth below are satisfied as to those Securities as to which that option is exercised (hereinafter, "Covenant Defeasance"), and such

Securities shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Securities shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Securities of any Series as to which the Covenant Defeasance has occurred, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 7.01(iii), but, except as specified above, the remainder of this Indenture and such Securities shall be unaffected thereby. In addition, upon the Company's exercise under Section 11.01 of the option applicable to this Section 11.03, subject to the satisfaction of the applicable conditions set forth in Section 11.04, Section 7.01(iii) shall not constitute Events of Default.

SECTION 11.04. Conditions to Legal or Covenant Defeasance. The following shall be the conditions to the application of either Section 11.02 or 11.03 to the outstanding Securities:

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Company must irrevocably deposit or cause to be deposited with the Trustee, in trust, for the benefit of the Holders of the Securities as to which Legal Defeasance or Covenant Defeasance will occur, moneys (which shall be United States legal tender except to the extent necessary to provide for the payment of any Series of Securities that is denominated in a currency other than United States dollars, in which case such moneys shall include such other currency) and Government Securities (or to the extent that a Series of Securities is denominated in a currency other than United States dollars, equivalent securities issued by a government, governmental agency or central bank of the country in whose currency the Series of Securities is denominated that are backed by the full faith and credit of the government of that country) or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, interest on such Securities on the Stated Maturity for payment thereof or on the redemption date of such principal or installment of principal of, premium, if any, or interest on such Securities (and the Company must specify whether the Securities are being defeased to maturity or to a particular redemption date), and the Holders of such Securities must have a valid, perfected, exclusive security interest in such trust;

(2) in the case of an election under Section 11.02, the Company shall have delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee confirming that (A) the Company has received from, or there has been published by the Internal Revenue Service, a ruling or (B) since the date of this Indenture, there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of such Securities will not recognize income, gain or loss for Federal income tax purposes as a result of such Legal Defeasance and will be

subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of an election under Section 11.03, the Company shall have delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to such Trustee confirming that the Holders of such Securities will not recognize income, gain or loss for Federal income tax purposes as a result of such Covenant Defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit);

(5) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under this Indenture or any other material agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(6) the Company shall have delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to such Trustee confirming that, after the 91st day following such deposit, the deposited funds will not be part of any "estate" formed by the bankruptcy of the Company or subject to the "automatic stay" under the Bankruptcy Code or, in the case of Covenant Defeasance, will be subject to a first priority Lien in favor of the Trustee for the benefit of the Holders;

(7) the Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders of such Securities over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company, or others; and

(8) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that the conditions precedent provided for in such documents have been complied with.

If the funds deposited with the Trustee to effect Covenant Defeasance are insufficient to pay the principal of, premium, if any, and interest on the Securities when due, then the obligations of the Company under this Indenture will be revived, no such defeasance shall be deemed to have occurred and, at the request of the Company, the Trustee will return to the Company the funds deposited by the Company to effect the Covenant Defeasance.

SECTION 11.05. Deposited Money and Government Securities to be Held in Trust; Other Miscellaneous Provisions. Subject to Section 11.06, all moneys and Government Securities (and any foreign government securities) (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 11.05, the "Trustee") pursuant to Section 11.04 in respect of outstanding Securities shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and this

Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Securities of all sums due and to become due thereon in respect of principal, premium, if any, and interest (and Additional Interest, if any), but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or Government Securities deposited pursuant to Section 11.04 or the principal and interest received in respect thereof, other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Securities.

Anything in this Article Eleven to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon the request of the Company any money or Government Securities held by it as provided in Section 11.04 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 11.04), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

SECTION 11.06. Repayment to the Company. Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest on any Security and remaining unclaimed for two years after such principal, and premium, if any, or interest has become due and payable shall be paid to the Company on its written request or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as a creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

SECTION 11.07. Reinstatement. If the Trustee or Paying Agent is unable to apply any moneys, Government Securities or other securities that have been deposited pursuant to Section 11.04 in accordance with Section 11.02 or 11.03, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Indenture and the Securities as to which the option under Section 11.01 is exercised shall be revived and reinstated as though no deposit had occurred pursuant to Section 11.04, until such time as the Trustee or Paying Agent is permitted to apply all such moneys, Government Securities or other securities in accordance with Section 11.02 or 11.03, as the case may be; provided, however, that, if the Company makes any payment of principal of, premium, if any, or interest on any Security following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the moneys, Government Securities or other securities held by the Trustee or Paying Agent.

SECTION 11.08. Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Securities as provided in Sections 3.06 and 3.07 and in the Securities, all rights to receive payments thereof or thereon as provided in Sections 3.08 and 5.01 and otherwise in this Indenture and in the Securities and any right to receive additional amounts as provided in Section 5.04), and the Trustee, on receipt of a Company Request and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture with respect to the Company, when:

- (i) either
  - (a) all Securities theretofore authenticated and delivered (other than (1) Securities that have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 3.07, and (2) Securities for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 5.03) have been delivered to the Trustee for cancellation; or
  - (b) all such Securities not theretofore delivered to the Trustee for cancellation
    - (1) have become due and payable, or
    - (2) will become due and payable at their Maturity within 60 days, or
    - (3) are to be called for redemption within sixty days under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,and the Company, in the case of clause (b) (1), (2) or (3) above, has deposited or caused to be deposited with the Trustee, as trust funds in trust for that purpose, an amount sufficient to pay and discharge the entire indebtedness on such Securities not theretofore delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of such deposit (in the case of Securities that have become due and payable), or to the Maturity or Redemption Date, as the case may be;
- (ii) the Company has paid or caused to be paid all other sums payable hereunder by it; and
- (iii) no Default or Event of Default shall have occurred and be continuing; and
- (iv) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 8.07 and, if money shall have been deposited with the Trustee pursuant to clause (i)(b) of this Section 11.08, the obligations of the Trustee under Section 11.02 and the last paragraph of Section 5.03 shall survive.

SECTION 11.09. Application of Trust Money. Subject to the provisions of the last paragraph of Section 5.03, all money deposited with the Trustee pursuant to Section 11.01 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent), as the Trustee may determine, to the Persons entitled thereto, of the principal, premium, if any, and interest for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

## **ARTICLE TWELVE**

### **Immunity of Incorporators, Stockholders, Officers and Directors**

SECTION 12.01. Exemption from Individual Liability. No recourse under or upon any obligation, covenant or agreement of this Indenture, or of any Security, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the obligations issued hereunder are solely corporate obligations of the Company, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, stockholders, officers or directors, as such, of the Company or of any successor corporation, or any of them, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom; and that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, stockholder, officer or director, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issuance of the Securities.

## **ARTICLE THIRTEEN**

### **Sinking Funds**

SECTION 13.01. Applicability of Article. The provisions of this Article Thirteen shall be applicable to any sinking fund for the retirement of Securities of a Series except as otherwise specified in the terms of that Series as established in accordance with Section 3.01. The minimum amount of any sinking fund payment provided for by the terms of Securities of any Series is herein referred to as a "mandatory sinking fund payment," and any payment in

excess of such minimum amount provided for by the terms of Securities of any Series is herein referred to as an "optional sinking fund payment." If provided for by the terms of Securities of any Series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 13.02. Each sinking fund payment shall be applied to the redemption of Securities of any Series as provided for by the terms of Securities of such Series.

**SECTION 13.02. Satisfaction of Sinking Fund Payments with Securities.** The Company (i) may deliver Outstanding Securities of a Series (other than any previously called for redemption), and (ii) may apply as a credit Securities of a Series that have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any sinking fund payment with respect to the Securities of such Series required to be made pursuant to the terms of such Securities as provided for by the terms of such Series; provided that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustee at the Redemption Price specified in or calculated in accordance with such Securities for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

**SECTION 13.03. Redemption of Securities for Sinking Fund.** Not less than 60 days prior to each sinking fund payment date for any Series of Securities, the Company will deliver to the Trustee and the Registrar an Officers' Certificate specifying (i) the amount of the next ensuing sinking fund payment for the Securities of that Series pursuant to the terms of the Securities of that Series, (ii) the portion thereof, if any, that is to be satisfied by payment of cash and the portion thereof, if any, that is to be satisfied by delivering and crediting Securities of that Series pursuant to Section 13.02, and (iii) that none of such Securities has theretofore been so credited, and stating the basis for such credit, and will also deliver to the Trustee any Securities to be so delivered. Not less than 30 days before each sinking fund payment date the Registrar shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 4.03 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 4.04. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 4.06 and 4.07 and shall be subject to Section 4.08.

## **ARTICLE FOURTEEN**

### **Meetings of Holders of Securities**

**SECTION 14.01. Purposes for Which Meetings May Be Called.** A meeting of Holders of Securities of any Series may be called at any time and from time to time pursuant to this Article to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other Act provided by this Indenture to be made, given or taken by Holders of Securities of such Series.

**SECTION 14.02. Call, Notice and Place of Meetings.** (i) The Trustee may at any time call a meeting of Holders of Securities of any Series for any purpose specified in Section 14.01, to be held at such time and at such place, in the Borough of Manhattan, The City of New York, as the Trustee shall determine. Notice of every meeting of Holders of Securities of any

Series, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, in the manner provided in Section 1.06, not less than 21 nor more than 180 days prior to the date fixed for the meeting.

(ii) If at any time the Company, pursuant to a Board Resolution, or the Holders of at least 10% in principal amount of the Outstanding Securities of any such Series shall have requested the Trustee to call a meeting of the Holders of Securities of such Series for any purpose specified in Section 14.01, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall have made the first publication of the notice of such meeting within 21 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Company or the Holders of Securities of such Series in the amount above specified, as the case may be, may determine the time and the place in the Borough of Manhattan, The City of New York for such meeting and may call such meeting for such purposes by giving notice thereof as provided in Section 14.02(i).

SECTION 14.03. Persons Entitled to Vote at Meetings. To be entitled to vote at any meeting of Holders of Securities of any Series, a Person shall be

(1) a Holder of one or more Outstanding Securities of such Series, or (2) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more Outstanding Securities of such Series by such Holder or Holders. The only Persons who shall be entitled to be present or to speak at any meeting of Holders of Securities of any Series shall be the Persons entitled to vote at such meeting and their counsel, any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 14.04. Quorum; Action. The Persons entitled to vote a majority in principal amount of the Outstanding Securities of a Series shall constitute a quorum for a meeting of Holders of Securities of such Series; provided, however, that if any action is to be taken at such meeting with respect to a consent or waiver which this Indenture expressly provides may be given by the Holders of a greater percentage in principal amount of the Outstanding Securities of a Series, the Persons entitled to vote such greater percentage in principal amount of the Outstanding Securities of such Series shall constitute a quorum. In the absence of a quorum within 30 minutes of the time appointed for any such meeting, the meeting shall, if convened at the request of Holders of Securities of such Series, be dissolved. In the absence of a quorum in any other case the meeting may be adjourned for a period of not less than 10 days as determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for a period of not less than 10 days as determined by the chairperson of the meeting prior to the adjournment of such adjourned meeting. Notice of the reconvening of any adjourned meeting shall be given as provided in

Section 14.02(i), except that such notice need be given only once not less than five days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage, as provided above, of the principal amount of the Outstanding Securities of such Series that shall constitute a quorum.

Except as limited by the provisos to Section 9.02, any resolution presented to a meeting or adjourned meeting duly reconvened at which a quorum is present as aforesaid may be adopted

only by the affirmative vote of the Holders of a majority in principal amount of the Outstanding Securities of the Series; provided, however, that, except as limited by the provisos to Section 9.02, any resolution with respect to any consent or waiver that this Indenture expressly provides may be given by the Holders of a greater percentage in principal amount of the Outstanding Securities of a Series may be adopted at a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid only by the affirmative vote of the Holders of such greater percentage in principal amount of the Outstanding Securities of that Series; and provided further that, except as limited by the provisos to Section 9.02, any resolution with respect to any request, demand, authorization, direction, notice, consent, waiver or other Act that this Indenture expressly provides may be made, given or taken by the Holders of a specified percentage, that is less than a majority in principal amount of the Outstanding Securities of a Series may be adopted at a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid by the affirmative vote of the Holders of such specified percentage in principal amount of the Outstanding Securities of that Series.

Any resolution passed or decision taken at any meeting of Holders of Securities of any Series duly held in accordance with this Section shall be binding on all the Holders of Securities of such Series, whether or not present or represented at the meeting.

#### SECTION 14.05. Determination of Voting Rights; Conduct and Adjournment of Meetings.

(i) Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders of Securities of such Series in regard to proof of the holding of Securities of such Series and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 1.04, and the appointment of any proxy shall be proved in the manner specified in Section 1.04. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 1.04 or other proof.

(ii) The Trustee shall, by an instrument in writing, appoint a temporary chairperson of the meeting, unless the meeting shall have been called by the Company or by Holders of Securities as provided in Section 14.02(ii), in which case the Company or the Holders of Securities of the Series calling the meeting, as the case may be, shall in like manner appoint a temporary chairperson. A permanent chairperson and a permanent secretary of the meeting shall be elected by vote of the Persons entitled to vote a majority in principal amount of the Outstanding Securities of such Series represented at the meeting.

(iii) At any meeting, each Holder of a Security of such Series or proxy shall be entitled to one vote for each \$1,000 principal amount (or the equivalent in Euros, any common or composite currency or a Foreign Currency) of Securities of such Series held

or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Security challenged as not Outstanding and ruled by the chairperson of the meeting not to be Outstanding. The chairperson of the meeting shall have no right to vote, except as a Holder of a Security of such Series or proxy.

(iv) Any meeting of Holders of Securities of any Series duly called pursuant to Section 14.02 at which a quorum is present may be adjourned from time to time by Persons entitled to vote a majority in principal amount of the Outstanding Securities of such Series represented at the meeting; and the meeting may be held as so adjourned without further notice.

**SECTION 14.06. Counting Votes and Recording Action of Meetings.** The vote upon any resolution submitted to any meeting of Holders of Securities of any Series shall be by written ballots on which shall be subscribed the signatures of the Holders of Securities of such Series or of their representatives by proxy and the principal amounts and serial numbers of the Outstanding Securities of such Series held or represented by them. The permanent chairperson of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in triplicate of all votes cast at the meeting. A record, with at least four copies thereof, of the proceedings of each meeting of Holders of Securities of any Series shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 14.02 and, if applicable, Section 14.04. Each copy shall be signed and verified by the affidavits of the permanent chairperson and secretary of the meeting and one such copy shall be delivered to the Company and another to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

## **ARTICLE FIFTEEN**

### **Miscellaneous**

**SECTION 15.01. Counterparts.** This Indenture may be executed in any number of counterparts, each of which shall be an original; which taken together shall constitute but one and the same instrument.

Bank One Trust Company, NA hereby accepts the trusts in this Indenture declared and provided, upon the terms and conditions hereinabove set forth.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

{SEAL}

WAL-MART STORES, INC.

Attest:

By: /s/ Rick W. Brazile

/s/ Anthony D. George

-----  
Name: Rick W. Brazile  
Title: Vice President of Planning  
and Analysis

{SEAL}

BANK ONE TRUST COMPANY, NA, as Trustee

Attest:

By: /s/ Benita Pointer

/s/ Janice Ott Rotunno

-----  
Name: Benita Pointer  
Title: Assistant Vice President





**EXHIBIT 5.1**

[Hughes & Luce, LLP Letterhead]

December 13, 2002

Wal-Mart Stores, Inc.  
702 S.W. 8th/ Street  
Bentonville, Arkansas 72716

Re: Registration Statement on Form S-3 of Wal-Mart Stores, Inc.

Ladies and Gentlemen:

We have acted as special counsel to Wal-Mart Stores, Inc., a Delaware corporation (the "Company"), in connection with the preparation of a registration statement on Form S-3 (the "Registration Statement") filed with the Securities and Exchange Commission (the "Commission") relating to the offering from time to time, pursuant to Rule 415 of the General Rules and Regulations of the Commission promulgated under the Securities Act of 1933, as amended (the "Securities Act"), by the Company of up to \$10,000,000,000 aggregate principal amount, or the equivalent thereof in one or more foreign or composite currencies, of the Company's debt securities (the "Debt Securities"). The offering of the Debt Securities will be as set forth in the prospectus contained in the Registration Statement (the "Prospectus"), as supplemented by one or more prospectus supplements. We are rendering this opinion in connection with the Registration Statement.

The Debt Securities will be issued pursuant to and governed by an indenture, dated as of December 11, 2002 (the "Indenture"), between the Company and Bank One Trust Company, NA, as indenture trustee. The Company may establish one or more series of the Debt Securities (each, a "Series") in accordance with the terms of the Indenture from time to time.

In rendering this opinion, we have examined and relied upon, without investigation or independent verification, executed originals, counterparts or copies of the Restated Certificate of Incorporation and the by-laws of the Company, each as amended and restated to date, the Registration Statement, the Indenture, resolutions of the executive committee of the Board of Directors of the Company and such other documents, records and certificates as we considered necessary or appropriate to enable us to express the opinions set forth herein. In all such examinations, we have assumed the authenticity and completeness of all documents submitted to us as originals and the conformity to authentic and complete originals of all documents submitted to us as photostatic, conformed, notarized or certified copies.

In rendering this opinion, we have assumed that (i) all information contained in all documents reviewed by us is true and complete, (ii) each natural person signing any document reviewed by us had the legal capacity to do so, (iii) each person signing in a representative capacity (other than on behalf of the Company) had the authority to sign in such capacity, (iv) the Registration Statement and any amendments thereto (including any post-effective

amendment thereto) will have become effective and will comply with all applicable laws, (v) a prospectus supplement will have been prepared and filed with the Commission describing the Debt Securities offered thereby in accordance with all applicable laws, (vi) all Debt Securities will be issued and sold in compliance with all applicable federal and state securities laws and in the manner stated in the Registration Statement and the applicable prospectus supplement, (vii) a definitive purchase, underwriting or similar agreement with respect to any Debt Securities offered (each, an "Underwriting Agreement") will have been duly authorized and validly executed and delivered by the Company and the other parties thereto, and (viii) at or prior to the time of delivery of each Debt Security, the authorization of the Series of which that Debt Security is a part will not be modified or rescinded, and there will not have occurred any change in law affecting the validity or enforceability of that Debt Security.

As to facts material to our opinion, we have relied, to the extent that we deem such reliance proper and without investigation or independent verification, upon certificates of public officials and officers or other representatives of the Company.

Based on the foregoing and subject to the qualifications set forth below, we are of the opinion that, with respect to the Debt Securities of a Series to be offered and sold in reliance upon the Registration Statement, if

(a) the Indenture has been duly qualified under the Trust Indenture Act of 1939, as amended, (b) the Company has taken all necessary corporate action to establish the Series of which the Debt Securities are a part and to approve the issuance and the terms of the Series of which the Debt Securities are a part and of the Debt Securities of that Series, the terms of the offering thereof and related matters, (c) the terms of the Series and the Debt Securities and of their issuance and sale have been established so as not to violate any applicable law, rule or regulation or result in a default under or breach of any agreement or instrument binding on the Company and so as to comply with any requirement or restriction imposed by any court or governmental body having jurisdiction over the Company, and (d) the Debt Securities, and any Series of which the Debt Securities are a part, have been established, executed, authenticated, issued and delivered in accordance with the Indenture and any Supplemental Indenture, Board Resolution and Series Terms Certificate relating to any such Series and the definitive Underwriting Agreement approved by all necessary corporate action of the Company, upon payment of the consideration for such Debt Securities as provided for therein, then the Debt Securities issued by the Company will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, and will be entitled to the benefit of the Indenture.

The foregoing opinion is qualified to the extent that the enforceability of any document, instrument or Debt Security may be limited by or subject to (i) the effects of bankruptcy, insolvency, moratorium, reorganization, liquidation, rearrangement, probate, conservatorship, fraudulent conveyance or transfer, or other similar laws (including court decisions) now or hereafter in effect relating to or affecting creditors' rights and remedies generally or providing for the relief of debtors, or general principles of equity (regardless of whether such remedies are sought in a proceeding in equity or at law) or public policy, (ii) the refusal of a particular court to grant (a) equitable remedies, including, without limiting the generality of the foregoing, specific performance and injunctive relief, or (b) a particular remedy sought under the Indenture as opposed to another remedy provided for therein or another remedy available at law or in equity;

and (iii) with respect to any Debt Securities denominated in a currency other than United States dollars, the requirement that a claim (or a foreign currency judgment in respect of such a claim) with respect to such Debt Securities be converted into United States dollars at a rate of exchange prevailing on a date determined pursuant to applicable law or governmental authority.

We express no opinions concerning (i) the validity or enforceability of (a) severability clauses, or (b) any provisions contained in the Indenture that purport to waive or not give effect to rights to notice, defenses, subrogation or other rights or benefits that cannot be effectively waived under applicable law, or (ii) the enforceability of indemnification provisions to the extent they purport to relate to liabilities resulting from or based on negligence or any violation of any federal or state securities laws.

We note that the enforceability of specific provisions of the Indenture and the Debt Securities may be subject to (a) standards of reasonableness and "good faith" limitations and obligations such as those provided in the New York Uniform Commercial Code and similar applicable principles of common law and judicial decisions, and (b) the course of dealings between the parties, the usage of trade and similar provisions of common law and judicial decision.

With respect to Section 8.07(i) of the Indenture, we express no opinion with respect to the enforceability of the parenthetical clause thereof relating to the limitations on the compensation of trustees.

With respect to Section 12.01 of the Indenture we express no opinion as to the enforceability of any of these provisions to the extent that any of them purport to waive liability for violation of securities laws.

The foregoing opinion is limited in all respects to matters under and governed by the internal laws and regulations of the State of New York (exclusive of conflict of law principles) as each is in force and effect as of the date of this opinion. We do not express any opinion as to the laws of any other jurisdiction.

This opinion letter may be filed as an exhibit to the Registration Statement. We also consent to the reference to this firm as having passed on the validity of the Debt Securities under the caption "Legal Matters" in the Prospectus. In giving this consent, we do not admit that we are included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

*/s/ Hughes & Luce, L.L.P.*

**EXHIBIT 12.1**

**Statement Regarding Computation of Ratios**

	Nine-Months Ended		Fiscal Years Ended				
	October 31, 2002	October 31, 2001	2002	2001	2000	1999	1998
Income before income taxes	8,709	7,222	10,751	10,116	9,083	7,323	5,719
Capitalized interest	(98)	(70)	(130)	(93)	(57)	(41)	(33)
Minority interest	(129)	(104)	(183)	(129)	(170)	(153)	(78)
Adjusted profit before tax	8,482	7,048	10,438	9,894	8,856 *	7,129	5,608
<b>Fixed Charges</b>							
Debt interest	619	846	1,052	1,095	756	529	555
Capital lease interest	189	201	274	279	266	268	229
Capitalized interest	98	70	130	93	57	41	33
Interest component of rent	709	590	834	714	458	523	477
Total fixed expense	1,615	1,707	2,290	2,181	1,537	1,361	1,294
Profit before taxes and fixed expenses	10,097	8,755	12,728	12,075	10,393	8,490	6,902
Fixed charge coverage	6.25	5.13	5.56	5.54	6.76	6.24	5.33

\* Does not include the cumulative effect of accounting change recorded by the Company in Fiscal 2000.

## EXHIBIT 23.1

### Consent of Independent Auditors

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-3 No. 333-XXXX) and related Prospectus of Wal-Mart Stores, Inc. for the registration of \$10,000,000,000 of debt securities and to the incorporation by reference therein of our report dated March 22, 2002, with respect to the consolidated financial statements of Wal-Mart Stores, Inc. incorporated by reference in its Annual Report (Form 10-K) for the year ended January 31, 2002, filed with the Securities and Exchange Commission.

*/s/ Ernst & Young LLP*

*Tulsa, Oklahoma  
December 13, 2002*

**EXHIBIT 25.1**

**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM T-1**

**STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939  
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE**

**CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY  
OF A TRUSTEE PURSUANT TO SECTION 305(b)(2) \_\_\_\_\_**

**BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION**  
(Exact name of trustee as specified in its charter)

A National Banking Association

31-0838515  
(I.R.S. employer  
identification number)

100 East Broad Street, Columbus, Ohio  
(Address of principal executive offices)

43271-0181  
(Zip Code)

Bank One Trust Company, NA  
100 East Broad Street  
Columbus, Ohio 43271-0181

Attn: Christopher C. Holly, Vice President

(Name, address and telephone number of agent for service)

**Wal-Mart Stores, Inc.**  
(Exact name of obligor as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

71-0415188  
(I.R.S. employer  
identification number)

702 S.W. Eighth Street  
Bentonville, Arkansas

(Address of principal executive offices)

72716  
(Zip Code)

**ALLISON D. GARRETT, ESQ.**  
**VICE PRESIDENT AND ASSISTANT GENERAL COUNSEL**

Wal-Mart Stores, Inc.  
702 S.W. Eighth Street  
Bentonville, Arkansas 72716  
(501) 273-4505  
(Name, address, and telephone number,

including area code, of agent for service)

**Debt Securities**  
(Title of Indenture Securities)

**Item 1. General Information. Furnish the following**  
information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Comptroller of Currency, Washington, D.C.; Federal Deposit Insurance Corporation, Washington, D.C.; The Board of Governors of the Federal Reserve System, Washington D.C.

(b) Whether it is authorized to exercise corporate trust powers.

The trustee is authorized to exercise corporate trust powers.

**Item 2. Affiliations With the Obligor. If the obligor**  
is an affiliate of the trustee, describe each such affiliation.

No such affiliation exists with the trustee.

**Item 16. List of exhibits. List below all exhibits filed as a**  
part of this Statement of Eligibility.

1. A copy of the articles of association of the trustee now in effect.
2. A copy of the certificates of authority of the trustee to commence business.
3. A copy of the authorization of the trustee to exercise corporate trust powers.
4. A copy of the existing by-laws of the trustee.
5. Not Applicable.
6. The consent of the trustee required by Section 321(b) of the Act.

7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.

8. Not Applicable.

9. Not Applicable.

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, Bank One Trust Company, NA, a national banking association organized and existing under the laws of the United States of America, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago and State of Illinois, on the 11th day of December, 2002.

Bank One Trust Company, NA, Trustee

By

*/s/ Christopher Holly*  
*Christopher Holly*  
*Vice President*

**EXHIBIT 1**

**A COPY OF THE ARTICLES OF ASSOCIATION OF THE  
TRUSTEE NOW IN EFFECT**

**AMENDED AND RESTATED  
ARTICLES OF ASSOCIATION  
of  
BANK ONE TRUST COMPANY, NA**

**FIRST. The title of this Association shall be BANK ONE TRUST COMPANY, NA.**

SECOND. The main office of the Association shall be in the City of Columbus, County of Franklin, State of Ohio.

The business of the Association will be limited to the fiduciary powers and the support of activities incidental to the exercise of those powers. The Association will not expand or alter its business beyond that stated in this article without the prior approval of the Comptroller of the Currency.

THIRD. The Board of Directors of this Association shall consist of not less than five nor more than twenty-five persons, the exact number to be fixed and determined from time to time by resolution of a majority of the full Board of Directors or by resolution of a majority of the shareholders at any annual or special meeting thereof. Each director shall own common or preferred stock of the Association, or of a holding company owning the Association, with an aggregate par, fair market or equity value of not less than \$1,000, as of either (i) the date of purchase, (ii) the date the person became a director, or (iii) the date of that person's most recent election to the Board of Directors, whichever is more recent. Any combination of common or preferred stock of the Association or holding company may be used.

Any vacancy in the Board of Directors may be filled by action of a majority of the remaining directors between meetings of shareholders. The Board of Directors may not increase the number of directors between meetings of shareholders to a number which: (1) exceeds by more than two the number of directors last elected by shareholders where the number was 15 or less; or (2) exceeds by more than four the number of directors last elected by shareholders where the number was 16 or more, but in no event shall the number of directors exceed 25.

Terms of directors, including directors selected to fill vacancies, shall expire at the next regular meeting of shareholders at which directors are elected, unless the directors resign or are removed from office.

Despite the expiration of a director's term, the director shall continue to serve until his or her successor is elected and qualifies or until there is a decrease in the number of directors and his or her position is eliminated.

Honorary or advisory members of the Board of Directors, without voting power or power of final decision in matters concerning the business of the Association, may be appointed by resolution of a majority of the full Board of Directors, or by resolution of shareholders at any annual or special meeting. Honorary or advisory directors shall not be counted to determine the number of directors of the Association or the presence of a quorum in connection with any board action, and shall not be required to own qualifying shares.

FOURTH. There shall be an annual meeting of the shareholders to elect directors and transact whatever other business may be brought before the meeting. It shall be held at the main office or any other convenient place the Board of Directors may designate, on the day of each year specified therefor in the Bylaws or, if that day falls on a legal holiday in the state in which the Association is located, on the next following banking day. If no election is held on the day fixed or in the event of a legal holiday on the following banking day, an election may be held on any subsequent day within 60 days of the day fixed, to be designated by the Board of Directors or, if the directors fail to fix the day, by shareholders representing two-thirds of the shares issued and outstanding. In all cases at least 10 days advance notice of the meeting shall be given to the shareholders by first class mail.

In all elections of directors, the number of votes each common shareholder may cast will be determined by multiplying the number of shares such shareholder owns by the number of directors to be elected. Those votes may be cumulated and cast for a single candidate or may be distributed among two or more candidates in the manner selected by the shareholder. On all other questions, each common shareholder shall be entitled to one vote for each share of stock held by such shareholder. If the issuance of preferred stock with voting rights has been authorized by a vote of shareholders owning a majority of the common stock of the association, preferred shareholders will have cumulative voting rights and will be included within the same class as common shareholders, for purposes of elections of directors.

A director may resign at any time by delivering written notice to the Board of Directors, its chairperson, or to the Association, which resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

A director may be removed by shareholders at a meeting called to remove him or her, when notice of the meeting stating that the purpose or one of the purposes is to remove him or her is provided, if there is a failure to fulfill one of the affirmative requirements for qualification, or for cause, provided, however, that a director may not be removed if the number of votes sufficient to elect him or her under cumulative voting is voted against his or her removal.

FIFTH. The authorized amount of capital stock of this Association shall be eighty thousand shares of common stock of the par value of ten dollars (\$10.00) each; but said capital stock may be increased or decreased from time to time, according to the provisions of the laws of the United States.

No holder of shares of the capital stock of any class of the Association shall have any preemptive or preferential right of subscription to any shares of any class of stock of the Association, whether now or hereafter authorized, or to any obligations convertible into stock of the Association, issued or sold, nor any right of subscription to any thereof other than such, if any, as the Board of Directors, in its discretion, may from time to time

determine and at such price as the Board of Directors may from time to time fix. Unless otherwise specified in the Articles of Association or required by law,

(1) all matters requiring shareholder action, including amendments to the Articles of Association, must be approved by shareholders owning a majority voting interest in the outstanding voting stock, and (2) each shareholder shall be entitled to one vote per share.

Unless otherwise specified in the Articles of Association or required by law, all shares of voting stock shall be voted together as a class on any matters requiring shareholder approval. If a proposed amendment would affect two or more classes or series in the same or a substantially similar way, all the classes or series so affected must vote together as a single voting group on the proposed amendment.

Shares of the same class or series may be issued as a dividend on a pro rata basis and without consideration. Shares of another class or series may be issued as share dividends in respect of a class or series of stock if approved by a majority of the votes entitled to be cast by the class or series to be issued unless there are no outstanding shares of the class or series to be issued. Unless otherwise provided by the Board of Directors, the record date for determining shareholders entitled to a share dividend shall be the date the Board of Directors authorizes the share dividend.

Unless otherwise provided in the Bylaws, the record date for determining shareholders entitled to notice of and to vote at any meeting is the close of business on the day before the first notice is mailed or otherwise sent to the shareholders, provided that in no event may a record date be more than 70 days before the meeting.

If a shareholder is entitled to fractional shares pursuant to preemptive rights, a stock dividend, consolidation or merger, reverse stock split or otherwise, the Association may: (a) issue fractional shares or; (b) in lieu of the issuance of fractional shares, issue script or warrants entitling the holder to receive a full share upon surrendering enough script or warrants to equal a full share; (c) if there is an established and active market in the Association's stock, make reasonable arrangements to provide the shareholder with an opportunity to realize a fair price through sale of the fraction, or purchase of the additional fraction required for a full share; (d) remit the cash equivalent of the fraction to the shareholder; or (e) sell full shares representing all the fractions at public auction or to the highest bidder after having solicited and received sealed bids from at least three licensed stock brokers, and distribute the proceeds pro rata to shareholders who otherwise would be entitled to the fractional shares. The holder of a fractional share is entitled to exercise the rights for shareholder, including the right to vote, to receive dividends, and to participate in the assets of the Association upon liquidation, in proportion to the fractional interest. The holder of script or warrants is not entitled to any of these rights unless the script or warrants explicitly provide for such rights. The script or warrants may be subject to such additional conditions as:

(1) that the script or warrants will become void if not exchanged for full shares before a specified date; and (2) that the shares for which the script or warrants are exchangeable may be sold at the option of the Association and the proceeds paid to scripsholders.

The Association, at any time and from time to time, may authorize and issue debt obligations, whether or not subordinated, without the approval of the shareholders. Obligations classified as debt, whether or not subordinated, which may be issued by the Association without the approval of shareholders, do not carry voting rights on any issue, including an increase or decrease in the aggregate number of the securities, or the exchange or reclassification of all or part of securities into securities of another class or series.

SIXTH. The Board of Directors shall appoint one of its members president of this Association, and one of its members chairperson of the board and shall have the power to appoint one or more vice presidents, a secretary who shall keep minutes of the directors' and shareholders' meetings and be responsible for authenticating the records of the Association, and such other officers and employees as may be required to transact the business of this Association. A duly appointed officer may appoint one or more officers or assistant officers if authorized by the Board of Directors in accordance with the Bylaws. The Board of Directors shall have the power to:

- (1) Define the duties of the officers, employees, and agents of the Association.
- (2) Delegate the performance of its duties, but not the responsibility for its duties, to the officers, employees, and agents of the Association.
- (3) Fix the compensation and enter into employment contracts with its officers and employees upon reasonable terms and conditions consistent with applicable law.
- (4) Dismiss officers and employees.
- (5) Require bonds from officers and employees and to fix the penalty thereof.
- (6) Ratify written policies authorized by the Association's management or committees of the board.
- (7) Regulate the manner in which any increase or decrease of the capital of the Association shall be made, provided that nothing herein shall restrict the power of shareholders to increase or decrease the capital of the association in accordance with law, and nothing shall raise or lower from two-thirds the percentage for shareholder approval to increase or reduce the capital.
- (8) Manage and administer the business and affairs of the Association.
- (9) Adopt initial Bylaws, not inconsistent with law or the Articles of Association, for managing the business and regulating the affairs of the Association.
- (10) Amend or repeal Bylaws, except to the extent that the Articles of Association reserve this power in whole or in part to shareholders.
- (11) Make contracts.
- (12) Generally perform all acts that are legal for a Board of Directors to perform.

SEVENTH. The Board of Directors shall have the power to change the location of the main office of this Association to any other place within the limits of the City of Columbus, State of Ohio, without the approval of the shareholders; and shall have the power to change the location of the main office of this Association to any other place outside the limits of the City of Columbus, State of Ohio, but not more than thirty miles beyond such limits, with the affirmative vote of shareholders owning two-thirds of the stock of the Association, subject to receipt of a certificate of approval from the Comptroller of the Currency. The Board of Directors shall have the power to establish or change the location of any branch or branches of the Association to any other location permitted under applicable law without the approval of the shareholders, subject to approval by the Office of the Comptroller of the Currency. The Board of Directors shall have the power to establish or change the location of any nonbranch office or facility of the Association without the approval of the shareholders.

EIGHTH. The corporate existence of this Association shall continue until termination according to the laws of the United States.

NINTH. The Board of Directors of this Association, or any shareholders owning, in the aggregate, not less than 20 percent of the stock of this Association, may call a special meeting of shareholders at any time. Unless otherwise provided by the Bylaws or the laws of the United States, or waived by shareholders, a notice of the time, place, and purpose of every annual and special meeting of the shareholders shall be given by first-class mail, postage prepaid, mailed at least 10, and no more than 60, days prior to the date of the meeting to each shareholder of record at his/her address as shown upon the books of this Association. Unless otherwise provided by the Bylaws, any action requiring approval of shareholders must be effected at a duly called annual or special meeting.

TENTH. The Association shall provide indemnification as set forth below:

Every person who is or was a Director, officer or employee of the Association or of any other corporation which he served as a Director, officer or employee at the request of the Association as part of his regularly assigned duties may be indemnified by the Association in accordance with the provisions of this Article against all liability (including, without limitation, judgments, fines, penalties, and settlements) and all reasonable expenses (including, without limitation, attorneys' fees and investigative expenses) that may be incurred or paid by him in connection with any claim, action, suit or proceeding, whether civil, criminal or administrative (all referred to hereafter in this Article as "Claims") or in connection with any appeal relating thereto in which he may become involved as a party or otherwise or with which he may be threatened by reason of his being or having been a Director, officer or employee of the Association or such other corporation, or by reason of any action taken or omitted by him in his capacity as such Director, officer or employee, whether or not he continues to be such at the time such liability or expenses are incurred; provided that nothing contained in this Article shall be construed to permit indemnification of any such person who is adjudged guilty of, or liable for, willful misconduct, gross neglect of duty or criminal acts, unless, at the time such indemnification is sought, such indemnification in such instance is permissible under applicable law and regulations, including published rulings of the Comptroller of the Currency or other appropriate

supervisory or regulatory authority; and provided further that there shall be no indemnification of Directors, officers, or employees against expenses, penalties, or other payments incurred in an administrative proceeding or action instituted by an appropriate regulatory agency which proceeding or action results in a final order assessing civil money penalties or requiring affirmative action by an individual or individuals in the form of payments to the Association.

Every person who may be indemnified under the provisions of this Article and who has been wholly successful on the merits with respect to any Claim shall be entitled to indemnification as of right. Except as provided in the preceding sentence, any indemnification under this Article shall be at the sole discretion of the Board of Directors and shall be made only if the Board of Directors or the Executive Committee acting by a quorum consisting of Directors who are not parties to such Claim shall find or if independent legal counsel (who may be the regular counsel of the Association) selected by the Board of Directors or Executive Committee whether or not a disinterested quorum exists shall render their opinion that in view of all of the circumstances then surrounding the Claim, such indemnification is equitable and in the best interests of the Association. Among the circumstances to be taken into consideration in arriving at such a finding or opinion is the existence or non-existence of a contract of insurance or indemnity under which the Association would be wholly or partially reimbursed for such indemnification, but the existence or non-existence of such insurance is not the sole circumstance to be considered nor shall it be wholly determinative of whether such indemnification shall be made. In addition to such finding or opinion, no indemnification under this Article shall be made unless the Board of Directors or the Executive Committee acting by a quorum consisting of Directors who are not parties to such Claim shall find or if independent legal counsel (who may be the regular counsel of the Association) selected by the Board of Directors or Executive Committee whether or not a disinterested quorum exists shall render their opinion that the Directors, officer or employee acted in good faith in what he reasonably believed to be the best interests of the Association or such other corporation and further in the case of any criminal action or proceeding, that the Director, officer or employee reasonably believed his conduct to be lawful. Determination of any Claim by judgment adverse to a Director, officer or employee by settlement with or without Court approval or conviction upon a plea of guilty or of nolo contendere or its equivalent shall not create a presumption that a Director, officer or employee failed to meet the standards of conduct set forth in this Article. Expenses incurred with respect to any Claim may be advanced by the Association prior to the final disposition thereof upon receipt of an undertaking satisfactory to the Association by or on behalf of the recipient to repay such amount unless it is ultimately determined that he is entitled to indemnification under this Article.

The rights of indemnification provided in this Article shall be in addition to any rights to which any Director, officer or employee may otherwise be entitled by contract or as a matter of law. Every person who shall act as a Director, officer or employee of this Association shall be conclusively presumed to be doing so in reliance upon the right of indemnification provided for in this Article.

ELEVENTH. These Articles of Association may be amended at any regular or special meeting of the shareholders by the affirmative vote of the holders of a majority of the stock of this Association, unless the vote of the holders of a greater amount of stock is required by law, and in that case by the vote of the holders of such greater amount. The Association's Board of Directors may propose one or more amendments to the Articles of Association for submission to the shareholders.

**EXHIBIT 2**

**A COPY OF THE CERTIFICATE OF AUTHORITY OF THE  
TRUSTEE TO COMMENCE BUSINESS**

**CERTIFICATE**

I, John D. Hawke, Jr., Comptroller of the Currency, do hereby certify that:

1. The Comptroller of the Currency, pursuant to Revised Statutes 324, et seq., as amended, 12 U.S.C. 1, et seq., as amended, has possession, custody and control of all records pertaining to the chartering of all National Banking Associations.
2. "Bank One Trust Company, National Association," Columbus, Ohio, (Charter No. 16235) is a National Banking Association formed under the laws of the United States and is authorized thereunder to transact the business of banking on the date of this Certificate.

IN TESTIMONY WHEREOF, I have hereunto

subscribed my name and caused my seal of

office to be affixed to these presents at the

**Treasury Department in the City of  
Washington and District of Columbia, this**

**24th day of March, 1999.**

*/s/ John D. Hawke, Jr.*  
-----  
*Comptroller of the Currency*

**EXHIBIT 3**

**A COPY OF THE AUTHORIZATION OF THE TRUSTEE  
TO EXERCISE CORPORATE TRUST POWERS**

**CERTIFICATE**

I, John D. Hawke, Jr., Comptroller of the Currency, do hereby certify that:

1. The Comptroller of the Currency, pursuant to Revised Statutes 324, et seq., as amended, 12 U.S.C. 1, et seq., as amended, has possession, custody and control of all records pertaining to the chartering of all National Banking Associations.
2. "Bank One Trust Company, National Association," Columbus, Ohio, (Charter No. 16235) was granted, under the hand and seal of the Comptroller, the right to act in all fiduciary capacities authorized under the provisions of the Act of Congress approved September 28, 1962, 76 Stat. 668, 12 U.S.C. 92a, and that the authority so granted remains in full force and effect on the date of this Certificate.

IN TESTIMONY WHEREOF, I have hereunto

subscribed my name and caused my seal of

office to be affixed to these presents at the

**Treasury Department in the City of  
Washington and District of Columbia, this**

**24th day of March, 1999.**

*/s/ John D. Hawke, Jr.*  
-----  
*Comptroller of the Currency*

**EXHIBIT 4**

**A COPY OF THE EXISTING BY-LAWS OF THE TRUSTEE**

**BANK ONE TRUST COMPANY, N.A.  
BY-LAWS**

**ARTICLE I**

**MEETINGS OF SHAREHOLDERS**

**SECTION 1.01. ANNUAL MEETING.** The regular annual meeting of the shareholders of the Bank for the election of Directors and for the transaction of such business as may properly come before the meeting shall be held at its main office, or other convenient place duly authorized by the Board of Directors, on the same day upon which any regular or special Board meeting is held from and including the first Monday of January to, and including, the fourth Monday of February of each year, or on the next succeeding banking day, if the day fixed falls on a legal holiday. If from any cause, an election of Directors is not made on the day fixed for the regular meeting of the shareholders or, in the event of a legal holiday, on the next succeeding banking day, the Board of Directors shall order the election to be held on some subsequent day, as soon thereafter as practicable, according to the provisions of law; and notice thereof shall be given in the manner herein provided for the annual meeting. Notice of such annual meeting shall be given by or under the direction of the Secretary, or such other officer as may be designated by the Chief Executive Officer, by first-class mail, postage prepaid, to all shareholders of record of the Bank at their respective addresses as shown upon the books of the Bank mailed not less than ten days prior to the date fixed for such meeting.

**SECTION 1.02. SPECIAL MEETINGS.** A special meeting of the shareholders of the Bank may be called at any time by the Board of Directors or by any three or more shareholders owning, in the aggregate, not less than ten percent of the stock of the Bank. Notice of any special meeting of the shareholders called by the Board of Directors, stating the time, place and purpose of the meeting, shall be given by or under the direction of the Secretary, or such other officer as is designated by the Chief Executive Officer, by first-class mail, postage prepaid, to all shareholders of record of the Bank at their respective addresses as shown upon the books of the Bank mailed not less than ten days prior to the date fixed for such meeting. Any special meeting of shareholders shall be conducted and its proceedings recorded in the manner prescribed in these By-Laws for annual meetings of shareholders.

**SECTION 1.03. SECRETARY OF MEETING OF SHAREHOLDERS.** The Board of Directors may designate a person to be the secretary of the meeting of shareholders. In the absence of a presiding officer, as designated by these By-Laws, the Board of Directors may designate a person to act as the presiding officer. In the event the Board of Directors fails to designate a person to preside at a meeting of shareholders and a secretary of such meeting, the shareholders present or represented shall elect a person to preside and a person to serve as secretary of the meeting. The secretary of the meeting of shareholders shall cause the returns made by the judges of election and other proceedings to be recorded in the minute books of the Bank. The presiding officer shall notify the Directors-elect of their election and to meet forthwith for the organization of the new Board of Directors. The minutes of the meeting shall be signed by the presiding officer and the secretary designated for the meeting.

**SECTION 1.04. JUDGES OF ELECTION.** The Board of Directors may appoint as many as three shareholders to be judges of the election, who shall hold and conduct the same, and who shall, after the election has been held, notify, in writing over their signatures, the secretary of the meeting of shareholders of the result thereof and the names of the Directors elected; provided, however, that upon failure for any reason of any judge or judges of election, so appointed by the Directors, to serve, the presiding officer of the meeting shall appoint other shareholders or their proxies to fill the vacancies. The judges of election, at the request of the chairman of the meeting, shall act as tellers of any other vote by ballot taken at such meeting, and shall notify, in writing over their signature, the secretary of the Board of Directors of the result thereof.

**SECTION 1.05. PROXIES.** In all elections of Directors, each shareholder of record, who is qualified to vote under the provisions of Federal Law, shall have the right to vote the number of shares of record in such shareholder's name for as many persons as there are Directors to be elected, or to cumulate such shares as provided by Federal Law. In deciding all other questions at meetings of shareholders, each shareholder shall be entitled to one vote on each share of stock of record in such shareholder's name. Shareholders may vote by proxy duly authorized in writing. All proxies used at the annual meeting shall be secured for that meeting only, or any adjournment thereof, and shall be dated, if not dated by the shareholder, as of the date of the receipt thereof. No officer or employee of this Bank may act as proxy.

**SECTION 1.06. QUORUM.** Holders of record of a majority of the shares of the capital stock of the Bank, eligible to be voted, present either in person or by proxy, shall constitute a quorum for the transaction of business at any meeting of shareholders, but shareholders present at any meeting and constituting less than a quorum may, without further notice, adjourn the meeting from time to time until a quorum is obtained. A majority of the votes cast shall decide every question or matter submitted to the shareholders at any meeting, unless otherwise provided by law or by the Articles of Association.

## **ARTICLE II**

### **DIRECTORS**

**SECTION 2.01. QUALIFICATIONS.** Each Director shall have the qualifications prescribed by law. No person elected as a Director may exercise any of the powers of office until such Director has taken the oath of such office.

**SECTION 2.02. VACANCIES.** Directors of the Bank shall hold office for one year or until their successors are elected and qualified. Any vacancy in the Board shall be filled by appointment of the remaining Directors, and any Director so appointed shall hold office until the next election.

**SECTION 2.03. ORGANIZATION MEETING.** The Directors elected by the shareholders shall meet for organization of the new Board of Directors at the time and place fixed by the presiding officer of the annual meeting. If at the time fixed for such meeting there is no quorum present, the Directors in attendance may adjourn from time to time until a quorum is obtained. A majority of the number of Directors elected by the shareholders shall constitute a quorum for the transaction of business.

**SECTION 2.04. REGULAR MEETINGS.** The regular meetings of the Board of Directors shall be held at such date, time and place as the Board may previously designate, or should the Board fail to so designate, at such date, time and place as the Chairman of the Board, Chief Executive Officer, or President may fix. Whenever a quorum is not present, the Directors in attendance shall adjourn the meeting to a time not later than the date fixed by the By-Laws for the next succeeding regular meeting of the Board. Members of the Board of Directors may participate in such meetings through use of conference telephone or similar communications equipment, so long as all members participating in such meetings can hear one another.

**SECTION 2.05. SPECIAL MEETINGS.** Special meetings of the Board of Directors shall be held at the call of the Chairman of the Board, Chief Executive Officer, or President, or at the request of two or more Directors. Any special meeting may be held at such place and at such time as may be fixed in the call. Written or oral notice shall be given to each Director not later than the day next preceding the day on which the special meeting is to be held, which notice may be waived in writing. The presence of a Director at any meeting of the Board of Directors shall be deemed a waiver of notice thereof by such Director. Whenever a quorum is not present, the Directors in attendance shall adjourn the special meeting from day to day until a quorum is obtained. Members of the Board of Directors may participate in such meetings through use of conference telephone or similar communications equipment, so long as all members participating in such meetings can hear one another.

**SECTION 2.06. QUORUM.** A majority of the Directors shall constitute a quorum at any meeting, except when otherwise provided by law; but a lesser number may adjourn any meeting, from time-to-time, and the meeting may be held, as adjourned, without further notice. When, however, less than a quorum as herein defined, but at least one-third and not less than two of the authorized number of Directors are present at a meeting of the Directors, business of the Bank may be transacted and matters before the Board approved or disapproved by the unanimous vote of the Directors present.

**SECTION 2.07. COMPENSATION.** Each member of the Board of Directors shall receive such fees for attendance at Board and Board committee meetings and such fees for service as a Director, irrespective of meeting attendance, as from time to time are fixed by resolution of the Board; provided, however, that payment hereunder shall not be made to a Director for meetings attended and/or Board service which are not for the Bank's sole

benefit and which are concurrent and duplicative with meetings attended or Board service for an affiliate of the Bank for which the Director receives payment; and provided further that fees hereunder shall not be paid in the case of any Director in the regular employment of the Bank or of one of its affiliates. Each member of the Board of Directors, whether or not such Director is in the regular employment of the Bank or of one of its affiliates, shall be reimbursed for travel expenses incident to attendance at Board and Board committee meetings.

**SECTION 2.08. EXECUTIVE COMMITTEE.** There may be a standing committee of the Board of Directors known as the Executive Committee which shall possess and exercise, when the Board is not in session, all the powers of the Board that may lawfully be delegated. The Executive Committee shall consist of at least three Board members, one of whom shall be the Chairman of the Board, Chief Executive Officer or the President. The other members of the Executive Committee shall be appointed by the Chairman of the Board, the Chief Executive Officer, or the President, with the approval of the Board, and who shall continue as members of the Executive Committee until their successors are appointed, provided, however, that any member of the Executive Committee may be removed by the Board upon a majority vote thereof at any regular or special meeting of the Board. The Chairman, Chief Executive Officer, or President shall fill any vacancy in the Executive Committee by the appointment of another Director, subject to the approval of the Board of Directors. The Executive Committee shall meet at the call of the Chairman, Chief Executive Officer, or President or any two members thereof at such time or times and place as may be designated. In the event of the absence of any member or members of the Executive Committee, the presiding member may appoint a member or members of the Board to fill the place or places of such absent member or members to serve during such absence. Two members of the Executive Committee shall constitute a quorum. When neither the Chairman of the Board, the Chief Executive Officer, nor President are present, the Executive Committee shall appoint a presiding officer. The Executive Committee shall report its proceedings and the action taken by it to the Board of Directors.

**SECTION 2.09. OTHER COMMITTEES.** The Board of Directors may appoint such special committees from time to time as are in its judgment necessary in the interest of the Bank.

### **ARTICLE III OFFICERS, MANAGEMENT STAFF AND EMPLOYEES**

**SECTION 3.01. OFFICERS AND MANAGEMENT STAFF.**

(a) The executive officers of the Bank shall include a Chairman of the Board, Chief Executive Officer, President, Chief Financial Officer, Secretary, Security Officer, and may include one or more Senior Managing Directors or Managing Directors. The Chairman of the Board, Chief Executive Officer, President, any Senior Managing Director, any Managing Director, Chief Financial Officer, Secretary, and Security Officer shall be elected by the Board. The Chairman of the Board, Chief Executive Officer, and the President shall be elected by the Board from their own number. Such officers as the Board shall elect from their own number shall hold office from the date of their election as officers until the organization meeting of the Board of Directors following the next annual meeting of shareholders, provided, however, that such officers may be relieved of their duties at any time by action of the Board of Directors, in which event all the powers incident to their office shall immediately terminate. The Chairman of the Board, Chief Executive Officer, or the President shall preside at all meetings of shareholders and meetings of the Board of Directors.

(b) The management staff of the Bank shall include officers elected by the Board, officers appointed by the Chairman of the Board, the Chief Executive Officer, the President, any Senior Managing Director, any Managing Director, the Chief Financial Officer, and such other persons in the employment of the Bank who, pursuant to authorization by a duly authorized officer of the Bank, perform management functions and have management responsibilities. Any two or more offices may be held by the same person except that no person shall hold the office of Chairman of the Board, Chief Executive Officer and/or President and at the same time also hold the office of Secretary.

(c) Except as provided in the case of the elected officers who are members of the Board, all officers and employees, whether elected or appointed, shall hold office at the pleasure of the Board. Except as otherwise limited by law or these By-Laws, the Board assigns to the Chairman of the Board, the Chief Executive Officer, the President, any Senior Managing Director, any Managing Director, the Chief Financial Officer, and/or each of their respective designees the authority to control all personnel, including elected and appointed officers and employees of the Bank, to employ or direct the employment of such officers and employees as he or she may deem necessary, including the fixing of salaries and the dismissal of such officers and employees at pleasure, and to define and prescribe the duties and responsibilities of all officers and employees of the Bank, subject to such further limitations and directions as he or she may from time to time deem appropriate.

(d) The Chairman of the Board, the Chief Executive Officer, the President, any Senior Managing Director, any Managing Director, the Chief Financial Officer, and any other officer of the Bank, to the extent that such officer is authorized in writing by the Chairman of the Board, the Chief Executive Officer, the President, any Senior Managing Director, any Managing Director, or the Chief Financial Officer may appoint persons other than officers who are in employment of the Bank to serve in management positions and in connection therewith, the appointing officer may assign such title, salary, responsibilities and functions as are deemed appropriate, provided, however, that nothing contained herein shall be construed as placing any limitation on the authority of the Chairman of the Board, the Chief Executive Officer, the President, any Senior Managing Director, any Managing Director, or the Chief Financial Officer as provided in this and other sections of these By-Laws.

(e) The Senior Managing Directors and the Managing Directors of the Bank shall have general and active authority over the management of the business of the Bank, shall see that all orders and resolutions of the Board of Directors are carried into effect, and shall do or cause to be done all things necessary or proper to carry on the business of the Bank in accordance with provisions of applicable law and regulations. Each Senior Managing Director and Managing Director shall perform all duties incident to his or her office and such other and further duties, as may from time to time be required by the Chief Executive Officer, the President, the Board of Directors, or the shareholders. The specification of authority in these By-Laws wherever and to whomever granted shall not be construed to limit in any manner the general powers of delegation granted to a Senior Managing Director or a Managing Director in conducting the business of the Bank. In the absence of a Senior Managing Director or a Managing Director, such officer as is designated by the Senior Managing Director or the Managing Director shall be vested with all the powers and perform all the duties of the Senior Managing Director or the Managing Director as defined by these By-Laws.

(f) Each Managing Director who is assigned oversight of one or more trust service offices shall appoint a management committee known as the Investment Management and Trust Committee consisting of the Managing Director of the trust service offices and at least three other members who shall be capable and experienced officers of the Bank appointed from time to time by the Managing Director and who shall continue as members of the Investment Management and Trust Committee until their successors are appointed, provided, however, that any member of the Investment Management and Trust Committee may be removed by the Managing Director as provided in this and other sections of these By-Laws. The Managing Director shall fill any vacancy in the Investment Management and Trust Committee by the appointment of another capable and experienced officer of the Bank. Each Investment Management and Trust Committee shall meet at such date, time and place as the Managing Director shall fix. In the event of the absence of any member or members of the Investment Management and Trust Committee, the Managing Director may, in his or her discretion, appoint another officer of the Bank to fill the place or places of such absent member or members to serve during such absence. A majority of each Investment Management and Trust Committee shall constitute a quorum. Each Investment Management and Trust Committee shall carry out the policies of the Bank, as adopted by the Board of Directors, which shall be formulated and executed in accordance with State and Federal Law, Regulations of the Comptroller of the Currency, and sound fiduciary principles. In carrying out the policies of the Bank, each Investment Management and Trust Committee is hereby authorized to establish management teams whose duties and responsibilities shall be specifically set forth in the policies of the Bank. Each such management team shall report such proceedings and the actions taken thereby to the Investment Management and Trust Committee. Each Managing Director shall then report such proceedings and the actions taken thereby to the Board of Directors.

**SECTION 3.02. POWERS AND DUTIES OF MANAGEMENT STAFF.** Pursuant to the fiduciary powers granted to this Bank under the provisions of Federal Law and Regulations of the Comptroller of the Currency, the Chairman of the Board, the Chief Executive Officer, the President, the Senior Managing Directors, the Managing Directors, the Chief Financial Officer, and those officers so designated and authorized by the Chairman of the Board, the Chief Executive Officer, the President, the Senior Managing Directors, the Managing Directors, or the Chief Financial Officer are authorized for and on behalf of the Bank, and to the extent permitted by law, to make loans and discounts; to purchase or acquire drafts, notes, stocks, bonds, and other securities for investment of funds held by the Bank; to execute and purchase acceptances; to appoint, empower and direct all necessary agents and attorneys; to sign and give any notice required to be given; to demand payment and/or to declare due for any default any debt or obligation due or payable to the Bank upon demand or authorized to be declared due; to foreclose any mortgages; to exercise any option, privilege or election to forfeit, terminate, extend or renew any lease; to authorize and direct any proceedings for the collection of any money or for the enforcement of any right or obligation; to adjust, settle and compromise all claims of every kind and description in favor of or against the Bank, and to give receipts, releases and discharges therefor; to borrow money and in connection therewith to make, execute and deliver notes, bonds or other evidences of indebtedness; to pledge or hypothecate any securities or any stocks, bonds, notes or any property real or personal held or owned by the Bank, or to rediscount any notes or other obligations held or owned by the Bank, whenever in his or her judgment it is reasonably necessary for the operation of the Bank; and in furtherance of and in addition to the powers hereinabove set forth to do all such acts and to take all such proceedings as in his or her judgment are necessary and incidental to the operation of the Bank.

**SECTION 3.03. SECRETARY.** The Secretary or such other officers as may be designated by the Chief Executive Officer shall have supervision and control of the records of the Bank and, subject to the direction of the Chief Executive Officer, shall undertake other duties and functions usually performed by a corporate secretary. Other officers may be designated by the Secretary as Assistant Secretary to perform the duties of the Secretary.

**SECTION 3.04. EXECUTION OF DOCUMENTS.** Any member of the Bank's management staff or any employee of the Bank designated as an officer on the Bank's payroll system is hereby authorized for and on behalf of the Bank to sell, assign, lease, mortgage, transfer, deliver and convey any real or personal property, including shares of stock, bonds, notes, certificates of indebtedness (including the assignment and redemption of registered United States obligations) and all other forms of intangible property now or hereafter owned by or standing in the name of the Bank, or its nominee, or held by the Bank as collateral security, or standing in the name of the Bank, or its nominee, in any fiduciary capacity or in the name of any principal for whom this Bank may now or hereafter be acting under a power of attorney or as agent, and to execute and deliver such partial releases from any discharges or assignments of mortgages and assignments or surrender of insurance policies, deeds, contracts, assignments or other papers or documents as may be appropriate in the circumstances now or hereafter held by the Bank in its own name, in a fiduciary capacity, or owned by any principal for whom this Bank may now or hereafter be acting under a power of attorney or as agent; provided, however, that, when necessary, the signature of any such person shall be attested or witnessed in each case by another officer of the Bank. Any member of the Bank's management staff or any employee of the Bank designated as an officer on the Bank's payroll system is hereby authorized for and on behalf of the Bank to execute any indemnity and fidelity bonds, trust agreements, proxies or other papers or documents of like or different character necessary, desirable or incidental to the appointment of the Bank in any fiduciary capacity, the conduct of its business in any fiduciary capacity, or the conduct of its other banking business; to sign and issue checks, drafts, orders for the payment of money and certificates of deposit; to sign and endorse bills of exchange, to sign and countersign foreign and domestic letters of credit, to receive and receipt for payments of principal, interest, dividends, rents, fees and payments of every kind and description paid to the Bank, to sign receipts for money or other property acquired by or entrusted to the Bank, to guarantee the genuineness of signatures on assignments of stocks, bonds or other securities, to sign certifications of checks, to endorse and deliver checks, drafts, warrants, bills, notes, certificates of deposit and acceptances in all business transactions of the Bank; also to foreclose any mortgage, to execute and deliver receipts for any money or property; also to sign stock certificates for and on behalf of this Bank as transfer agent or registrar, and to authenticate bonds, debentures, land or lease trust certificates or other forms of security issued pursuant to any indenture under which this Bank now or hereafter is acting as trustee or in any other fiduciary capacity; to execute and deliver various forms of documents or agreements necessary to effectuate certain investment strategies for various fiduciary or custody customers of the Bank, including, without limitation, exchange funds, options, both listed and over-the-counter, commodities trading, futures trading, hedge funds, limited partnerships, venture capital funds, swap or collar transactions and other similar investment vehicles for which the Bank now or in the future may deem appropriate for investment of fiduciary customers or in which non-fiduciary customers may direct investment by the Bank.

Without limitation on the foregoing, the Chief Executive Officer, Chairman of the Board, or President of the Bank shall have the authority from time to time to appoint officers of the Bank as Vice President for the sole purpose of executing releases or other documents incidental to the conduct of the Bank's business in any fiduciary capacity where required by state law or the governing document. In addition, other persons in the employment of the Bank or its affiliates may be authorized by the Chief Executive Officer, Chairman of the Board, President, Senior Managing Directors, Managing Directors, or Chief Financial Officer to perform acts and to execute the documents described in the paragraph above, subject, however, to such limitations and conditions as are contained in the authorization given to such person.

**SECTION 3.05. PERFORMANCE BOND.** All officers and employees of the Bank shall be bonded for the honest and faithful performance of their duties for such amount as may be prescribed by the Board of Directors.

#### **ARTICLE IV STOCKS AND STOCK CERTIFICATES**

**SECTION 4.01. STOCK CERTIFICATES.** The shares of stock of the Bank shall be evidenced by certificates which shall bear the signature of the Chairman of the Board, the Chief Executive Officer, or the President (which signature may be engraved, printed or impressed), and shall be signed manually by the Secretary, or any other officer appointed by the Chief Executive Officer for that purpose. In case any such officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Bank with the same effect as if such officer had not ceased to be such at the time of its issue. Each such certificate shall bear the corporate seal of the Bank, shall recite on its face that stock represented thereby is transferable only upon the books of the Bank when properly endorsed and shall recite such other information as is required by law and deemed appropriate by the Board. The corporate seal may be facsimile engraved or printed.

**SECTION 4.02. STOCK ISSUE AND TRANSFER.** The shares of stock of the Bank shall be transferable only upon the stock transfer books of the Bank and, except as hereinafter provided, no transfer shall be made or new certificates issued except upon the surrender for cancellation of the certificate or certificates previously issued therefor. In the case of the loss, theft, or destruction of any certificate, a new certificate may be issued in place of such certificate upon the furnishing of an affidavit setting forth the circumstances of such loss, theft, or destruction and indemnity satisfactory to the Chairman of the Board, the Chief Executive Officer, or the President. The Board of Directors or the Chairman of the Board, Chief Executive Officer, or the President may authorize the issuance of a new certificate therefor without the furnishing of indemnity. Stock transfer books, in which all transfers of stock shall be recorded, shall be provided. The stock transfer books may be closed for a reasonable period and under such conditions as the Board of Directors may at

any time determine, for any meeting of shareholders, the payment of dividends or any other lawful purpose. In lieu of closing the transfer books, the Board of Directors may, in its discretion, fix a record date and hour constituting a reasonable period prior to the day designated for the holding of any meeting of the shareholders or the day appointed for the payment of any dividend, or for any other purpose at the time as of which shareholders entitled to notice of and to vote at any such meeting or to receive such dividend or to be treated as shareholders for such other purpose shall be determined, and only shareholders of record at such time shall be entitled to notice of or to vote at such meeting or to receive such dividends or to be treated as shareholders for such other purpose.

## **ARTICLE V MISCELLANEOUS PROVISIONS**

**SECTION 5.01. SEAL.** The seal of the Bank shall be circular in form with "SEAL" in the center, and the name "BANK ONE TRUST COMPANY, NA" located clockwise around the upper half of the seal.

**SECTION 5.02. MINUTE BOOK.** The organization papers of this Bank, the Articles of Association, the returns of judges of elections, the By-Laws and any amendments thereto, the proceedings of all regular and special meetings of the shareholders and of the Board of Directors, and reports of the committees of the Board of Directors shall be recorded in the minute books of the Bank. The minutes of each such meeting shall be signed by the presiding officer and attested by the secretary of the meeting.

**SECTION 5.03. CORPORATE POWERS.** The corporate existence of the Bank shall continue until terminated in accordance with the laws of the United States. The purpose of the Bank shall be to carry on the general business of a commercial bank trust department and to engage in such activities as are necessary, incident, or related to such business. The Articles of Association of the Bank shall not be amended, or any other provision added elsewhere in the Articles expanding the powers of the Bank, without the prior approval of the Comptroller of the Currency.

**SECTION 5.04. AMENDMENT OF BY-LAWS.** The By-Laws may be amended, altered or repealed, at any regular or special meeting of the Board of Directors, by a vote of a majority of the Directors.

As amended April 24, 1991	Section 3.01	(Officers and Management Staff)
	Section 3.02	(Chief Executive Officer)
	Section 3.03	(Powers and Duties of Officers and Management Staff)
	Section 3.05	(Execution of Documents)
As amended January 27, 1995	Section 2.04	(Regular Meetings)
	Section 2.05	(Special Meetings)

Section 3.01(f)(Officers and Management Staff)

Section 3.03(e)(Powers and Duties of Officers and Management Staff)

Section 5.01 (Seal)

Amended and restated in its entirety effective May 1, 1996

As amended August 1, 1996	Section 2.09	(Trust Examining Committee)
	Section 2.10	(Other Committees)
As amended October 16, 1997	Section 3.01	(Officers and Management Staff)
	Section 3.02	(Powers and Duties of Officers and Management Staff)
	Section 3.04	(Execution of Documents)
As amended January 1, 1998	Section 1.01	(Annual Meeting)

**EXHIBIT 6**

**THE CONSENT OF THE TRUSTEE REQUIRED  
BY SECTION 321(b) OF THE ACT**

December 11, 2002

Securities and Exchange Commission  
Washington, D.C. 20549

Ladies and Gentlemen:

In connection with the qualification of an indenture between Peoples Energy Corporation and Bank One Trust Company, NA, as Trustee, the undersigned, in accordance with Section 321(b) of the Trust Indenture Act of 1939, as amended, hereby consents that the reports of examinations of the undersigned, made by Federal or State authorities authorized to make such examinations, may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

**Bank One Trust Company, NA**

*By: /s/ Christopher Holly  
Vice President*

**EXHIBIT 7**

Legal Title of Bank:	Bank One Trust Company, N.A.	Call Date: 12/31/01	State #: 391581	FFIEC 041
Address:	100 Broad Street	Vendor ID: D	Cert #: 21377	Page RC-1
City, State Zip:	Columbus, OH 43271	Transit #: 04400003		

Consolidated Report of Condition for Insured Commercial and State-Chartered Savings Banks for December 31, 2001

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding of the last business day of the quarter.

**Schedule RC--Balance Sheet**

		Dollar Amounts in thousands	C300
			-----
<b>ASSETS</b>			
1. Cash and balances due from depository institutions (from Schedule RC-A):	RCON		
	----		
a. Noninterest-bearing balances and currency and coin(1) .....	0081	285,199	1.a
b. Interest-bearing balances(2) .....	0071	0	1.b
2. Securities			
a. Held-to-maturity securities(from Schedule RC-B, column A) .....	1754	0	2.a
b. Available-for-sale securities (from Schedule RC-B, column D) .....	1773	336	2.b
3. Federal funds sold and securities purchased under agreements to resell .....	1350	1,466,628	3.
4. Loans and lease financing receivables: (from Schedule RC-C):	RCON		
	----		
a. Loans and leases held for sale .....	5369	0	4.a
b. Loans and leases, net of unearned income .....	B528	195,551	4.b
c. LESS: Allowance for loan and lease losses .....	3123	292	4.c
d. Loans and leases, net of unearned income and allowance (item 4.b minus 4.c) .....	B529	195,259	4.d
5. Trading assets (from Schedule RC-D) .....	3545	0	5.
6. Premises and fixed assets (including capitalized leases) .....	2145	13,065	6.
7. Other real estate owned (from Schedule RC-M) .....	2150	0	
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M) .....	2130	0	8.
9. Customers' liability to this bank on acceptances outstanding .....	2155	0	
10. Intangible assets			
a. Goodwill .....	3163	0	10.a
b. Other intangible assets (from Schedule RC-M) .....	0426	9,224	10.b
11. Other assets (from Schedule RC-F) .....	2160	250,027	11.
12. Total assets (sum of items 1 through 11) .....	2170	2,219,738	12.

(1) Includes cash items in process of collection and unposted debits.  
(2) Includes time certificates of deposit not held for trading.

Legal Title of Bank: Bank One Trust Company, N.A.  
 Address: 100 Broad Street  
 City, State Zip: Columbus, OH 43271

Call Date: 12/31/01  
 Vendor ID: D  
 Transit #: 04400003

State #: 391581  
 Cert #: 21377  
 FFIEC 041  
 Page RC-2

**Schedule RC-Continued**

	Dollar Amounts in Thousands -----		
<b>LIABILITIES</b>			
13. Deposits:			
a. In domestic offices (sum of totals of columns A and C	RCON		
from Schedule RC-E) .....	----		
(1) Noninterest-bearing(1) .....	2200	1,957,028	13.a
(2) Interest-bearing .....	6631	1,378,041	13.a1
b. Not applicable	6636	587,987	13.a2
14. Federal funds purchased and securities sold under agreements			
to repurchase	RCFD 2800		0 14.
15. Trading Liabilities (from Schedule RC-D) .....	RCFD 3548		0 15.
16. Other borrowed money (includes mortgage indebtedness and			
obligations under capitalized leases) (from Schedule RC-M) .....	3190		0 16.
17. Not applicable			
18. Bank's liability on acceptances executed and outstanding .....	2920		0 18.
19. Subordinated notes and debentures (2) .....	3200		0 19.
20. Other liabilities (from Schedule RC-G) .....	2930	72,264	20.
21. Total liabilities (sum of items 13 through 20) .....	2948	2,029,292	21.
22. Minority interest in consolidated subsidiaries .....	3000		0 22.
<b>EQUITY CAPITAL</b>			
23. Perpetual preferred stock and related surplus .....	3838		0 23.
24. Common stock .....	3230	800	24.
25. Surplus (exclude all surplus related to preferred stock) .....	3839	45,157	25.
26. a. Retained earnings .....	3632	144,485	26.a
b. Accumulated other comprehensive income (3) .....	B530	4	26.b
27. Other equity capital components (4) .....	A130		0 27.
28. Total equity capital (sum of items 23 through 27) .....	3210	190,446	28.
29. Total liabilities, minority interest, and equity			
capital (sum of items 21, 22, and 28) .....	3300	2,219,738	29.

**Memorandum**

To be reported only with the March Report of Condition.

- |  |           |     |      |   |
|--|-----------|-----|------|---|
| 1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2000 .....   | RCFD 6724 | N/A | M.1. | Number  |
| 1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified chartering public accounting firm which submits a report on the bank   |           |     |      | 4. = Directors' examination of the bank performed by other external auditors (may be required by state authority) |
| 2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which external submits a report on the consolidated holding company (but not on the bank separately) |           |     |      | 5 = Review of the bank's financial statements by external auditors  |
| 3 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)  |           |     |      | 6 = Compilation of the bank's financial statements by auditors  |
|  |           |     |      | 7 = Other audit procedures (excluding tax preparation work)   |
|  |           |     |      | 8 = No external audit work  |

- (1) Includes total demand deposits and noninterest-bearing time and savings deposits.
- (2) Includes limited-life preferred stock and related surplus.
- (3) Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, and minimum pension liability adjustments.
- (4) Includes treasury stock and unearned Employee Stock Ownership Plan shares.