

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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<p>CHEVRON CORPORATION                  (Exact name of registrant as specified in its charter)                  Delaware                  (State or other jurisdiction of incorporation or organization)                  94-0890210                  (I.R.S. Employer Identification No.)                  575 Market Street                  San Francisco, CA 94105                  (415) 894-7700                  (Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)                  Lydia I. Beebe,                  Corporate Secretary                  Chevron Corporation                  575 Market Street                  San Francisco, California 94105                  (415) 894-7700                  (Name, address, including zip code, and telephone number, including area code, of agent for service)</p>	<p>CHEVRON CAPITAL CORPORATION                  (Exact name of registrant as specified in its charter)                  Delaware                  (State or other jurisdiction of incorporation or organization)                  94-3343413                  (I.R.S. Employer Identification No.)                  575 Market Street                  San Francisco, CA 94105                  (415) 894-7700                  (Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)                  Lydia I. Beebe                  Vice President and Secretary                  Chevron Capital Corporation                  575 Market Street                  San Francisco, California 94105                  (415) 894-7700                  (Name, address, including zip code, and telephone number, including area code, of agent for service)</p>	<p>CHEVRON CANADA CAPITAL COMPANY                  (Exact name of registrant as specified in its charter)                  Nova Scotia, Canada                  (State or other jurisdiction of incorporation or organization)                  98-0213478                  (I.R.S. Employer Identification No.)                  500 5th Avenue S.W.                  Calgary, Alberta T2P 0L7                  (403) 234-5000                  (Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)                  Lydia I. Beebe,                  Corporate Secretary                  Chevron Corporation                  575 Market Street                  San Francisco, California 94105                  (415) 894-7700                  (Name, address, including zip code, and telephone number, including area code, of agent for service)</p>
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Copies to:

Ruth Modisette, Esq.  
 Karen A. Dempsey, Esq.  
 David M. Koeninger, Esq.  
 Pillsbury Madison & Sutro LLP  
 P.O. Box 7880  
 San Francisco, California 94120-7880

James F. Munsell, Esq.  
 Cleary, Gottlieb, Steen & Hamilton  
 One Liberty Plaza  
 New York, New York 10006-1470

Approximate date of commencement of proposed sale to the public:

From time to time after the effective date of this registration statement as determined by market conditions.

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. /X/

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please 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. / /

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Amount To Be Registered (1)	Proposed Maximum Offering Price Per Unit (2)	Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee
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Debt securities	\$2,000,000,000	100%	\$2,000,000,000	\$556,000
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Guarantees of the debt securities	----	----	----	----
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- (1) Or, if any securities are issued at original issue discount, such greater amount as shall result in aggregate proceeds of \$2,000,000,000 to the issuer.
- (2) Estimated solely for the purpose of computing the registration fee.

The registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registrants 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 this registration statement shall become effective on such date as the Commission, acting pursuant to said section 8(a), may determine.

INFORMATION CONTAINED IN THIS PROSPECTUS IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE OF THESE SECURITIES IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED NOVEMBER 15, 1999

PROSPECTUS  
- - - - -

\$2,000,000,000

Chevron Corporation  
- - - - -

Chevron Capital Corporation  
Chevron Canada Capital Company

unconditionally guaranteed by

Chevron Corporation  
- - - - -

DEBT SECURITIES

Any of Chevron, Chevron Capital Corporation or Chevron Canada Capital Company may offer from time to time debt securities up to an amount resulting in aggregate proceeds of \$2,000,000,000, or an equivalent amount if the securities are denominated in another currency. Market conditions at the time of sale will determine the terms of any securities offered.

Securities offered by Chevron Capital Corporation or Chevron Canada Capital Company will be unconditionally guaranteed by Chevron.

Any of Chevron, Chevron Capital Corporation or Chevron Canada Capital Company may issue securities in one or more series with the same or various maturities, at par, at a premium or with an original issue discount. The securities may be offered through underwriters or agents, or directly to investors or dealers. At the issuer's option and as described in the relevant prospectus supplement, the securities may be denominated in U.S. dollars or in any other currency.

This prospectus describes generally the terms of the securities. A supplement or supplements to this prospectus will describe the specific terms of each issuance of securities. If any offering involves underwriters, dealers or agents, arrangements with them will be described in the prospectus supplement that relates to that offering.

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Neither the Securities and Exchange Commission nor any state securities commission 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 November \_\_, 1999.

## ABOUT THIS PROSPECTUS

This prospectus is part of a "shelf" registration statement that Chevron, Chevron Capital Corporation and Chevron Canada Capital Company have filed with the United States Securities and Exchange Commission. By using a shelf registration statement, any of Chevron, Chevron Capital Corporation or Chevron Canada Capital Company may sell debt securities in one or more offerings up to a total dollar amount of \$2,000,000,000. This prospectus only provides a general description of the securities that may be offered. Each time Chevron, Chevron Capital Corporation or Chevron Canada Capital Company sells securities under the shelf registration, a supplement to this prospectus containing specific information about the terms of the securities will be provided. Any prospectus supplement may also add, update or change information contained in this prospectus. Before purchasing any securities, you should read carefully both this prospectus and any supplement, together with the additional information described under the heading "Where You Can Find More Information."

## WHERE YOU CAN FIND MORE INFORMATION

Chevron files annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. Chevron's filings are also available to the public over the Internet at its web site ([www.chevron.com](http://www.chevron.com)) or at the Commission's website ([www.sec.gov](http://www.sec.gov)). You can read and copy any materials Chevron files with the Commission at the Commission's public reference rooms at:

- 450 Fifth Street, N.W., Washington, D.C. 20549;
- Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661; and
- Seven World Trade Center, New York, New York 10048.

You can obtain information about the operation of the Commission's public reference rooms by calling the Commission at 1-800-SEC-0330. Chevron is not required to, and does not, provide annual reports to holders of its debt securities unless specifically requested to do so.

Chevron has filed a registration statement on Form S-3 with the Commission under the Securities Act of 1933, as amended, relating to the securities offered by this prospectus. This prospectus does not contain all of the information set forth in the registration statement. Some information has been omitted in accordance with the rules and regulations of the Commission. For further information, please refer to the registration statement and the exhibits and schedules filed with it.

## INFORMATION INCORPORATED BY REFERENCE

The Commission allows Chevron to "incorporate by reference" into this prospectus the information in documents that Chevron files with it. This means that Chevron can disclose important information to you by referring you to other documents which it has filed separately with the Commission. The information incorporated by reference is an important part of this prospectus, and the information that Chevron files with the Commission after the date hereof will automatically update and may supercede this information. Chevron incorporates by reference the documents listed below and any future filings which Chevron makes with the Commission under sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, until the termination of the offering of securities by this prospectus.

- (a) Chevron's Annual Report on Form 10-K for the year ended December 31, 1998; and
- (b) Chevron's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1999, June 30, 1999 and September 30, 1999.

Upon written or oral request, Chevron will provide, without charge, to each person to whom a copy of this prospectus has been delivered, a copy of any or all of the documents described above which have been or may be incorporated by reference in this prospectus but not delivered with this prospectus. Requests for copies should be directed to:

Chevron Corporation  
6001 Bollinger Canyon Rd.  
Building E  
San Ramon, California 94583  
Attention: Treasurer  
Telephone: (925) 842-8049

#### CHEVRON CORPORATION

Chevron Corporation, a Delaware corporation, manages its investments in, and provides administrative, financial and management support to, its U.S. and foreign subsidiaries and affiliates that engage in fully integrated petroleum operations, chemicals operations and coal mining. Chevron operates in the United States and approximately 90 other countries. Petroleum operations consist of exploring for, developing and producing crude oil and natural gas; refining crude oil into finished petroleum products; marketing crude oil, natural gas and the many products derived from petroleum; and transporting crude oil, natural gas and petroleum products by pipelines, marine vessels, motor equipment and rail car. Chemicals operations include the manufacture and marketing of a wide range of chemicals for industrial uses.

Chevron's executive offices are located at 575 Market Street, San Francisco, California 94105 (telephone: (415) 894-7700).

#### CHEVRON CAPITAL CORPORATION

Chevron Capital Corporation is a direct wholly owned subsidiary of Chevron, incorporated on April 29, 1999 and organized under the laws of the state of Delaware. Its principal executive offices are located at 575 Market Street, San Francisco, California 94105 (telephone (415) 894-7700). Its business activities consist primarily of providing funds to Chevron for general corporate purposes.

#### CHEVRON CANADA CAPITAL COMPANY

Chevron Canada Capital Company is an indirect wholly owned subsidiary of Chevron, incorporated on November 5, 1999 and organized under the laws of Nova Scotia, Canada. Its principal executive offices are located at 500 5th Avenue, Calgary, Alberta T2P 0L7 (telephone (403) 234-5000). Its business activities consist primarily of providing funds to non-U.S. affiliates of Chevron for general corporate purposes.

#### USE OF PROCEEDS

Except as any accompanying prospectus supplement may state, the net proceeds from the sale of securities will be used for general corporate purposes, including refinancing a portion of the existing commercial paper borrowings or long-term or short-term debt of Chevron or its subsidiaries, or financing capital programs.

#### FORWARD-LOOKING STATEMENTS

This prospectus and any accompanying prospectus supplement contains or incorporates by reference forward-looking statements that have been made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of Chevron, Chevron Capital Corporation and Chevron Canada Capital Company, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this prospectus or the prospectus supplement containing the forward-looking statements. Neither Chevron, Chevron Capital Corporation nor Chevron Canada Capital Company is obligated to update these statements or publicly release the result of any revision to them to reflect events or circumstances after the date of this prospectus or the applicable prospectus supplement, or to reflect the occurrence of unanticipated events.

## DESCRIPTION OF THE SECURITIES

The following is a general description of the securities that may be offered by this prospectus. This summary is not meant to be a complete description of the securities. The accompanying prospectus supplement will contain the material terms and conditions of the securities described in this prospectus.

Each series of securities will be issued under one of the following indentures:

- Indenture, dated as of June 15, 1995, as supplemented by the First Supplemental Indenture dated October 13, 1999, each being between Chevron and The Chase Manhattan Bank, as trustee.
- Indenture to be entered into among Chevron, as guarantor, Chevron Capital Corporation and The Chase Manhattan Bank, as trustee.
- Indenture to be entered into among Chevron, as guarantor, Chevron Canada Capital Company and a trustee to be named.

Each indenture provides for the issuance of securities without limitation as to aggregate principal amount. See "Description of the Indentures," below.

For each series of securities, the following terms will be described in the prospectus supplement applicable to that series:

- the identity of the issuer and the applicable indenture;
- the designation of the series of securities;
- the aggregate principal amount of the series of securities;
- the stated maturity or maturities for payment of principal of the series of securities;
- any sinking fund or analogous provisions;
- the rate or rates at which the series of securities bears interest, the method of calculating the interest rate or rates and the interest payment dates for the series;
- the currencies in which principal of and interest and any premium on the series of securities will be payable, if other than U.S. dollars;
- the redemption date or dates, if any, and the redemption price or prices and other applicable redemption provisions for the series of securities;
- whether the series will be issued as one or more global securities, and if so, the depository for the securities;
- if not issued as global securities, the denominations in which the securities of the series will be issuable, if other than denominations of \$1,000 and integral multiples of \$1,000;
- the date from which interest on the series of securities will accrue;
- the basis upon which interest on the series of securities will be computed, if other than a 360-day year of twelve 30-day months;
- if other than the principal amount of the series of securities, the portion of the principal amount of the series of securities that will be payable upon any declaration of acceleration of the maturity of the series of securities pursuant to the applicable indenture;
- if other than the trustee under the applicable indenture, the person \ or persons who shall be registrar for the series of securities;
- the record date; and
- any other term or provision relating to the series of securities which is not inconsistent with the provisions of the applicable indenture.

## DESCRIPTION OF THE INDENTURES

The following description of the indentures is only a summary. A copy of each indenture is filed as an exhibit to, or incorporated by reference in, this registration statement. We encourage you to read each indenture in its entirety.

### General

Chevron may issue securities from time to time under an Indenture dated as of June 15, 1995, as supplemented by the First Supplemental Indenture, dated as of October 13, 1999, each being between Chevron and The Chase Manhattan Bank, as trustee, and which are collectively referred to in this prospectus as the Chevron indenture. Chevron Capital Corporation may issue securities from time to time under an Indenture to be entered into among Chevron, as guarantor, Chevron Capital Corporation and The Chase Manhattan Bank, as trustee. Chevron Canada Capital Company may issue securities from time to time under an Indenture to be entered into among Chevron, as guarantor, Chevron Canada Capital Company and a trustee to be named. Chevron Capital Corporation and Chevron Canada Capital Company are referred to in this prospectus as the subsidiary issuers and their indentures are collectively referred to as the subsidiary indentures. The subsidiary indentures, together with the Chevron indenture, are referred to in this prospectus as the indentures.

The following terms apply to securities issued under any of the indentures. Terms of the indentures which apply only to securities issued by the subsidiary issuers appear below, under "The Subsidiary Indentures."

### Covenants of Chevron

Capitalized terms used in the following description are defined terms. The definitions of these terms are located under "--Definitions applicable to covenants."

#### Corporate existence

In each indenture, Chevron agrees that, so long as securities are outstanding under the indenture, Chevron will not sell substantially all of its assets, dissolve, or consolidate or merge with any corporation unless the purchaser of the assets or the surviving company in any merger or consolidation:

- is incorporated and existing under the laws of one of the states of the United States of America;
- assumes Chevron's obligations under the indenture and the securities issued under the indenture; and
- is not, after the sale, merger or consolidation, in default under any provision of the indenture.

#### Securities to be secured in certain events

In each indenture, Chevron agrees that prior to consummating any consolidation or merger that would subject any Principal Property to any mortgage, security interest, pledge, lien or other encumbrance, it will secure all securities outstanding under the indenture equally and ratably with the debt or other obligation secured by the encumbrance resulting from the consolidation or merger. Chevron may also secure, together with the securities issued under the indenture, any of its other indebtedness or any indebtedness it guarantees that ranks equally with securities issued under the indenture. This covenant does not apply to debts or obligations that Chevron or any Restricted Subsidiary could have incurred without securing securities issued under the indenture pursuant to the covenant "Limitation on liens," described in this prospectus.

## Limitations on liens

In each indenture, Chevron agrees that it will not, and it will not permit any Restricted Subsidiary to, issue, assume or guarantee any debt secured by a mortgage, pledge or lien on any Property, without effectively providing that the securities outstanding under that indenture shall be equally and ratably secured. Chevron may also secure, together with the securities issued under that indenture, any of its other indebtedness or any indebtedness it guarantees that ranks equally with securities issued under that indenture. This covenant does not apply to debt secured by:

- liens on Property of any corporation existing at the time the corporation becomes a Restricted Subsidiary;
- liens on Property existing at the time Chevron acquired the Property;
- liens on Property that secure debt incurred for the payment of all or any part of the purchase price of the Property;
- liens on Property that secure a debt incurred prior to, at the time of or within two years after the acquisition of the Property for the purpose of financing all or any part of the purchase price of the Property;
- liens on Property to secure a debt incurred to fund all or any part of the cost of exploration, drilling or development of the Property or the cost of improvements to the Property;
- liens that secure debt owing by a Restricted Subsidiary to Chevron or any subsidiary of Chevron;
- liens on personal property, other than shares of stock or indebtedness of any Restricted Subsidiary, to secure loans maturing in less than one year;
- liens on Property to secure debt incurred in connection with any financing done in accordance with the provisions of section 103 of the Internal Revenue Code of 1986, as amended; or
- any extension, renewal or replacement, in whole or in part, of any lien referred to in the above list or any debt secured by a lien referred to in the above list.

For purposes of this covenant, the following types of transactions are deemed not to create debt secured by a lien:

- the sale or other transfer of oil, gas or other minerals in place for a period of time until, or in an amount such that, the purchaser will realize from the sale or transfer a specified amount of money, however determined, or a specified amount of the minerals, or the sale or other transfer of any other interest in property of the character commonly referred to as a "production payment"; and
- the mortgage or pledge of any property of Chevron or any Subsidiary in favor of the United States, or any state, or any department, agency or instrumentality of either, to secure partial, progress, advance or other payments to Chevron or any Subsidiary pursuant to the provisions of any contract or statute.

Notwithstanding the restrictions contained in this covenant, Chevron may, and may permit any Restricted Subsidiary to, issue, assume or guarantee debt without equally and ratably securing the securities issued under the indenture, provided that the aggregate amount of that debt and Attributable Debt with respect to sale and leaseback arrangements does not exceed ten percent of Chevron's Consolidated Adjusted Tangible Assets.



#### Limitation on sale and leaseback

In each indenture, Chevron agrees that it will not, and it will not permit any Restricted Subsidiary to, enter into any sale and leaseback arrangement unless either:

- Chevron or any Restricted Subsidiary could create debt secured by a mortgage pursuant to the covenant "Limitation on liens" on the property to be leased without equally and ratably securing the securities issued under that indenture; or
- within one year before or after the sale or transfer, Chevron has applied or applies an amount equal to the greater of (a) the net proceeds of the sale of the leased property or (b) the fair value of the leased property at the time of the sale and leaseback transaction to:
  - the voluntary retirement of debt of Chevron or a Restricted Subsidiary or debt of a Subsidiary that matures more than one year after being incurred; or
  - the acquisition, development or improvement of a Principal Property.

This covenant does not apply to temporary leases for a term of not more than three years or sale or transfer and leaseback transactions involving the acquisition or improvement of Principal Properties, provided within one year before or after the sale or transfer, Chevron has applied or applies an amount equal to the greater of (a) the net proceeds of the sale of the leased property or (b) the fair value of the leased property at the time of the transaction to:

- the voluntary retirement of debt of Chevron or a Restricted Subsidiary or debt of a Subsidiary that matures more than one year after being incurred; or
- the acquisition, development or improvement of a Principal Property.

#### Definitions applicable to covenants

Terms used in this description of Chevron's covenants under the indentures have the following meanings:

"Attributable Debt" for a sale-leaseback transaction means the lesser of

- the fair value of the property subject to the transaction (as determined by Chevron's Board of Directors); or
- the present value of rent for the remaining term of the lease.

"Consolidated Adjusted Tangible Assets" means the consolidated total assets of Chevron and its subsidiaries as reflected in Chevron's most recent consolidated balance sheet prepared in accordance with Chevron's accounting policies and generally accepted accounting principles, less

- goodwill, trademarks, trade names, patents, unamortized debt discount and expense and other deferred charges;
- total current liabilities except for (a) notes and loans payable, (b) current maturities of long-term debt and (c) current maturities of obligations under capital leases; and
- deferred credits and other noncurrent obligations, including minority interests in consolidated subsidiaries and reserves--employee annuity plans and other reserves which may hereafter be defined in Chevron's accounting policies.

"Principal Property" means any oil or gas producing property located in the United States of America, onshore or offshore, or any refinery or manufacturing plant located in the United States of America, in each case now owned or hereafter acquired by Chevron or a Restricted Subsidiary, except any oil or gas producing property, refinery or plant that in the opinion of the Board of Directors of Chevron is not of

material importance to the total business conducted by Chevron and its consolidated Subsidiaries.

"Property" means Principal Properties or any shares of stock of or indebtedness of any Restricted Subsidiary.

"Restricted Subsidiary" means any Subsidiary of Chevron that has substantially all of its assets located in the United States of America and owns a Principal Property, and in which Chevron's direct or indirect capital investment, together with the outstanding balance of

- any loans or advances made to such Subsidiary by Chevron or any other Subsidiary and
- any debt of such Subsidiary guaranteed by Chevron or any other Subsidiary,

exceeds \$100 million.

"Subsidiary" of Chevron means any corporation at least a majority of the outstanding securities of which having ordinary voting power (other than securities having such power only by reason of the happening of a contingency) is owned by Chevron or by one or more Subsidiaries or by Chevron and one or more Subsidiaries.

Any additional covenants

Any additional covenants with respect to any particular series of securities issued under an indenture will be described in the relevant prospectus supplement. The indentures do not contain any covenants specifically designed to protect securityholders against a reduction in the creditworthiness of Chevron in the event of a highly leveraged transaction. The indentures do not limit the amount of additional indebtedness that Chevron, or any of its subsidiaries, may incur.

Events of Default

The indentures define an event of default with respect to any particular series of securities as any one of the following events:

- default for 30 days in any payment of interest on any security issued under the indenture;
- default in the payment of the principal of or any premium on any security issued under the indenture;
- default in the satisfaction of any sinking fund payment obligation relating to any series of securities issued under the indenture;
- failure to perform any agreement or covenant in the securities of any series, in the indenture or any supplemental indenture, for 90 days after receiving notice of the failure;
- particular events of bankruptcy, insolvency or similar reorganization of Chevron.

An event of default with respect to one series of securities will not necessarily constitute an event of default with respect to any other series of securities. If an event of default with respect to the securities of any one or more series occurs and is continuing, the trustee or the holders of not less than 25% in principal amount of the securities of each such series may declare the principal amount of all of the securities of that series, together with any accrued interest, to be immediately due and payable. In the case of any original issue discount securities, the terms of those securities will specify what portion of the principal amount the holders may declare due and payable upon a continuing event of default. At any time after a declaration of acceleration with respect to debt securities of any series has been made, but before a judgment or decree based on acceleration has been obtained, the holders of a majority in principal amount of the outstanding securities of that series may, under some circumstances, rescind and annul the acceleration.

If an event of default occurs and is continuing, the trustee under the applicable indenture may pursue any available remedy by proceeding at law or in equity to collect the payment of principal or any premium

or interest on the securities of the series to which the default relates or to enforce the performance of any provision of that series of securities or the indenture under which the securities were issued.

The holders of a majority in principal amount of the outstanding securities of any series may waive any past event of default with respect to that series and its consequences, except a continuing default:

- in the payment of the principal of or any redemption premium or interest on such securities;
- in the satisfaction of any sinking fund obligation relating to such series of securities; or
- in respect of a covenant or provision of the indenture under which the series of securities was issued which cannot be modified or amended without the consent of the holder of each security affected by the default.

#### Modifications of the Indenture

Without the consent of any holder of securities, Chevron and the trustee, in the case of the Chevron indenture, or Chevron, the subsidiary issuer and the trustee, in the case of a subsidiary indenture, may enter into a supplemental indenture to amend the indenture or the securities issued under that indenture for any of the following purposes:

- to cure any ambiguity, defect or inconsistency;
- to permit a successor to assume Chevron's obligations or the obligations of any subsidiary issuer under the indenture as permitted by the indenture;
- to eliminate or change any provision of the indenture, provided the change does not adversely affect the rights of any holder of outstanding securities;
- to provide for the issuance and establish the terms and conditions of securities of any series;
- to add to Chevron's covenants or the covenants of any subsidiary issuer further covenants, restrictions or conditions for the protection of the holders of all or any particular series of securities; or
- to appoint, at the request of the trustee, a successor trustee for a particular series of securities.

Chevron and the trustee and, if applicable, a subsidiary issuer, may modify or amend an indenture and the rights and obligations of Chevron and, if applicable, the subsidiary issuer, or the rights and obligation of the holders of the securities at any time with the consent of the holders of not less than a majority in aggregate principal amount of all series of securities then outstanding and affected by the proposed modification or amendment, voting as one class. However, without the consent of the holder of each affected outstanding security, no amendment or modification may, among other things:

- change the fixed maturity or redemption date of any outstanding security;
- reduce the rate of interest on any outstanding security;
- alter the method of determining the rate of interest on any outstanding security;
- extend the time of payment of interest;
- reduce the principal amount of any outstanding security;
- reduce any premium payable upon the redemption of any outstanding security;
- change the coin or currency in which any outstanding securities or the interest thereon are payable;
- impair the securityholders' right to institute suit for the enforcement of payment;
- reduce the percentage of the holders of outstanding securities whose consent is required for any modification or amendment;
- change the time of payment or reduce the amount of any minimum sinking account or fund payment; or

- modify any provisions of the indenture relating to the amendment of the indenture or the creation of a supplemental indenture, unless the change increases the rights of the securityholders.

#### Defeasance and Discharge

Each indenture provides that Chevron and, if applicable, the subsidiary issuer, may terminate and be fully discharged from their obligations with respect to any series of securities issued under that indenture if Chevron or the subsidiary issuer deposits in trust with the applicable trustee money, direct obligations of the U.S.A. or obligations guaranteed by the U.S.A. sufficient to pay principal, premium and interest, if any, on that series of securities to the date of its redemption or maturity. In the case of securities issued in a currency other than U.S. currency, Chevron or the subsidiary issuer may instead deposit direct obligations of or obligations guaranteed by the government that issued that currency. In order to terminate their obligations in this manner, Chevron or the subsidiary issuer must deliver to the trustee an opinion of counsel to the effect that the holders of that series of securities will not recognize income, gain or loss for federal income tax purposes as a result.

Chevron may also terminate its obligations to comply with covenants applicable to any outstanding securities, including the covenants described in "--Covenants of Chevron," if it or any subsidiary issuer deposits in trust with the trustee money, direct obligations of the U.S.A. or obligations guaranteed by the U.S.A. sufficient to pay principal, premium and interest, if any, on that series of securities to the date of its redemption or maturity.

#### Governing Law

The indentures and each security issued under the indentures are to be deemed to be contracts made under, and are to be construed in accordance with, the laws of the State of New York.

#### Concerning the Trustees

The Chase Manhattan Bank is the trustee of the Chevron indenture and will be the trustee of the Chevron Capital Corporation indenture. The trustee of the Chevron Canada Capital Company indenture will be named. In certain instances, Chevron or the holders of a majority of the then outstanding principal amount of the securities may remove a trustee and appoint a successor trustee. A trustee may become the owner or pledgee of any of the securities issued under an indenture with the same rights it would have if it were not the trustee. Each trustee and any successor trustee must be a corporation:

- organized and doing business as a commercial bank under the laws of the United States or of any state within the United States or of the District of Columbia;
- authorized under applicable laws to exercise corporate trust powers;
- having a combined capital and surplus of at least \$100 million; and
- subject to examination by federal or state or District of Columbia authority.

From time to time, a trustee may also serve as trustee under other indentures relating to securities issued by Chevron or affiliated companies and may engage in commercial transactions with Chevron and affiliated companies.

#### The Subsidiary Indentures

In addition to the general terms above, each subsidiary indenture includes the following terms.

#### Guarantee

Under the terms of each subsidiary indenture, Chevron fully and unconditionally guarantees to the holders of the securities the full and prompt payment of the interest, principal and any redemption premium on the securities. Chevron's guarantee will remain in effect until the entire principal amount, all

interest and any premium on the securities has been paid in full or otherwise discharged in accordance with the terms of the applicable subsidiary indenture. Chevron's obligations under its guarantee contained in each subsidiary indenture are unconditional, irrespective of any invalidity, illegality, irregularity or unenforceability of any security or that subsidiary indenture. The trustee has the right to proceed first and directly against Chevron, without first proceeding against any subsidiary issuer or exhausting any other remedies it may have, in the event of a default in:

- the payment of interest on any security;
- the payment of principal of a security;
- the payment of any premium on any security; or
- any sinking fund payment.

#### Successors to Subsidiary Issuers

All of the rights and obligations of a subsidiary issuer under any subsidiary indenture and the securities outstanding under a subsidiary indenture may be assigned and transferred to:

- another person with which the subsidiary is consolidated or merged or which acquires by conveyance or transfer any of the properties or assets of the subsidiary;
- Chevron; or
- a corporation, all of the outstanding shares of which, other than directors' qualifying shares, are owned directly or indirectly by Chevron.

Provided that the requirements of this covenant have been met, upon the assignment or transfer, all of the obligations of the subsidiary issuer under the applicable indenture and the securities issued under that indenture shall cease and the subsidiary shall be released from its liability as obligor and from all other obligations under the applicable indenture. In connection with any assignment other than to Chevron, either

- Chevron's guarantee will remain in full force and effect or
- Chevron will execute a new guarantee agreement containing substantially the same terms as those set forth in the applicable indenture.

Any successor to any subsidiary under an indenture must be organized and existing under the laws of the U.S.A. or one of the states of the U.S.A. In the event a subsidiary issuer assigns all of its rights and obligations in respect of an indenture and any outstanding securities to Chevron, the covenants of Chevron described above under "--Covenants of Chevron" and any other covenants for the benefit of any series of securities issued under that indenture will remain in effect.

## PLAN OF DISTRIBUTION

Securities may be sold in any one or more of the following ways:

- directly to purchasers or a single purchaser;
- through agents;
- through dealers;
- through one or more underwriters acting alone or through underwriting syndicates led by one or more managing underwriters;

each as may be identified in a prospectus supplement relating to an issuance of securities.

If securities described in a prospectus supplement are underwritten, the prospectus supplement will name each underwriter of the securities. Only underwriters named in a prospectus supplement will be deemed to be underwriters of the securities offered by that prospectus supplement. Prospectus supplements relating to underwritten offerings of securities will also describe:

- the discounts and commissions to be allowed or paid to the underwriters;
- all other items constituting underwriting compensation;
- the discounts and commissions to be allowed or paid to dealers, if any; and
- the exchanges, if any, on which the securities will be listed.

Securities may be sold directly by Chevron or any of the subsidiary issuers through agents designated by Chevron or a subsidiary issuer from time to time. Any agent involved in the offer or sale of securities, and any commission payable by Chevron or a subsidiary issuer to such agent, will be set forth in the prospectus supplement. Unless otherwise indicated in the prospectus supplement, any agent involved in the offer or sale of securities will be acting on a best efforts basis for the period of its appointment.

If indicated in a prospectus supplement, the obligations of the underwriters will be subject to conditions precedent. With respect to a sale of securities, the underwriters will be obligated to purchase all securities offered if any are purchased.

Chevron will indemnify any underwriters and agents against various civil liabilities, including liabilities under the Securities Act. Underwriters and agents may engage in transactions with or perform services for Chevron, the subsidiary issuers and affiliated companies in the ordinary course of business.

## LEGAL OPINIONS

Pillsbury Madison & Sutro LLP will pass on the legality of the securities offered by this prospectus and any guarantees by Chevron of securities offered by this prospectus.

## EXPERTS

The consolidated financial statements of Chevron incorporated in this Prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 1998, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting. The combined financial statements of the Caltex Group of Companies as of December 31, 1998 and 1997, and for each of the years in the three-year period ended December 31, 1998, have been incorporated by reference in this Prospectus in reliance upon the report of KPMG LLP, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution

All amounts reflected in the table below are estimated except the SEC registration fee.

SEC Registration Fee	\$556,000
Blue Sky and Investment Eligibility Expenses	40,000
Trustee Fees and Expenses	120,000
Rating Agency Fees	330,000
Printing and Engraving	45,000
Legal Fees	125,000
Accountants' Fees	120,000
Miscellaneous	30,000
	-----
Total	1,366,000

Item 15. Indemnification of Directors and Officers

Article IX of Chevron's Restated Certificate of Incorporation provides as follows:

"1. A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to the corporation or its stockholders; (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) pursuant to section 174 of the Corporation Law; or (d) for any transaction from which the director derived an improper personal benefit.

2. To the fullest extent authorized by the Corporation Law, the corporation shall indemnify any Corporate Servant who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that such person was or is a Corporate Servant.

3. In serving or continuing to serve the corporation, a Corporate Servant is entitled to rely and shall be presumed to have relied on the rights granted pursuant to the foregoing provisions of this Article IX, which shall be enforceable as contract rights and inure to the benefit of the heirs, executors and administrators of the Corporate Servant; and no repeal or modification of the foregoing provisions of this Article IX shall adversely affect any right existing at the time of such repeal or modification.

4. The Board of Directors is authorized, to the extent permitted by the Corporation Law, to cause the corporation to pay expenses incurred by Corporate Servants in defending Proceedings and to purchase and maintain insurance on their behalf whether or not the corporation would have the power to indemnify them under the provisions of this Article IX or otherwise.

5. Any right or privilege conferred by or pursuant to the provisions of this Article IX shall not be exclusive of any other rights to which any Corporate Servant may otherwise be entitled.

6. As used in this Article IX:

(a) 'Corporate Servant' means any natural person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, manager, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other organization or enterprise, nonprofit or otherwise, including an employee benefit plan;

(b) 'Corporation Law' means the General Corporation Law of the State of Delaware, as from time to

time amended;

(c) 'indemnify' means to hold harmless against expenses (including attorneys' fees), judgments, fines (including excise taxes assessed with respect to an employee benefit plan) and amounts paid in settlement actually and reasonably incurred by the Corporate Servant in connection with a Proceeding;

(d) 'Proceeding' means any threatened, pending or completed action, suit or proceeding, whether civil, criminal or administrative; and

(e) 'request of the corporation' includes any written authorization by an officer of the corporation."

Section 145 of the General Corporation Law of the State of Delaware, in which Chevron is incorporated, permits, subject to certain conditions, the indemnification of directors or officers of a Delaware corporation for expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred in connection with the defense of any action, suit or proceeding in relation to certain matters against them as such directors or officers.

The directors and officers of Chevron are covered by policies of insurance under which they are insured, within limits and subject to limitations, against certain expenses in connection with the defense of actions, suits or proceedings, and certain liabilities which might be imposed as a result of such actions, suits or proceedings, in which they are parties by reason of being or having been directors or officers; Chevron is similarly insured with respect to certain payments it might be required to make to its directors or officers under the applicable statutes and Chevron's by-law provisions.

Item 16. Exhibits

- 1.1 Chevron Corporation Underwriting Agreement Standard Provisions, filed June 14, 1995 as Exhibit 1.1 to Chevron's Amendment No. 1 to Registration Statement on Form S-3 (File No. 33-58463) and incorporated herein by reference.
- 1.2\* Chevron Capital Corporation Underwriting Agreement Standard Provisions.
- 1.3\* Chevron Canada Capital Company Underwriting Agreement Standard Provisions.
- 3.1\* Certificate of Incorporation of Chevron Capital Corporation.
- 3.2\* By-laws of Chevron Capital Corporation.
- 3.3\* Memorandum of Association of Chevron Canada Capital Company.
- 3.4\* Articles of Association of Chevron Canada Capital Company.
- 4.1 Indenture, dated as of June 15, 1995, between Chevron and The Chase Manhattan Bank, as successor to Chemical Bank, as trustee, filed June 14, 1995 as Exhibit 4.1 to Chevron's Amendment No. 1 to Form S-3 (File No. 33-58463) and incorporated herein by reference.
- 4.2 First Supplemental Indenture, dated as of October 13, 1999, between Chevron and The Chase Manhattan Bank, as trustee, filed October 15, 1999 as Exhibit 4.1 to Chevron's report on Form 8-K and incorporated herein by reference.
- 4.3\* Form of Indenture among Chevron, as guarantor, Chevron Capital Corporation and The Chase Manhattan Bank, as trustee.
- 4.4\* Form of Indenture among Chevron, as guarantor, Chevron Canada Capital Company and a trustee to be named.
- 4.5 Forms of Securities of Chevron, filed April 6, 1995, as Exhibit 4.2 to Chevron's Registration Statement on Form S-3 (File No. 33-58463) and incorporated herein by reference.
- 4.6\* Forms of Securities of Chevron Capital Corporation



- 4.7\* Forms of Securities of Chevron Canada Capital Company
- 5.1\* Opinion of Pillsbury Madison and Sutro LLP, counsel to Chevron.
- 12.1 Statement as to determination of ratio of earnings to fixed charges filed as Exhibit 12.1 to Chevron's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999 (File No. 1-368-2) and incorporated herein by reference.
- 23.1\* Consent of PricewaterhouseCoopers LLP.
- 23.2\* Consent of KPMG LLP.
- 23.3\* Consent of Pillsbury Madison & Sutro LLP (contained in their opinion filed as Exhibit 5.1 to this registration statement).
- 24.1\* Powers of Attorney for directors and certain officers of Chevron, authorizing, among other things, the signing of registration statements on their behalf.
- 24.2\* Powers of Attorney for directors and certain officers of Chevron Capital Corporation, authorizing, among other things, the signing of registration statements on their behalf.
- 24.3\* Powers of Attorney for directors and certain officers of Chevron Canada Capital Company, authorizing, among other things, the signing of registration statements on their behalf.
- 25.1 Form T-1 Statement of Eligibility and Qualification of The Chase Manhattan Bank under the Trust Indenture Act of 1939, as amended, filed as Exhibit 25.1 to Chevron's Current Report on Form 8-K filed October 8, 1999 and incorporated herein by reference.
- 25.2\* Form T-1 Statement of Eligibility and Qualification of The Chase Manhattan Bank under the Trust Indenture Act of 1939, as amended.

\* filed herewith.

Item 17. Undertakings

(a) Rule 415 Offering. The undersigned registrants hereby undertake:

(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 value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of 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.

Provided, however, that paragraphs (i) and (ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by

Chevron pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference 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 that 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) Filings Incorporating Subsequent Exchange Act Documents by Reference. The undersigned registrants hereby undertake that, for purposes of determining any liability under the Securities Act of 1933, each filing of Chevron's annual report pursuant to section 13(a) or 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.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrants pursuant to the provisions described under Item 15 above, or otherwise, the registrants have 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 registrants of expenses incurred or paid by a director, officer or controlling person of the registrants 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 registrants will, unless in the opinion of its counsel 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.

(c) Qualification of Trust Indentures Under the Trust Indenture Act of 1939 for Delayed Offerings. Each of the registrants hereby undertakes to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of section 310 of the Trust Indenture Act of 1939 in accordance with the rules and regulations prescribed by the Commission under section 305(b)(2) of the Trust Indenture Act of 1939.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Chevron Corporation 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 San Francisco, State of California, on November 15, 1999.

CHEVRON CORPORATION

By KENNETH T. DERR \*

-----  
Kenneth T. Derr  
Chairman of the Board

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on November 15, 1999.

Principal Executive Officers (and Directors)

Directors

KENNETH T. DERR \*

-----  
Kenneth T. Derr, Chairman of the Board

JAMES N. SULLIVAN \*

-----  
James N. Sullivan, Vice-Chairman of the Board

DAVID J. O'REILLY \*

-----  
David J. O'Reilly, Vice-Chairman of the Board

Principal Financial Officer

MARTIN R. KLITTEN \*

-----  
Martin R. Klitten, Vice-President  
and Chief Financial Officer

Principal Accounting Officer

STEPHEN J. CROWE \*

-----  
Stephen J. Crowe, Comptroller

SAMUEL H. ARMACOST \*

-----  
Samuel H. Armacost

SAM GINN \*

-----  
Sam Ginn

CARLA A. HILLS \*

-----  
Carla A. Hills

J. BENNETT JOHNSTON \*

-----  
J. Bennett Johnston

RICHARD H. MATZKE \*

-----  
Richard H. Matzke

CHARLES M. PIGOTT \*

-----  
Charles M. Pigott

CONDOLEEZZA RICE \*

-----  
Condoleezza Rice

FRANK A. SHRONTZ \*

-----  
Frank A. Shrontz

CHANG-LIN TIEN \*

-----  
Chang-Lin Tien

JOHN A. YOUNG \*

-----  
John A. Young

\*By /s/ LYDIA I. BEEBE

-----  
Lydia I. Beebe, Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Chevron Capital Corporation 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 San Francisco, State of California, on November 15, 1999.

CHEVRON CAPITAL CORPORATION

By                   GEORGE K. CARTER \*  
-----  
                    George K. Carter  
                    President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on November 15, 1999.

Principal Executive Officers

GEORGE K. CARTER \*  
-----  
George K. Carter, President

Directors

/s/ LYDIA I. BEEBE  
-----  
Lydia I. Beebe

Principal Financial Officer

HOWARD B. SHEPPARD \*  
-----  
Howard B. Sheppard, Vice-President  
and Treasurer

GEORGE K. CARTER \*  
-----  
George K. Carter

MARTIN R. KLITTEN \*  
-----  
Martin R. Klitten

Principal Accounting Officer

JAMES A. ALEVERAS \*  
-----  
James A. Aleveras, Comptroller

\*By /s/ LYDIA I. BEEBE  
-----  
Lydia I. Beebe, Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Chevron Canada Capital Company 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 San Francisco, State of California, on November 15, 1999.

CHEVRON CANADA CAPITAL COMPANY

By JAMES W. SIMPSON \*  
-----  
James W. Simpson  
President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on November 15, 1999.

Principal Executive Officers

JAMES W. SIMPSON \*  
-----  
James W. Simpson, President

Directors

GEORGE K. CARTER \*  
-----  
George K. Carter

Principal Financial Officer

STUART W. KINSEY \*  
-----  
Stuart W. Kinsey

GEORGE K. CARTER \*  
-----  
George K. Carter, Vice-President  
and Treasurer

JAMES M. OWEN \*  
-----  
James M. Owen

Principal Accounting Officer

RICHARD A. PASHNELKA \*  
-----  
Richard A. Pashelka

JAMES A. ALEVERAS \*  
-----  
James A. Aleveras, Comptroller

JAMES W. SIMPSON \*  
-----  
James W. Simpson

\*By /s/ LYDIA I. BEEBE  
-----  
Lydia I. Beebe, Attorney-in-Fact

CHEVRON CAPITAL CORPORATION

Guaranteed Debt Securities

-----

UNDERWRITING AGREEMENT  
STANDARD PROVISIONS

CHEVRON CAPITAL CORPORATION

Guaranteed Debt Securities

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UNDERWRITING AGREEMENT STANDARD PROVISIONS

From time to time, Chevron Capital Corporation, a Delaware corporation (the "Company"), may enter into one or more underwriting agreements that provide for the sale of certain debt securities (the "Securities") guaranteed by Chevron Corporation, a Delaware corporation ("Chevron"), to the purchaser or purchasers named therein (each an "Underwriter" and collectively, the "Underwriters"). The standard provisions set forth herein may be incorporated by reference in any such underwriting agreement (the "Underwriting Agreement"). The Underwriting Agreement, including the provisions incorporated therein by reference, is herein referred to as this Agreement. Unless otherwise defined herein, terms defined in the Underwriting Agreement are used herein as therein defined.

The terms and rights of any particular issue of Securities and the terms of issuance and sale thereof shall be as provided in the Indenture (the "Indenture") dated as of \_\_\_\_\_ 1999 among the Company, Chevron and The Chase Manhattan Bank, as Trustee (the "Trustee") and in the applicable Underwriting Agreement (with respect to each Underwriting Agreement, the "Designated Securities") .

Section 1. Issuance of Designated Securities. Sales of the Designated Securities may be made from time to time to the Underwriters of the Designated Securities. The firm or firms designated as the representative or representatives, as the case may be, of the Underwriters of the Designated Securities in the Underwriting Agreement relating thereto will act as the representative or representatives (the "Representative"). The obligation of the Company to issue and sell any of the Designated Securities, the obligation of Chevron to guarantee any of the Designated Securities and the obligation of any Underwriter to purchase any of the Designated Securities shall be evidenced by the Underwriting Agreement with respect to the Designated Securities specified therein. Each Underwriting Agreement shall specify the aggregate principal amount of the Designated Securities, the public offering price of the Designated Securities, the purchase price to the Underwriter or Underwriters of the Designated Securities, the names of the Underwriter or Underwriters of the Designated Securities, the name of the Representative, if any, of such Underwriters, the principal amount of the Designated Securities to be purchased by each Underwriter and the terms of any Delayed Delivery Contract (each as hereinafter defined), and shall set forth the date, time and manner of delivery of the Designated Securities and payment therefor. The Underwriting Agreement shall also specify (to the extent not set forth in the Registration Statement and Prospectus (as hereinafter defined) with respect thereto) the general terms of the Designated Securities. An Underwriting Agreement shall be in writing (which may be in counterparts), and may be evidenced by an exchange of facsimile transmissions or any other transmission device designed to produce a written record of communications transmitted. The obligations of the Underwriters under each Underwriting Agreement shall be several and not joint.

If the Company and Chevron agree, the Underwriter or Underwriters may solicit offers to purchase the Designated Securities pursuant to delayed delivery contracts ("Delayed Delivery Contracts") in a form agreed upon by the Company and Chevron. The Underwriter or Underwriters shall be paid their specified commission for Delayed Delivery Contracts upon the full performance of the Delayed Delivery Contracts. If the Delayed Delivery Contracts are invalid or are not fully performed, then the Underwriter or Underwriters shall not be entitled to any compensation for their efforts in securing such Delayed Delivery Contracts.

If the Delayed Delivery Contracts are executed, valid and fully performed, the Designated Securities delivered pursuant to them shall be deducted from the Designated Securities to be purchased by the Underwriter or Underwriters and the aggregate principal amount of Designated Securities to be purchased by each Underwriter shall be reduced pro rata in proportion to the principal amount of Designated Securities set forth opposite each Underwriter's name in the Underwriting Agreement, except to the extent that the Representative determines that such reduction shall be otherwise than in such proportion and so advise the Company and Chevron in writing; provided, however, that the total principal amount of securities to be purchased by all Underwriters shall be the aggregate principal amount set forth in Schedule I thereto, less the aggregate principal amount of Designated Securities to be delivered pursuant to the delayed delivery provisions.

Section 2. Representations and Warranties. The Company and Chevron represent and warrant to, and agree with, each Underwriter that:

(a) A registration statement on Form S-3 (Registration No. 333-\_\_\_\_\_), including a prospectus, relating to the Securities of the Company has been filed with the Securities and Exchange Commission (the "Commission") in accordance with applicable regulations of the Commission under the Securities Act of 1933, as amended (the "Act"), and has become effective under the Act. Such registration statement, as amended to the date of this Agreement, is hereinafter referred to as the "Registration Statement," and such prospectus as proposed to be supplemented by a prospectus supplement (the "Prospectus Supplement") relating to the Designated Securities to be filed pursuant to Rule 424 under the Act is hereinafter referred to as the "Prospectus." Any reference herein to the Registration Statement or the Prospectus shall be deemed to refer to and include the documents which were filed under the Securities Exchange Act of 1934 (the "Exchange Act") on or before the date of this Agreement, and incorporated by reference in the Prospectus pursuant to Item 12 of Form S-3, excluding any documents or portions of such documents which are deemed under the rules and regulations of the Commission under the Act not to be incorporated by reference; and any reference herein to the terms "amend," "amendment" or "supplement" with respect to the Registration Statement or the Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act deemed to be incorporated therein by reference after the date of this Agreement.

(b) The Registration Statement and the Prospectus conform, and any amendments thereof and supplements thereto relating to the Designated Securities will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, each document filed pursuant to the Exchange Act and incorporated by reference in the Prospectus complied when so filed as to form with the Exchange Act and the rules and regulations thereunder, the Indenture conforms in all material respects to the requirements of the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") and the rules and regulations of the Commission thereunder, and none of the above listed documents included or will include any untrue statement of a material fact or omitted or will omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that the Company and Chevron make no representations and warranties as to (i) that part of the Registration Statement which shall constitute the Trustee's Statement of Eligibility and Qualifications (Form T-1) under the Trust Indenture Act or (ii) any statements or omissions made in reliance upon and in conformity with information furnished to the Company or Chevron by or on behalf of any Underwriter for use in connection with the preparation of such documents.

Section 3. Delivery and Payment. Delivery of and payment for the Designated Securities (except for Designated Securities to be delivered under Delayed Delivery Contracts) shall be made at the place, on the date and at the time specified in the Underwriting Agreement (the "Closing Date"), which Closing Date may be postponed by agreement between the Underwriter or the Representative acting on behalf of the Underwriters, the Company and Chevron. Delivery of the Designated Securities shall be made to the Underwriter or to the Representative for the respective accounts of the Underwriters against payment by the



Underwriters directly or through the Representative of the purchase price thereof to or upon the order of the Company by either wire transfer of immediately available funds or by certified or official bank check or checks payable in New York Clearing House funds, as may be agreed among the Company, Chevron and the Underwriter or the Representative.

The Company agrees to have the Designated Securities available for inspection, checking and packaging in New York, New York, at least one business day prior to the Closing Date.

Section 4. Offering by Underwriter or Underwriters. It is understood that the Underwriter or Underwriters propose to offer the Designated Securities for sale to the public upon the terms and conditions set forth in the Prospectus.

Section 5. Agreements. The Company and Chevron agree with the Underwriter or Underwriters that:

(a) The Company and Chevron will cause the Prospectus Supplement to be filed pursuant to Rule 424 under the Act and will promptly advise the Underwriter or the Representative when the Prospectus Supplement has been so filed, and prior to the termination of the offering of the Designated Securities will promptly advise the Underwriter or the Representative (i) when any amendment to the Registration Statement has become effective or any further supplement to the Prospectus has been filed, (ii) of any request by the Commission for any amendment of the Registration Statement or the Prospectus or for any additional information, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the institution or threatening of any proceeding for that purpose and (iv) of the receipt by the Company or Chevron of any notification with respect to the suspension of the qualification of the Designated Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose. The Company and Chevron will use their best efforts to prevent the issuance of any such stop order and, if issued, to obtain as soon as possible the withdrawal thereof. The Company and Chevron will not file any amendment to the Registration Statement or supplement to the Prospectus relating to the Designated Securities unless they have furnished the Underwriter or the Representative a copy prior to filing and will not file any such proposed amendment or supplement to which the Underwriter or the Representative reasonably objects.

(b) If, at any time when a prospectus relating to the Designated Securities is required to be delivered under the Act or any other applicable securities law, any event occurs as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it shall be necessary to amend or supplement the Prospectus to comply with the Act or the Exchange Act or the respective rules thereunder, the Company and Chevron will promptly notify the Underwriter or Representative and will promptly prepare and file with the Commission, subject to paragraph (a) of this Section 5, an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance.

(c) Chevron will make generally available to its security holders and to the Underwriter or the Representative as soon as practicable, but not later than 45 days after the end of the 12-month period beginning at the end of the fiscal quarter of Chevron during which the filing of the Prospectus Supplement pursuant to Rule 424 under the Act first occurs (except not later than 90 days if such filing date is in the last fiscal quarter), an earnings statement (which need not be audited) of Chevron and its subsidiaries, covering such 12-month period, which will satisfy the provisions of Section 11(a) of the Act.

(d) The Company and Chevron will furnish to the (i) Underwriter or the Representative and (ii) counsel for the Underwriters copies of the Registration Statement (including, if requested, the exhibits thereto and the documents incorporated by reference in the Prospectus) and each amendment or supplement thereto relating to the Designated Securities which is thereafter filed pursuant to paragraph (a) or (b) of this Section 5 and to each other Underwriter other than the Representative, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Act or other applicable securities laws, as many copies

of the Prospectus and any amendments thereof and supplements thereto, relating to the Designated Securities, as such Underwriter or Representative may reasonably request.

(e) The Company and Chevron will pay (i) all expenses incurred by them in the performance of their obligations under this Agreement, (ii) reasonable fees charged for rating the Designated Securities and for preparing a Blue Sky and Legal Investment Memorandum with respect to the sale of the Designated Securities, and (iii) the expenses of printing and delivering the Designated Securities, the documents specified in paragraph (d) of this Section 5 and any Blue Sky and Legal Investment Memorandum.

(f) The Company and Chevron will use their best efforts to arrange and pay for the qualification of the Designated Securities for sale under the laws of such jurisdictions as the Underwriter or the Representative may designate and to maintain such qualifications in effect so long as required for the distribution of the Designated Securities; provided, however, that the Company and Chevron shall not be required to qualify to do business in any jurisdiction where they are not now qualified or to take any action which would subject them to general or unlimited service of process in any jurisdiction where they are not now so subject.

(g) If the sale of the Designated Securities provided for in an Underwriting Agreement is not consummated by reason of any failure, refusal or inability on the part of the Company or Chevron to perform any agreement on its part to be performed (except for any failure so to perform on the part of the Company or Chevron engendered by a failure, refusal or inability on the part of the Underwriter or Underwriters to perform any agreement on their part to be performed) or the failure of any condition set forth in Section 6, the Company or Chevron will reimburse the several Underwriters who are named in such Underwriting Agreement for all reasonable out-of-pocket disbursements incurred by the Underwriters in connection with their investigation, marketing and preparing to market the Designated Securities, and upon such reimbursement the Company and Chevron shall have no further liability to the Underwriters except as provided in Section 7.

(h) During the period beginning on the date of this Agreement and terminating on the earlier of (i) the Closing Date or (ii) the date of notice to the Company by the Underwriter or the Representative of the termination of trading restrictions, if any, with respect to the Designated Securities imposed by any Agreement among Underwriters, neither the Company nor Chevron will offer, sell, contract to sell or otherwise dispose of any debt securities of the Company substantially similar to the Designated Securities covered by this Agreement, without the prior written consent of the Underwriter or the Representative.

The Underwriter or Underwriters agree with Chevron and the Company that if a letter delivered to the Underwriter or to the Representative pursuant to paragraph (e) of Section 6 of this Agreement has attached thereto a copy of unaudited interim financial statements for a period ending after the latest financial statements included in the Registration Statement, and if such financial statements have not been publicly disclosed, such Representative or Underwriter shall keep such attachment in strict confidence and not furnish such attachment to the other Underwriters or to any other person; provided, however, that if an action of the kind referred to in paragraph (a) of Section 7 of this Agreement is commenced against any person who may be entitled to indemnification or contribution under such section, the Representative may furnish a copy of such attachment to each of the other Underwriters.

Section 6. Conditions to the Obligations of the Underwriter or Underwriters. The obligations of the Underwriter or Underwriters to purchase the Designated Securities shall be subject to the accuracy of the representations and warranties on the part of the Company and Chevron contained herein as of the date hereof and the Closing Date, to the performance by the Company and Chevron of their obligations hereunder and to the following additional conditions:

(a) No stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted and be pending or threatened as of the Closing Date;

(b) Pillsbury Madison & Sutro LLP, counsel for the Company and Chevron, shall have furnished to the Underwriter or the Representative their opinion, dated the Closing Date, substantially in the form attached hereto as Exhibit A;

(c) The Underwriter or the Representative shall have received from counsel for the Underwriters such opinion or opinions, dated the Closing Date, with respect to such matters as the Underwriter or the Representative may reasonably require;

(d) The Company and Chevron shall have furnished to the Underwriter or the Representative a certificate, dated the Closing Date, of the Company and Chevron, signed by one or more officers of the Company and Chevron, to the effect that the signer or signers of such certificate have carefully examined the Registration Statement, the Prospectus and this Agreement and that:

(1) The representations and warranties of the Company and Chevron in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date, and the Company and Chevron have complied with all the agreements and satisfied all the conditions on their part to be performed or satisfied at or prior to the Closing Date;

(2) No stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted and are pending or, to their knowledge, threatened as of such date; and

(3) Since the date of the most recent financial statements included in the Prospectus, there has been no material adverse change in the condition (financial or otherwise) of Chevron and its consolidated subsidiaries, taken as a whole, nor any material increase in the debt of Chevron Corporation and its consolidated subsidiaries, except as set forth in or contemplated by the Prospectus or as described in the certificate.

(e) The Underwriter or the Representative shall have received from PricewaterhouseCoopers LLP a letter, dated the Closing Date, which letter shall be in form as may be agreed upon among the Underwriter or the Representative, Chevron and Price Waterhouse, and shall cover such matters as may be reasonably requested by the Underwriter or the Representative.

(f) Prior to the Closing Date, the Company and Chevron shall have furnished to the Underwriter or the Representative such further information, certificates and documents as it may reasonably request.

(g) Subsequent to the date hereof, there shall not have occurred any change, or any development involving a prospective change, in or affecting the business or properties of Chevron and its subsidiaries considered as a whole which the Underwriter or the Representative concludes, in its judgment, after consultation with Chevron, materially impairs the investment quality of the Designated Securities so as to make it impractical or inadvisable to proceed with the public offering or the delivery of the Designated Securities as contemplated by the Prospectus.

Section 7. Indemnification and Contribution.

(a) The Company and Chevron agree to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus, or in any amendment thereof or supplement thereto relating to the Designated Securities, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agree to reimburse each such indemnified party for any legal or other expenses reasonably incurred by them, as so incurred, in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company and Chevron will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with information furnished to the Company or Chevron in writing by an Underwriter or on behalf of any Underwriter through the Representative for use in connection with the preparation thereof. This indemnity agreement will be in addition to any liability which the Company or Chevron may otherwise have.

(b) Each Underwriter severally agrees to indemnify and hold harmless the Company and Chevron, each of their directors, each of their officers who signs the Registration Statement, and each person who controls the Company or Chevron within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity from the Company and Chevron to each Underwriter, but only with reference to information furnished to the Company or Chevron in writing by an Underwriter or on behalf of such Underwriter through the Representative for use in the preparation of the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which any Underwriter may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 7, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve the indemnifying party from any liability which it may have to any indemnified party otherwise than under this Section 7. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein, and to the extent that it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided that, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel, to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 7 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel, approved by the representatives representing the indemnified parties who are parties to such action), (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party; and except that, if clause (i) or (iii) is applicable, such liability shall be only in respect of the counsel referred to in such clause (i) or (iii).

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section 7 is due in accordance with its terms but is for a reason held by

a court to be unavailable from the Company, Chevron or the Underwriter or Underwriters on grounds of policy or otherwise, the Company, Chevron and the Underwriter or Underwriters shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which the Company, Chevron or one or more of the Underwriters may be subject in such proportion so that the Underwriters are responsible for that portion represented by the percentage that the underwriting discount appearing on the cover page of the Prospectus bears to the public offering price appearing thereon and Chevron and the Company are responsible for the balance; provided that (y) in no case shall any Underwriter (except as may be provided in any agreement among underwriters relating to the offering of the Designated Securities) be responsible for any amount in excess of the underwriting discount applicable to the Designated Securities purchased by such Underwriter hereunder and (z) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 7, each person who controls an Underwriter within the meaning of either the Act or the Exchange Act shall have the same rights to contribution as such Underwriter, and each person who controls the Company or Chevron within the meaning of either the Act or the Exchange Act, each officer of the Company or Chevron who shall have signed the Registration Statement and each director of the Company or Chevron shall have the same rights to contribution as the Company and Chevron, subject in each case to clause (y) of this paragraph (d). Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this paragraph (d), notify such party or parties from whom contribution may be sought, but the omission to so notify in writing such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this paragraph (d).

Section 8. Termination. This Agreement shall be subject to termination in the absolute discretion of the Underwriter or the Representative, by written notice given to the Company and Chevron prior to delivery of and payment for the Designated Securities, if prior to such time (i) trading in securities generally on the New York Stock Exchange shall have been suspended or materially limited, (ii) a general moratorium on commercial banking activities in New York shall have been declared by either Federal or New York State authorities or (iii) there shall have occurred any material outbreak or escalation of hostilities or other calamity or crisis the effect of which on the financial markets of the United States is such as to make it, in the reasonable judgment of the Underwriter or the Representative, impracticable to market the Designated Securities.

Section 9. Representations and Indemnities to Survive. The respective agreements, representations, warranties, indemnities and other statements of the Company and Chevron, or their officers and of the Underwriter or Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter, the Company, Chevron, or any of the officers, directors or controlling persons referred to in Section 7 hereof, and will survive delivery of and payment for the Securities. The provisions of Sections 5(e) and 7 hereof shall survive the termination or cancellation of this Agreement.

Section 10. Default by an Underwriter. If any one or more Underwriters shall fail to purchase and pay for any Designated Securities agreed to be purchased by such Underwriter or Underwriters hereunder and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the remaining Underwriters shall be obligated severally to take up and pay for (in the respective proportions which the amount of Designated Securities set forth opposite their names in Schedule I of the Underwriting Agreement bears to the aggregate amount of Designated Securities set forth opposite the names of all the remaining Underwriters) the Designated Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase; provided, however, that in the event that the aggregate amount of Designated Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase shall exceed 10% of the amount of Designated Securities set forth in Schedule I of the Underwriting Agreement, the remaining Underwriters shall have the right to purchase all, but shall not be under any obligation to purchase any, of the Designated Securities, and if such non-defaulting Underwriters do not purchase all the Designated Securities, this Agreement will terminate without liability to any non-defaulting Underwriter, the Company or Chevron. In the event of a default by any Underwriter as set forth in this Section 10, the Closing

Date shall be postponed for such period, not exceeding seven days, as the Underwriter or the Representative shall determine in order that the required changes in the Registration Statement and the Prospectus or in any other documents or arrangements may be effected. Nothing contained in this Agreement shall relieve any defaulting Underwriter of its liability, if any, to the Company or Chevron and any non-defaulting Underwriter for damages occasioned by its default hereunder.

Section 11. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 7 hereof, and no other person will have any right or obligation hereunder.

Section 12. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York.

EXHIBIT A

[FORM OF PILLSBURY MADISON & SUTRO OPINION]

[Date]

Underwriter(s)

Gentlemen and Mesdames:

We have acted as counsel to Chevron Corporation ("Chevron") and Chevron Capital Corporation (the "Company") in connection with your purchase from The Company of \$000,000,000 in aggregate principal amount of its Guaranteed Securities Due 0000 (the "Securities"). Such purchase is made pursuant to the Underwriting Agreement dated \_\_\_\_\_, 19\_ (the "Underwriting Agreement") among The Company, Chevron and you, the Underwriter[s]. The Securities are being issued under an Indenture dated as of \_\_\_\_\_, 199\_ (the "Indenture") among the Company, as issuer, Chevron, as guarantor, and The Chase Manhattan Bank, as Trustee (the "Trustee"). This opinion is furnished pursuant to Section 6(b) of the Underwriting Agreement. Terms defined in the Indenture have the same meanings when used in this opinion.

We have examined executed copies of the Indenture, the Securities, the Underwriting Agreement, the Registration Statement (as hereinafter defined) and the Prospectus (as hereinafter defined). We have also examined such other documents and certificates of public officials and representatives of Chevron and The Company as we have deemed necessary as a basis for the opinions expressed herein. As to questions of fact material to such opinions, we have, when relevant facts were not independently established, relied upon certificates of officers or authorized representatives of Chevron and The Company.

We have assumed the genuineness of all signatures and documents submitted to us as originals, that all copies submitted to us conform to the originals, the legal capacity of all natural persons, and as to documents executed by entities other than Chevron or The Company, that each of such entities has the power to enter into and perform its respective obligations thereunder, and that such documents have been duly authorized, executed and delivered by, and are binding upon and enforceable against, each of such entities.

We express no opinion as to the laws of any jurisdiction other than California, New York and the general corporate law of Delaware and the Federal laws of the United States of America.

Based upon the foregoing and subject to the qualifications set forth below, it is our opinion that:

1. Chevron is validly existing and in good standing under the laws of the State of Delaware and is duly qualified and in good standing to do business in each other state in which its ownership or leasing of properties requires such qualification and in which a consequence of the failure to be so qualified would be materially adverse to the business or financial condition of Chevron and its subsidiaries taken as a whole and possess the requisite corporate power and authority to own its properties and conduct its

businesses consistent with any description thereof in the prospectus dated \_\_\_\_\_ and the prospectus supplement dated \_\_\_\_\_, filed with the Securities and Exchange Commission (the "Commission") pursuant to Rule 424(b)(2) of Regulation C under the Securities Act of 1933, as amended (the "Act") (the prospectus and the prospectus supplement, including the documents incorporated by reference therein, are herein collectively referred to as the "Prospectus").

2. The Company is duly organized and validly existing under the laws of the State of Delaware.

3. The Indenture has been duly qualified under the Trust Indenture Act of 1939, as amended, and has been duly authorized, executed and delivered by Chevron and the Company and constitutes the valid and binding obligation of Chevron and the Company enforceable against each in accordance with its terms.

4. The Securities have been duly authorized, executed and delivered by the Company and constitute valid and binding obligations of the Company, enforceable in accordance with their respective terms.

5. The Securities will be entitled to the benefits of the Indenture, including the Guarantee set forth in Article Four of the Indenture, and such Guarantee constitutes the valid and binding obligation of Chevron enforceable in accordance with its terms.

6. The Underwriting Agreement has been duly authorized, executed and delivered by Chevron and the Company.

7. The Registration Statement of Form S-3 (File No. \_\_\_\_\_) filed by the Company and Chevron with the Commission under Rule 415 of the Act on \_\_\_\_\_ (such Registration Statement including the documents incorporated by reference therein being herein collectively referred to as the "Registration Statement") has become effective under the Act, and, to the best of our knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or contemplated under the Act, and, except as may be otherwise indicated in the Prospectus or required by the blue sky or securities laws of jurisdictions in which the Securities are offered or sold, no further authorization, consent, approval of or filing with any governmental or regulatory body, Federal or state, is required to be obtained by the Company or Chevron in connection with the execution, delivery and performance of the terms of the Underwriting Agreement, the Indenture or the Securities or the offer and sale of the Securities as described in the Prospectus, and the execution, delivery and performance of the terms of the Underwriting Agreement, the Indenture and the Securities by Chevron or the Company will not contravene any provision of the Restated Certificate of Incorporation, as amended, or By-Laws of Chevron, the \_\_\_\_\_ of the Company, any Federal law or regulation or, to the best of our knowledge, any applicable state law or any material agreement or instrument binding upon Chevron.

8. The Registration Statement and the Prospectus comply as to form in all material respects with the requirements of the Act and the rules and regulations of the Commission thereunder; each document filed by Chevron under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and incorporated by reference in the Prospectus complied as to form in all material respects when so filed with the requirements of the Exchange Act and the rules and regulations of the Commission thereunder; the statements in the Prospectus with respect to the terms of the Indenture and the Securities fairly summarize the terms of such instruments and to the best of our knowledge there are no other agreements or instruments required to be described or referred to in the Registration Statement which have not been described or referred to therein; and while we have not ourselves checked the accuracy or completeness of, or otherwise verified the information furnished in the Registration Statement, we have considered the information required to be furnished therein and have generally reviewed and had discussions with certain officers and employees of Chevron concerning the information so furnished, whether or not subject to our checking and verification, and on the basis of such consideration, review and discussions, but without independent checking or verification, we have no reason to believe that the Registration Statement or the Prospectus, as of [Date of Sale], contained any untrue statement of a material fact or omitted to state any material fact required to be



stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading or that the Registration Statement or the Prospectus, as of [Close Date], contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading; it being understood that with respect to the matters covered by this paragraph 8, we express no opinion as to the financial statements or other financial or numerical data contained in the Registration Statement or the Prospectus.

The opinions set forth in the foregoing are subject to the following qualifications:

(a) Our opinions in paragraphs 3, 4 and 5 are subject to and limited by: (i) the effect of bankruptcy, insolvency, reorganization, receivership, conservatorship, arrangement, moratorium or other laws affecting or relating to the rights of creditors generally; (ii) the rules governing the availability of specific performance, injunctive relief or other equitable remedies and general principles of equity, regardless of whether considered in a proceeding in equity or at law; (iii) to the extent applicable, the effect of court decisions invoking statutes or principles of equity, which have held that certain covenants and provisions of agreements are unenforceable where the breach of such covenants or provisions imposes restrictions or burdens upon a borrower, and it cannot be demonstrated that the enforcement of such restrictions or burdens is necessary for the protection of the creditor, or which have held that the creditor's enforcement of such covenants or provisions under the circumstances would have violated the creditor's covenants of good faith and fair dealing implied under California law, and (iv) to the extent applicable, the effect of California statutes and rules of law which cannot be waived prospectively by a borrower. With respect to the Guarantee set forth in the Indenture, we note that certain California statutes and cases provide that a surety may be exonerated if the creditor alters the original obligation of the principal without the surety's consent, elects remedies for default that may impair the surety's subrogation rights against the principal, or otherwise takes action which materially prejudices the surety, without notification of the surety and opportunity on the part of the surety to cure, unless such rights of the surety are validly waived. California courts have generally upheld the waivers of such rights as are contained in the Guarantee under California law; however, we express no opinion with respect to the effect under California law (other than California choice of law rules) of any modification of the obligations of the Company which materially increases such obligations, or any election of remedies by the Trustee or the holders of the Securities following the occurrence of a default, or any other action by the Trustee or the holders of the Securities which materially prejudices Chevron, as guarantor, if such action occurs without notice and opportunity to cure being granted to Chevron, as guarantor. However, in our opinion (x) acceleration of the maturity of the Securities would be available if an Event of Default occurs as a result of non-payment by Chevron of principal of or interest or any premium on the Securities or as a result of a material breach by Chevron of a covenant contained in the Indenture, (y) failure to enforce any such covenant will not render the Indenture or the Guarantee invalid as a whole and (z) there exists in the Indenture or pursuant to applicable law legally adequate remedies for a realization of the principal benefits intended to be provided by the Indenture or the Guarantee. Notwithstanding the foregoing, we have been advised by [Cleary, Gottlieb, Steen & Hamilton], upon which advice we rely, that the waivers and consents in the Guarantee are enforceable under New York law. While there is no decision of the California Supreme Court directly on point, it is our opinion that the provisions of Section 14.06 of the Indenture selecting New York law as the governing law would be honored by a California court applying California choice of law principles.

(b) Whenever a statement herein is qualified by "known to us", "to our knowledge" or similar phrase, it indicates that in the course of our representation of Chevron no information that would give us current actual knowledge of the inaccuracy of such statement has come to the attention of the attorneys in this firm who have rendered legal services in connection with this transaction, including the principal partners of this firm who are familiar with matters relating to the Company. We have not made any independent investigation to determine the accuracy of such statement, except as expressly described herein. No inference as to our knowledge of any matters bearing on the accuracy of such statement should be drawn from the fact of our representation of Chevron and the Company in other matters in which such attorneys are not involved.

This opinion is rendered by us as counsel for Chevron and the Company solely for your benefit in connection with the transaction referred to herein and may not be relied upon by you in connection with any other transaction and may not be relied upon by any other person without our prior written consent.

Very truly yours,

CHEVRON CANADA CAPITAL COMPANY

Guaranteed Debt Securities

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UNDERWRITING AGREEMENT  
STANDARD PROVISIONS

Guaranteed Debt Securities

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UNDERWRITING AGREEMENT STANDARD PROVISIONS

From time to time, Chevron Canada Capital Company, an unlimited liability corporation organized under the laws of Nova Scotia, Canada (the "Company"), may enter into one or more underwriting agreements that provide for the sale of certain debt securities (the "Securities") guaranteed by Chevron Corporation, a Delaware corporation ("Chevron"), to the purchaser or purchasers named therein (each an "Underwriter" and collectively, the "Underwriters"). The standard provisions set forth herein may be incorporated by reference in any such underwriting agreement (the "Underwriting Agreement"). The Underwriting Agreement, including the provisions incorporated therein by reference, is herein referred to as this Agreement. Unless otherwise defined herein, terms defined in the Underwriting Agreement are used herein as therein defined.

The terms and rights of any particular issue of Securities and the terms of issuance and sale thereof shall be as provided in the Indenture (the "Indenture") dated as of \_\_\_\_\_ 1999 among the Company, Chevron and \_\_\_\_\_, as Trustee (the "Trustee") and in the applicable Underwriting Agreement (with respect to each Underwriting Agreement, the "Designated Securities").

Section 1. Issuance of Designated Securities. Sales of the Designated Securities may be made from time to time to the Underwriter or Underwriters of the Designated Securities. The firm or firms designated as the representative or representatives, as the case may be, of the Underwriters of the Designated Securities in the Underwriting Agreement relating thereto will act as the representative or representatives (the "Representative"). The obligation of the Company to issue and sell any of the Designated Securities, the obligation of Chevron to guarantee any of the Designated Securities and the obligation of any Underwriter or Underwriters to purchase any of the Designated Securities shall be evidenced by the Underwriting Agreement with respect to the Designated Securities specified therein. Each Underwriting Agreement shall specify the aggregate principal amount of the Designated Securities, the public offering price of the Designated Securities, the purchase price to the Underwriter or Underwriters of the Designated Securities, the names of the Underwriter or Underwriters of the Designated Securities, the name of the Representative, if any, of such Underwriters, the principal amount of the Designated Securities to be purchased by each Underwriter and the terms of any Delayed Delivery Contract (as hereinafter defined), and shall set forth the date, time and manner of delivery of the Designated Securities and payment therefor. The Underwriting Agreement shall also specify (to the extent not set forth in the Registration Statement and Prospectus (each as hereinafter defined) with respect thereto) the general terms of the Designated Securities. An Underwriting Agreement shall be in writing (which may be in counterparts), and may be evidenced by an exchange of facsimile transmissions or any other transmission device designed to produce a written record of communications transmitted. The obligations of the Underwriters under each Underwriting Agreement shall be several and not joint.

If the Company and Chevron agree, the Underwriter or Underwriters may solicit offers to purchase the Designated Securities pursuant to delayed delivery contracts ("Delayed Delivery Contracts") in a form agreed upon by the Company and Chevron. The Underwriter or Underwriters shall be paid their specified commission for Delayed Delivery Contracts upon the full performance of the Delayed Delivery Contracts. If the Delayed Delivery Contracts are invalid or are not fully performed, then the Underwriter or Underwriters shall not be entitled to any compensation for their efforts in securing such Delayed Delivery Contracts.

If the Delayed Delivery Contracts are executed, valid and fully performed, the Designated Securities delivered pursuant to them shall be deducted from the Designated Securities to be purchased by the Underwriter or Underwriters and the aggregate principal amount of Designated Securities to be purchased by each Underwriter shall be reduced pro rata in proportion to the principal amount of Designated Securities set forth opposite each Underwriter's name in the Underwriting Agreement, except to the extent that the Representative determines that such reduction shall be otherwise than in such proportion and so advise the Company and Chevron in writing; provided, however, that the total principal amount of securities to be purchased by all Underwriters shall be the aggregate principal amount set forth in Schedule I thereto, less the aggregate principal amount of Designated Securities to be delivered pursuant to the delayed delivery provisions.

Section 2. Representations and Warranties. The Company and Chevron represent and warrant to, and agree with, each Underwriter that:

(a) A registration statement on Form S-3 (Registration No. 333-\_\_\_\_\_), including a prospectus, relating to the Securities of the Company has been filed with the Securities and Exchange Commission (the "Commission") in accordance with applicable regulations of the Commission under the Securities Act of 1933, as amended (the "Act"), and has become effective under the Act. Such registration statement, as amended to the date of this Agreement, is hereinafter referred to as the "Registration Statement," and such prospectus as proposed to be supplemented by a prospectus supplement (the "Prospectus Supplement") relating to the Designated Securities to be filed pursuant to Rule 424 under the Act is hereinafter referred to as the "Prospectus." Any reference herein to the Registration Statement or the Prospectus shall be deemed to refer to and include the documents which were filed under the Securities Exchange Act of 1934 (the "Exchange Act") on or before the date of this Agreement, and incorporated by reference in the Prospectus pursuant to Item 12 of Form S-3, excluding any documents or portions of such documents which are deemed under the rules and regulations of the Commission under the Act not to be incorporated by reference; and any reference herein to the terms "amend," "amendment" or "supplement" with respect to the Registration Statement or the Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act deemed to be incorporated therein by reference after the date of this Agreement.

(b) The Registration Statement and the Prospectus conform, and any amendments thereof and supplements thereto relating to the Designated Securities will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, each document filed pursuant to the Exchange Act and incorporated by reference in the Prospectus complied when so filed as to form with the Exchange Act and the rules and regulations thereunder, the Indenture conforms in all material respects to the requirements of the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") and the rules and regulations of the Commission thereunder, and none of the above listed documents included or will include any untrue statement of a material fact or omitted or will omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that the Company and Chevron make no representations and warranties as to (i) that part of the Registration Statement which shall constitute the Trustee's Statement of Eligibility and Qualifications (Form T-1) under the Trust Indenture Act or (ii) any statements or omissions made in reliance upon and in conformity with information furnished to the Company or Chevron by or on behalf of any Underwriter for use in connection with the preparation of such documents.

Section 3. Delivery and Payment. Delivery of and payment for the Designated Securities (except for Designated Securities to be delivered under Delayed Delivery Contracts) shall be made at the place, on the date and at the time specified in the Underwriting Agreement (the "Closing Date"), which Closing Date may be postponed by agreement between the Underwriter or the Representative acting on behalf of the Underwriters, the Company and Chevron. Delivery of the Designated Securities shall be made to the Underwriter or to the Representative for the respective accounts of the Underwriters against payment by the

Underwriters directly or through the Representative of the purchase price thereof to or upon the order of the Company by either wire transfer of immediately available funds or by certified or official bank check or checks payable in New York Clearing House funds, as may be agreed among the Company, Chevron and the Underwriter or the Representative.

The Company agrees to have the Designated Securities available for inspection, checking and packaging in New York, New York, at least one business day prior to the Closing Date.

Section 4. Offering by Underwriter or Underwriters. It is understood that the Underwriter or Underwriters propose to offer the Designated Securities for sale to the public upon the terms and conditions set forth in the Prospectus.

Section 5. Agreements. The Company and Chevron agree with the Underwriter or Underwriters that:

(a) The Company and Chevron will cause the Prospectus Supplement to be filed pursuant to Rule 424 under the Act and will promptly advise the Underwriter or the Representative when the Prospectus Supplement has been so filed, and prior to the termination of the offering of the Designated Securities will promptly advise the Underwriter or the Representative (i) when any amendment to the Registration Statement has become effective or any further supplement to the Prospectus has been filed, (ii) of any request by the Commission for any amendment of the Registration Statement or the Prospectus or for any additional information, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the institution or threatening of any proceeding for that purpose and (iv) of the receipt by the Company or Chevron of any notification with respect to the suspension of the qualification of the Designated Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose. The Company and Chevron will use their best efforts to prevent the issuance of any such stop order and, if issued, to obtain as soon as possible the withdrawal thereof. The Company and Chevron will not file any amendment to the Registration Statement or supplement to the Prospectus relating to the Designated Securities unless they have furnished the Underwriter or the Representative a copy prior to filing and will not file any such proposed amendment or supplement to which the Underwriter or the Representative reasonably objects.

(b) If, at any time when a prospectus relating to the Designated Securities is required to be delivered under the Act or any other applicable securities law, any event occurs as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it shall be necessary to amend or supplement the Prospectus to comply with the Act or the Exchange Act or the respective rules thereunder, the Company and Chevron will promptly notify the Underwriter or Representative and will promptly prepare and file with the Commission, subject to paragraph (a) of this Section 5, an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance.

(c) Chevron will make generally available to its security holders and to the Underwriter or the Representative as soon as practicable, but not later than 45 days after the end of the 12-month period beginning at the end of the fiscal quarter of Chevron during which the filing of the Prospectus Supplement pursuant to Rule 424 under the Act first occurs (except not later than 90 days if such filing date is in the last fiscal quarter), an earnings statement (which need not be audited) of Chevron and its subsidiaries, covering such 12-month period, which will satisfy the provisions of Section 11(a) of the Act.

(d) The Company and Chevron will furnish to the (i) Underwriter or the Representative and (ii) counsel for the Underwriter or Underwriters copies of the Registration Statement (including, if requested, the exhibits thereto and the documents incorporated by reference in the Prospectus) and each amendment or supplement thereto relating to the Designated Securities which is thereafter filed pursuant to paragraph (a) or (b) of this Section 5 and to each other Underwriter other than the Representative, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Act or other applicable

securities laws, as many copies of the Prospectus and any amendments thereof and supplements thereto, relating to the Designated Securities, as such Underwriter or Representative may reasonably request.

(e) The Company and Chevron will pay (i) all expenses incurred by them in the performance of their obligations under this Agreement, (ii) reasonable fees charged for rating the Designated Securities and for preparing a Blue Sky and Legal Investment Memorandum with respect to the sale of the Designated Securities, and (iii) the expenses of printing and delivering the Designated Securities, the documents specified in paragraph (d) of this Section 5 and any Blue Sky and Legal Investment Memorandum.

(f) The Company and Chevron will use their best efforts to arrange and pay for the qualification of the Designated Securities for sale under the laws of such jurisdictions as the Underwriter or the Representative may designate and to maintain such qualifications in effect so long as required for the distribution of the Designated Securities; provided, however, that the Company and Chevron shall not be required to qualify to do business in any jurisdiction where they are not now qualified or to take any action which would subject them to general or unlimited service of process in any jurisdiction where they are not now so subject.

(g) If the sale of the Designated Securities provided for in an Underwriting Agreement is not consummated by reason of any failure, refusal or inability on the part of the Company or Chevron to perform any agreement on its part to be performed (except for any failure so to perform on the part of the Company or Chevron engendered by a failure, refusal or inability on the part of the Underwriter or Underwriters to perform any agreement on their part to be performed) or the failure of any condition set forth in Section 6, the Company or Chevron will reimburse the several Underwriters who are named in such Underwriting Agreement for all reasonable out-of-pocket disbursements incurred by the Underwriters in connection with their investigation, marketing and preparing to market the Designated Securities, and upon such reimbursement the Company and Chevron shall have no further liability to the Underwriters except as provided in Section 7.

(h) During the period beginning on the date of this Agreement and terminating on the earlier of (i) the Closing Date or (ii) the date of notice to the Company by the Underwriter or the Representative of the termination of trading restrictions, if any, with respect to the Designated Securities imposed by any Agreement among Underwriters, neither the Company nor Chevron will offer, sell, contract to sell or otherwise dispose of any debt securities of the Company substantially similar to the Designated Securities covered by this Agreement, without the prior written consent of the Underwriter or the Representative.

The Underwriter or Underwriters agree with Chevron and the Company that if a letter delivered to the Underwriter or to the Representative pursuant to paragraph (e) of Section 6 of this Agreement has attached thereto a copy of unaudited interim financial statements for a period ending after the latest financial statements included in the Registration Statement, and if such financial statements have not been publicly disclosed, such Representative or Underwriter shall keep such attachment in strict confidence and not furnish such attachment to the other Underwriters or to any other person; provided, however, that if an action of the kind referred to in paragraph (a) of Section 7 of this Agreement is commenced against any person who may be entitled to indemnification or contribution under such section, the Representative may furnish a copy of such attachment to each of the other Underwriters.

Section 6. Conditions to the Obligations of the Underwriter or Underwriters. The obligations of the Underwriter or Underwriters to purchase the Designated Securities shall be subject to the accuracy of the representations and warranties on the part of the Company and Chevron contained herein as of the date hereof and the Closing Date, to the performance by the Company and Chevron of their obligations hereunder and to the following additional conditions:

(a) No stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted and be pending or threatened as of the Closing Date;

(b) Pillsbury Madison & Sutro LLP, counsel for the Company and Chevron, shall have furnished to the Underwriter or the Representative their opinion, dated the Closing Date, substantially in the form attached hereto as Exhibit A;

(c) The Underwriter or the Representative shall have received from counsel for the Underwriters such opinion or opinions, dated the Closing Date, with respect to such matters as the Underwriter or the Representative may reasonably require;

(d) The Company and Chevron shall have furnished to the Underwriter or the Representative a certificate, dated the Closing Date, of the Company and Chevron, signed by one or more officers of the Company and Chevron, to the effect that the signer or signers of such certificate have carefully examined the Registration Statement, the Prospectus and this Agreement and that:

(1) The representations and warranties of the Company and Chevron in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date, and the Company and Chevron have complied with all the agreements and satisfied all the conditions on their part to be performed or satisfied at or prior to the Closing Date;

(2) No stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted and are pending or, to their knowledge, threatened as of such date; and

(3) Since the date of the most recent financial statements included in the Prospectus, there has been no material adverse change in the condition (financial or otherwise) of Chevron and its consolidated subsidiaries, taken as a whole, nor any material increase in the debt of Chevron Corporation and its consolidated subsidiaries, except as set forth in or contemplated by the Prospectus or as described in the certificate.

(e) The Underwriter or the Representative shall have received from PricewaterhouseCoopers LLP a letter, dated the Closing Date, which letter shall be in form as may be agreed upon among the Underwriter or the Representative, Chevron and Price Waterhouse, and shall cover such matters as may be reasonably requested by the Underwriter or the Representative.

(f) Prior to the Closing Date, the Company and Chevron shall have furnished to the Underwriter or the Representative such further information, certificates and documents as it may reasonably request.

(g) Subsequent to the date hereof, there shall not have occurred any change, or any development involving a prospective change, in or affecting the business or properties of Chevron and its subsidiaries considered as a whole which the Underwriter or the Representative concludes, in its judgment, after consultation with Chevron, materially impairs the investment quality of the Designated Securities so as to make it impractical or inadvisable to proceed with the public offering or the delivery of the Designated Securities as contemplated by the Prospectus.



Section 7. Indemnification and Contribution.

(a) The Company and Chevron agree to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus, or in any amendment thereof or supplement thereto relating to the Designated Securities, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agree to reimburse each such indemnified party for any legal or other expenses reasonably incurred by them, as so incurred, in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company and Chevron will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with information furnished to the Company or Chevron in writing by a Underwriter or on behalf of any Underwriter through the Representative for use in connection with the preparation thereof. This indemnity agreement will be in addition to any liability which the Company or Chevron may otherwise have.

(b) Each Underwriter severally agrees to indemnify and hold harmless the Company and Chevron, each of their directors, each of their officers who signs the Registration Statement, and each person who controls the Company or Chevron within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity from the Company and Chevron to each Underwriter, but only with reference to information furnished to the Company or Chevron in writing by an Underwriter or on behalf of such Underwriter through the Representative for use in the preparation of the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which any Underwriter may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 7, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve the indemnifying party from any liability which it may have to any indemnified party otherwise than under this Section 7. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein, and to the extent that it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided that, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel, to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 7 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel, approved by the representatives representing the indemnified parties who are parties to such action), (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party; and except that, if clause (i) or (iii) is applicable, such liability shall be only in respect of the counsel referred to in such clause (i) or (iii).

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section 7 is due in accordance with its terms but is for any reason held by a court to be unavailable from the Company, Chevron or the Underwriter or Underwriters on grounds of policy or otherwise, the Company, Chevron and the Underwriter or Underwriters shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which the Company, Chevron or one or more of the Underwriters may be subject in such proportion so that the Underwriters are responsible for that portion represented by the percentage that the underwriting discount appearing on the cover page of the Prospectus bears to the public offering price appearing thereon and Chevron and the Company are responsible for the balance; provided that (y) in no case shall any Underwriter (except as may be provided in any agreement among underwriters relating to the offering of the Designated Securities) be responsible for any amount in excess of the underwriting discount applicable to the Designated Securities purchased by such Underwriter hereunder and (z) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 7, each person who controls an Underwriter within the meaning of either the Act or the Exchange Act shall have the same rights to contribution as such Underwriter, and each person who controls the Company or Chevron within the meaning of either the Act or the Exchange Act, each officer of the Company or Chevron who shall have signed the Registration Statement and each director of the Company or Chevron shall have the same rights to contribution as the Company and Chevron, subject in each case to clause (y) of this paragraph (d). Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this paragraph (d), notify such party or parties from whom contribution may be sought, but the omission to so notify in writing such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this paragraph (d).

Section 8. Termination. This Agreement shall be subject to termination in the absolute discretion of the Underwriter or the Representative, by written notice given to the Company and Chevron prior to delivery of and payment for the Designated Securities, if prior to such time (i) trading in securities generally on the New York Stock Exchange shall have been suspended or materially limited, (ii) a general moratorium on commercial banking activities in New York shall have been declared by either Federal or New York State authorities or (iii) there shall have occurred any material outbreak or escalation of hostilities or other calamity or crisis the effect of which on the financial markets of the United States is such as to make it, in the reasonable judgment of the Underwriter or the Representative, impracticable to market the Designated Securities.

Section 9. Representations and Indemnities to Survive. The respective agreements, representations, warranties, indemnities and other statements of the Company and Chevron, or their officers and of the Underwriter or Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter, the Company, Chevron, or any of the officers, directors or controlling persons referred to in Section 7 hereof, and will survive delivery of and payment for the Securities. The provisions of Sections 5(e) and 7 hereof shall survive the termination or cancellation of this Agreement.

Section 10. Default by an Underwriter. If any one or more Underwriters shall fail to purchase and pay for any Designated Securities agreed to be purchased by such Underwriter or Underwriters hereunder and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the remaining Underwriters shall be obligated severally to take up and pay for (in the respective proportions which the amount of Designated Securities set forth opposite their names in Schedule I of the Underwriting Agreement bears to the aggregate amount of Designated Securities set forth opposite the names of all the remaining Underwriters) the Designated Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase; provided, however, that in the event that the aggregate amount of Designated Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase shall exceed 10% of the amount of Designated Securities set forth in Schedule I of the Underwriting Agreement, the remaining Underwriters shall have the right to purchase all, but shall not be under any obligation to purchase any, of the Designated Securities, and if such non-defaulting Underwriters do not purchase all the

Designated Securities, this Agreement will terminate without liability to any non-defaulting Underwriter, the Company or Chevron. In the event of a default by any Underwriter as set forth in this Section 10, the Closing Date shall be postponed for such period, not exceeding seven days, as the Underwriter or the Representative shall determine in order that the required changes in the Registration Statement and the Prospectus or in any other documents or arrangements may be effected. Nothing contained in this Agreement shall relieve any defaulting Underwriter of its liability, if any, to the Company or Chevron and any non-defaulting Underwriter for damages occasioned by its default hereunder.

Section 11. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 7 hereof, and no other person will have any right or obligation hereunder.

Section 12. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York.

EXHIBIT A

[FORM OF PILLSBURY MADISON & SUTRO OPINION]

[Date]

Underwriter(s)

Gentlemen and Mesdames:

We have acted as counsel to Chevron Corporation ("Chevron") and Chevron Canada Capital Company (the "Company") in connection with your purchase from the Company of \$000,000,000 in aggregate principal amount of its Guaranteed Securities Due 0000 (the "Securities"). Such purchase is made pursuant to the Underwriting Agreement dated \_\_\_\_\_, 19 (the "Underwriting Agreement") among the Company, Chevron and you, the Underwriter[s]. The Securities are being issued under an Indenture dated as of \_\_\_\_\_, 199 (the "Indenture") among the Company, as issuer, Chevron, as guarantor, and \_\_\_\_\_, as Trustee (the "Trustee"). This opinion is furnished pursuant to Section 6(b) of the Underwriting Agreement. Terms defined in the Indenture have the same meanings when used in this opinion.

We have examined executed copies of the Indenture, the Securities, the Underwriting Agreement, the Registration Statement (as hereinafter defined) and the Prospectus (as hereinafter defined). We have also examined such other documents and certificates of public officials and representatives of Chevron and The Company as we have deemed necessary as a basis for the opinions expressed herein. As to questions of fact material to such opinions, we have, when relevant facts were not independently established, relied upon certificates of officers or authorized representatives of Chevron and The Company.

We have assumed the genuineness of all signatures and documents submitted to us as originals, that all copies submitted to us conform to the originals, the legal capacity of all natural persons, and as to documents executed by entities other than Chevron or The Company, that each of such entities has the power to enter into and perform its respective obligations thereunder, and that such documents have been duly authorized, executed and delivered by, and are binding upon and enforceable against, each of such entities.

We express no opinion as to the laws of any jurisdiction other than California, New York and [Canada], and the general corporate law of Delaware and the Federal laws of the United States of America, and, with respect to questions of Canadian law, we have relied, with your permission, solely upon the opinion of \_\_\_\_\_, \_\_\_\_\_, Counsel to the Company.

Based upon the foregoing and subject to the qualifications set forth below, it is our opinion that:

1. Chevron is validly existing and in good standing under the laws of the State of Delaware and is duly qualified and in good standing to do business in each other state in which its ownership or leasing of properties requires such qualification and in which a consequence of the failure to be so qualified would be materially adverse to the business or financial condition of Chevron and its subsidiaries taken as

a whole and possess the requisite corporate power and authority to own its properties and conduct its businesses consistent with any description thereof in the prospectus dated \_\_\_\_\_ and the prospectus supplement dated \_\_\_\_\_, filed with the Securities and Exchange Commission (the "Commission") pursuant to Rule 424(b)(2) of Regulation C under the Securities Act of 1933, as amended (the "Act") (the prospectus and the prospectus supplement, including the documents incorporated by reference therein, are herein collectively referred to as the "Prospectus").

2. The Company is a duly organized and validly existing under the laws of \_\_\_\_\_.

3. The Indenture has been duly qualified under the Trust Indenture Act of 1939, as amended, and has been duly authorized, executed and delivered by Chevron and the Company and constitutes the valid and binding obligation of Chevron and the Company enforceable against each in accordance with its terms.

4. The Securities have been duly authorized, executed and delivered by the Company and constitute valid and binding obligations of the Company, enforceable in accordance with their respective terms.

5. The Securities will be entitled to the benefits of the Indenture, including the Guarantee set forth in Article Four of the Indenture, and such Guarantee constitutes the valid and binding obligation of Chevron enforceable in accordance with its terms.

6. The Underwriting Agreement has been duly authorized, executed and delivered by Chevron and the Company.

7. The Registration Statement of Form S-3 (File No. \_\_\_\_\_) filed by the Company and Chevron with the Commission under Rule 415 of the Act on \_\_\_\_\_ (such Registration Statement including the documents incorporated by reference therein being herein collectively referred to as the "Registration Statement") has become effective under the Act, and, to the best of our knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or contemplated under the Act, and, except as may be otherwise indicated in the Prospectus or required by the blue sky or securities laws of jurisdictions in which the Securities are offered or sold, no further authorization, consent, approval of or filing with any governmental or regulatory body, Federal or state, is required to be obtained by the Company or Chevron in connection with the execution, delivery and performance of the terms of the Underwriting Agreement, the Indenture or the Securities or the offer and sale of the Securities as described in the Prospectus, and the execution, delivery and performance of the terms of the Underwriting Agreement, the Indenture and the Securities by Chevron or the Company will not contravene any provision of the Restated Certificate of Incorporation, as amended, or By-Laws of Chevron, the \_\_\_\_\_ of the Company, any Federal law or regulation or, to the best of our knowledge, any applicable state law or any material agreement or instrument binding upon Chevron.

8. The Registration Statement and the Prospectus comply as to form in all material respects with the requirements of the Act and the rules and regulations of the Commission thereunder; each document filed by Chevron under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and incorporated by reference in the Prospectus complied as to form in all material respects when so filed with the requirements of the Exchange Act and the rules and regulations of the Commission thereunder; the statements in the Prospectus with respect to the terms of the Indenture and the Securities fairly summarize the terms of such instruments and to the best of our knowledge there are no other agreements or instruments required to be described or referred to in the Registration Statement which have not been described or referred to therein; and while we have not ourselves checked the accuracy or completeness of, or otherwise verified the information furnished in the Registration Statement, we have considered the information required to be furnished therein and have generally reviewed and had discussions with certain officers and employees of Chevron concerning the information so furnished, whether or not subject to our checking and verification, and on the basis of such consideration, review and discussions, but without independent checking or verification, we have no reason to believe that the Registration Statement or the Prospectus, as of [Date of Sale], contained any untrue statement of a material fact or omitted to state any material fact required to be

stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading or that the Registration Statement or the Prospectus, as of [Close Date], contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading; it being understood that with respect to the matters covered by this paragraph 8, we express no opinion as to the financial statements or other financial or numerical data contained in the Registration Statement or the Prospectus.

The opinions set forth in the foregoing are subject to the following qualifications:

(a) Our opinions in paragraphs 3, 4 and 5 are subject to and limited by: (i) the effect of bankruptcy, insolvency, reorganization, receivership, conservatorship, arrangement, moratorium or other laws affecting or relating to the rights of creditors generally; (ii) the rules governing the availability of specific performance, injunctive relief or other equitable remedies and general principles of equity, regardless of whether considered in a proceeding in equity or at law; (iii) to the extent applicable, the effect of court decisions invoking statutes or principles of equity, which have held that certain covenants and provisions of agreements are unenforceable where the breach of such covenants or provisions imposes restrictions or burdens upon a borrower, and it cannot be demonstrated that the enforcement of such restrictions or burdens is necessary for the protection of the creditor, or which have held that the creditor's enforcement of such covenants or provisions under the circumstances would have violated the creditor's covenants of good faith and fair dealing implied under California law, and (iv) to the extent applicable, the effect of California statutes and rules of law which cannot be waived prospectively by a borrower. With respect to the Guarantee set forth in the Indenture, we note that certain California statutes and cases provide that a surety may be exonerated if the creditor alters the original obligation of the principal without the surety's consent, elects remedies for default that may impair the surety's subrogation rights against the principal, or otherwise takes action which materially prejudices the surety, without notification of the surety and opportunity on the part of the surety to cure, unless such rights of the surety are validly waived. California courts have generally upheld the waivers of such rights as are contained in the Guarantee under California law; however, we express no opinion with respect to the effect under California law (other than California choice of law rules) of any modification of the obligations of the Company which materially increases such obligations, or any election of remedies by the Trustee or the holders of the Securities following the occurrence of a default, or any other action by the Trustee or the holders of the Securities which materially prejudices Chevron, as guarantor, if such action occurs without notice and opportunity to cure being granted to Chevron, as guarantor. However, in our opinion (x) acceleration of the maturity of the Securities would be available if an Event of Default occurs as a result of non-payment by Chevron of principal of or interest or any premium on the Securities or as a result of a material breach by Chevron of a covenant contained in the Indenture, (y) failure to enforce any such covenant will not render the Indenture or the Guarantee invalid as a whole and (z) there exists in the Indenture or pursuant to applicable law legally adequate remedies for a realization of the principal benefits intended to be provided by the Indenture or the Guarantee. Notwithstanding the foregoing, we have been advised by [Cleary, Gottlieb, Steen & Hamilton], upon which advice we rely, that the waivers and consents in the Guarantee are enforceable under New York law. While there is no decision of the California Supreme Court directly on point, it is our opinion that the provisions of Section 14.06 of the Indenture selecting New York law as the governing law would be honored by a California court applying California choice of law principles.

(b) Whenever a statement herein is qualified by "known to us", "to our knowledge" or similar phrase, it indicates that in the course of our representation of Chevron no information that would give us current actual knowledge of the inaccuracy of such statement has come to the attention of the attorneys in this firm who have rendered legal services in connection with this transaction, including the principal partners of this firm who are familiar with matters relating to the Company. We have not made any independent investigation to determine the accuracy of such statement, except as expressly described herein. No inference as to our knowledge of any matters bearing on the accuracy of such statement should be drawn from the fact of our representation of Chevron and the Company in other matters in which such attorneys are not involved.

This opinion is rendered by us as counsel for Chevron and the Company solely for your benefit in connection with the transaction referred to herein and may not be relied upon by you in connection with any other transaction and may not be relied upon by any other person without our prior written consent.

Very truly yours,

CERTIFICATE OF INCORPORATION  
OF  
CHEVRON CAPITAL CORPORATION

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Article I

The name of the corporation is Chevron Capital Corporation.

Article II

The corporation's registered office is located at 1013 Centre Road in the City of Wilmington, County of New Castle, state of Delaware. The name of the corporation's registered agent at such address is Corporation Service Company.

Article III

The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation law of the State of Delaware.

Article IV

The number of shares of stock that the corporation shall have authority to issue is 1,000 shares of Common Stock of \$0.01 par value.

Article V

The corporation shall be entitled to treat the person in whose name any share is registered as the owner thereof, for all purposes, and shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether or not the corporation shall have notice thereof, save as expressly provided by the laws of the United States of America or of the State of Delaware.

Article VI

The Board of Directors is expressly authorized to make and alter the By-laws of the corporation, without any action on the part of the stockholders; but the By-laws made by the Directors and the powers so conferred may be altered or repealed by the Directors or the stockholders.

Article VII

The name and mailing address of the sole incorporator is Frank G. Soler, 575 Market Street, Suite 3810, San Francisco, CA 94105.



I, the undersigned, being the sole incorporator, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set my hand on April 28, 1999.

/s/ Frank G. Soler

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Frank G. Soler

CHEVRON CAPITAL CORPORATION  
BY-LAWS  
Effective April 29, 1999  
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I

The Board of Directors

1. Authority of Board. The business and affairs of this corporation (herein  
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called the "Company") shall be managed by or under the direction of the Board of Directors, (the "Board") or, if authorized by the Board, by or under the direction of one or more committees thereof, to the extent permitted by law and by the Board. The Board or any such authorized committee may delegate management responsibility to the extent permitted by law and as deemed appropriate by the Board or such committee. Except as may be otherwise provided by law or these By-Laws or, in the case of a committee of the Board, by applicable resolution of the Board or such committee, the Board or any committee thereof may act by unanimous written consent or, at an authorized meeting at which a quorum is present, by the vote of the majority of the Directors present at the meeting. Except as may be otherwise provided by law, the Board shall have power to determine from time to time whether, and if allowed, when and under what conditions and regulations any of the accounts and books of the Company shall be open to inspection. The Board shall not be required to distribute an annual report to holders of Stock in the Company.

2. Number of Directors, Vacancies. The authorized number of Directors who  
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shall constitute the Board shall be fixed from time to time by resolution of the Board. Whenever there shall be fewer Directors in office than the authorized number of Directors, the Board may, by resolution approved by a majority of the Directors then in office, choose one or more additional Directors, each of whom shall hold office until the next annual meeting of stockholders or until his successor is duly elected.

3. Authorized Meetings of the Board. The Board shall have authority to hold  
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annual, regular and special meetings. An annual meeting of the Board may be held immediately following the annual meeting of the holders of Stock in the Company, at such place as may be determined by resolution of the Board. Regular meetings of the Board may be held at such times and places and may be determined from time to time by resolution of the Board. Special meetings of the Board may be held at such times and places as may be called by the President or by at least one-third of the members of the Board.

Both annual and regular meetings of the Board may be held without notice thereof. However, a special meeting of the Board shall be an authorized meeting only if actual or constructive notice of the time and place thereof has been given to each Director, or all Directors waive notice thereof. Such notice for any Director may be given orally in person or by telephone by any officer of the Company, or delivered by hand or transmitted electronically by the Company to the Director's business address. Such notice shall be given not less than one hour before the hour

fixed for the special meeting. If the notice does not state the place of the meeting, the meeting shall be held at the office of the Secretary of the Company.

One-third of the authorized number of Directors shall constitute a quorum at any Board meetings. If any meeting of the Board shall lack a quorum, a majority of the Directors present may adjourn the meeting from time to time, without notice, until a quorum is obtained.

4. Committees. The Board may, by resolution approved by at least a majority of the authorized number of Directors, provide for one or more committees of the Board with such powers, duties and rules of procedure as may be provided by, or established in accordance with the direction of, the Board. Except as may be established to the contrary by applicable resolution of the Board, at any meeting of any such committee of the Board, the member or members thereof who are present and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another Director to act in the place of any absent or disqualified member Director.

## II

### Officers

1. Designated Officers. The officers of the Company shall consist of a President, one or more Vice-Presidents, a Secretary, one or more Assistant Secretaries, a Treasurer, one or more Assistant Treasurers, and such other officers as may be appointed to hold such offices as may from time to time be created by resolution of the Board. The Treasurer shall be the chief financial officer of the Company unless the Board designates another officer as such.

2. Appointment and Removal of Officers. The President shall from time to time be appointed by, and serve at the pleasure of, the Board. The Board or the President may appoint other designated officers to serve at the pleasure of the Board and the President. The Board or the President may remove any officer, with or without cause.

3. Resignation of Officers. Any officer may also resign at any time by giving written notice to the Board, the President or the Secretary.

4. President. The President shall preside at all meetings of the stockholders and the Board, shall be the chief executive officer of the Company, and shall perform all other duties as may from time to time be assigned to him by, or be in accordance with the direction of, the Board.

5. Vice-Presidents. In the event of the absence or disability of the President, one of the Vice-Presidents may be designated by the Board or the President to exercise his power and perform his duties, and the Vice-Presidents shall perform all other duties as may from time to time be assigned to them by the Board or the President, or otherwise be in accordance with the direction of the Board.

6. Secretary. The Secretary shall keep full and complete records of the

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proceedings of the Board and committees thereof and of the meetings of the stockholders; keep the seal of the Company, and affix the same to all instruments which may require it; have custody of and maintain the Company's stockholder records; and perform all other duties as may from time to time be assigned to him by, or be in accordance with the direction of, the Board.

7. Assistant Secretaries. The Assistant Secretaries shall assist the

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Secretary in the performance of his duties and perform all other duties as may from time to time be assigned to them by, or be in accordance with the direction of, the Board.

8. Treasurer. The Treasurer shall have custody of the funds of the Company,

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and deposit and pay out such funds, from time to time, in such manner as may be prescribed by, or be in accordance with the direction of, the Board, and shall perform all other duties as may from time to time be assigned to him by, or be in accordance with the direction of, the Board.

9. Assistant Treasurers. The Assistant Treasurers shall assist the

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Treasurer in the performance of his duty and generally perform all other duties as may from time to time be assigned to them by, or be in accordance with the direction of, the Board.

10. Other Officers. Any other elected officer shall have such powers and

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perform such duties as may from time to time be assigned to him by, or be in accordance with the direction of, the Board.

11. Powers of Attorney. Whenever an applicable statute, decree, rule or

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regulation requires a document to be subscribed by a particular officer of the Company, such document may be signed on behalf of such officer by a duly appointed attorney-in-fact except as otherwise directed by the Board or limited by law.

### III

#### Offices

The Company shall have offices at such place or places as the Board or the President may from time to time determine.

### IV

#### Stock and Stock Certificates

1. Stock. Holders of shares of Stock (other than treasury shares held by

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the Company) shall be entitled to receive such dividends or distributions as are lawfully declared on the Stock; to have notice of any authorized meeting of holders of Stock in the Company; and to one vote for each share of Stock on all matters which are properly submitted to a vote of the holders of Stock.

Shares of Stock shall be represented by certificates, which shall be registered upon the books of the Company.

2. Form of Certificates. Certificates of Stock shall not have any validity

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whatsoever until and unless they have been signed as hereinbelow provided. All certificates shall be signed by the President or a Vice-President, together with the Secretary or an Assistant Secretary of the Company. All such certificates shall bear the seal of the Company or a facsimile thereof.

Certificates of Stock signed by the President or a Vice-President, together with the Secretary or an Assistant Secretary, being such at the time of such signing, and if regular in other respects, shall be valid, whether such officers hold their respective positions at the date of issue or not.

Any signature or countersignature on certificates of Stock may be an actual signature or a printed or engraved facsimile thereof.

3. Stock Transfers. Transfer of shares of Stock shall be made on the books

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of the Company only upon the surrender of a valid certificate of Stock endorsed by the person named in the certificate or by an attorney lawfully constituted in writing. The Company may impose such additional conditions to the transfer of its stock as may be necessary or appropriate for compliance with applicable law or to protect the Company from liability with respect to such transfer.

4. Holders of Record. The Board may fix a time as a record date for the

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determination of holders of Stock entitled to receive any dividend or distribution declared to be payable on any shares of the Company; or to vote upon any matter to be submitted to the vote of any holders of Stock in the Company; or to be present or to be represented by proxy at any meeting of the holders of Stock in the Company, which record date in the case of a meeting of the holders of Stock shall not be more than sixty nor less than ten days before the date set for such meeting; and only holders of record as of the record date shall be entitled to receive such dividend or distribution, or to vote on such matter, or to be present or represented by proxy at such meeting.

V

Meetings of Holders of Stock

1. Annual Meeting of Holders of Stock. An annual meeting of the holders of

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Stock in the Company shall be held on a date and at a time designated by resolution of the Board of Directors. At the annual meeting, Directors shall be elected to serve for the ensuing year and until their successors are elected. Any other proper business may also be transacted at the annual meeting.

2. Special Meeting of Stockholders. Special meetings of holders of Stock

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may be called at any time by the Board, the President, or by holders possessing at least ten

percent of the issued and outstanding shares of Stock, to be held not less than ten nor more than sixty days after the request therefor.

3. Places of Meetings. The Board may determine where each meeting of

holders of Stock shall be held, but in the absence of any designation by the Board of the meeting place, meetings of holders of Stock shall be held at the office of the Secretary of the Company.

4. Notices of Meetings. Written notice of all meetings of the holders of

Stock stating the place, date and hour of the meeting, shall be mailed, postage prepaid, or delivered, not less than ten nor more than sixty days before such meeting to each holder entitled to notice of, or to vote at, any meeting of holders of Stock at the address of such holder as it appears on the records of the Company.

5. Quorum for Action by Holders Of Stock Elections. At all elections or

votes had for any purpose, there must be a majority of the outstanding shares of Stock represented. Except as may otherwise be provided by law, all elections shall be held and all questions decided by a majority of the shares of Stock which are voted.

6. Proxies. At any meeting of the holders of Stock, any holder of record

entitled to vote thereat may be represented and have his shares voted by a proxy or proxies appointed by an instrument in writing executed by the stockholder of record.

7. Adjournments. Any meeting of the holders of Stock (whether annual or

special and whether or not a quorum shall have been present), may be adjourned from time to time and from place to place by vote of a majority of the shares of Stock represented at such meeting, without notice other than announcement at such meeting of the time and place at which the meeting is to be resumed--such adjournment and the reasons therefor being recorded in the journal of proceedings of the meeting. At any meeting so resumed after such adjournment, provided a majority of the outstanding shares of Stock shall then be represented, any business may be transacted which might have been transacted at the meeting as originally scheduled.

VI

Corporate Seal

The seal of the Company shall have the name of the Company inscribed thereon, together with the date and State of incorporation.

VII

Amendments

Any of these By-Laws may be altered, amended or repealed by the holders of a majority of the outstanding shares of Stock; or any of these By-Laws may be altered, amended or repealed by resolution of the Board approved by at least a majority of the Directors then in office.

MEMORANDUM OF ASSOCIATION

OF

CHEVRON CANADA CAPITAL COMPANY

1. The name of the Company is Chevron Canada Capital Company.
2. There are no restrictions on the objects and powers of the Company and the Company shall expressly have the following powers:
  - (1) to sell or dispose of its undertaking, or a substantial part thereof;
  - (2) to distribute any of its property in specie among its members; and
  - (3) to amalgamate with any company or other body of persons.
3. The liability of the members is unlimited.

I, the undersigned, whose name, address and occupation are subscribed, am desirous of being formed into a company in pursuance of this Memorandum of Association, and I agree to take the number and kind of shares in the capital stock of the Company written below my name.

/s/ Charles S. Reagh

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Name of Subscriber: Charles S. Reagh  
800-1959 Upper Water Street, Halifax, NS B3J 2X2  
Occupation: Solicitor

Number of shares subscribed: One Common share

TOTAL SHARES TAKEN: one common share  
Dated this 5th day of November, 1999.

Witness to above signature:

/s/ Leanne M. Thomas

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Name of Witness: Leanne M. Thomas  
800-1959 Upper Water Street, Halifax, NS B3J 2X2  
Occupation: Legal Assistant

ARTICLES OF ASSOCIATION  
OF  
CHEVRON CANADA CAPITAL COMPANY

INTERPRETATION

1. In these Articles, unless there be something in the subject or context inconsistent therewith:
  - (1) "Act" means the Companies Act (Nova Scotia);
  - (2) "Articles" means these Articles of Association of the Company and all amendments hereto;
  - (3) "Company" means the company named above;
  - (4) "director" means a director of the Company;
  - (5) "Memorandum" means the Memorandum of Association of the Company and all amendments thereto;
  - (6) "month" means calendar month;
  - (7) "Office" means the registered office of the Company;
  - (8) "person" includes a body corporate;
  - (9) "proxyholder" includes an alternate proxyholder;
  - (10) "Register" means the register of members kept pursuant to the Act, and where the context permits includes a branch register of members;
  - (11) "Registrar" means the Registrar as defined in the Act;
  - (12) "Secretary" includes any person appointed to perform the duties of the Secretary temporarily;
  - (13) "shareholder" means member as that term is used in the Act in connection with an unlimited company having share capital and as that term is used in the Memorandum;
  - (14) "special resolution" has the meaning assigned by the Act;
  - (15) "in writing" and "written" includes printing, lithography and other modes of representing or reproducing words in visible form;
  - (16) words importing number or gender include all numbers and genders unless the context otherwise requires.



2. The regulations in Table A in the First Schedule to the Act shall not apply to the Company.
3. The directors may enter into and carry into effect or adopt and carry into effect any agreement made by the promoters of the Company on behalf of the Company and may agree to any modification in the terms of any such agreement, either before or after its execution.
4. The directors may, out of the funds of the Company, pay all expenses incurred for the incorporation and organization of the Company.
5. The Company may commence business on the day following incorporation or so soon thereafter as the directors think fit, notwithstanding that part only of the shares has been allotted.

SHARES

6. The capital of the company shall consist of 100,000 common shares without nominal or par value, with the power to divide the shares in the capital for the time being into classes or series and to attach thereto respectively any preferred, deferred or qualified rights, privileges or conditions, including restrictions on voting rights and including redemption, purchase and other acquisition of such shares, subject, however, to the provisions of the Act.
7. The directors shall control the shares and, subject to the provisions of these Articles, may allot or otherwise dispose of them to such person at such times, on such terms and conditions and, if the shares have a par value, either at a premium or at par, as they think fit.
8. The directors may pay on behalf of the Company a reasonable commission to any person in consideration of subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company. Subject to the Act, the commission may be paid or satisfied in shares of the Company.
9. On the issue of shares the Company may arrange among the holders thereof differences in the calls to be paid and in the times for their payment.
10. If the whole or part of the allotment price of any shares is, by the conditions of their allotment, payable in instalments, every such instalment shall, when due, be payable to the Company by the person who is at such time the registered holder of the shares.
11. Shares may be registered in the names of joint holders not exceeding three in number.
12. Joint holders of a share shall be jointly and severally liable for the payment of all instalments and calls due in respect of such share. On the death of one or more joint holders of shares the survivor or survivors of them shall alone be recognized by the Company as the registered holder or holders of the shares.

13. Save as herein otherwise provided, the Company may treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or required by statute, be bound to recognize any equitable or other claim to or interest in such share on the part of any other person.

CERTIFICATES

14. Certificates of title to shares shall comply with the Act and may otherwise be in such form as the directors may from time to time determine. Unless the directors otherwise determine, every certificate of title to shares shall be signed manually by at least one of the Chairman, President, Secretary, Treasurer, a vice-president, an assistant secretary, an assistant treasurer, any other officer of the Company or any director of the Company or by or on behalf of a share registrar transfer agent or branch transfer agent appointed by the Company or by any other person whom the directors may designate. When signatures of more than one person appear on a certificate all but one may be printed or otherwise mechanically reproduced. All such certificates when signed as provided in this Article shall be valid and binding upon the Company. If a certificate contains a printed or mechanically reproduced signature of a person, the Company may issue the certificate, notwithstanding that the person has ceased to be a director or an officer of the Company and the certificate is as valid as if such person were a director or an officer at the date of its issue.
15. Except as the directors may determine, each shareholder's shares may be evidenced by any number of certificates so long as the aggregate of the shares stipulated in such certificates equals the aggregate registered in the name of the shareholder.
16. Where shares are registered in the names of two or more persons, the Company shall not be bound to issue more than one certificate or set of certificates, and such certificate or set of certificates shall be delivered to the person first named on the Register.
17. Any certificate that has become worn, damaged or defaced may, upon its surrender to the directors, be cancelled and replaced by a new certificate. Any certificate that has become lost or destroyed may be replaced by a new certificate upon proof of such loss or destruction to the satisfaction of the directors and the furnishing to the Company of such undertakings of indemnity as the directors deem adequate.
18. The sum of one dollar or such other sum as the directors from time to time determine shall be paid to the Company for every certificate other than the first certificate issued to any holder in respect of any share or shares.

19. The directors may cause one or more branch Registers of shareholders to be kept in any place or places, whether inside or outside of Nova Scotia.

CALLS

20. The directors may make such calls upon the shareholders in respect of all amounts unpaid on the shares held by them respectively and not made payable at fixed times by the conditions on which such shares were allotted, and each shareholder shall pay the amount of every call so made to the person and at the times and places appointed by the directors. A call may be made payable by instalments.
21. A call shall be deemed to have been made at the time when the resolution of the directors authorizing such call was passed.
22. At least 14 days' notice of any call shall be given, and such notice shall specify the time and place at which and the person to whom such call shall be paid.
23. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call has been made or the instalment is due shall pay interest on such call or instalment at the rate of 9% per year or such other rate of interest as the directors may determine from the day appointed for the payment thereof up to the time of actual payment.
24. At the trial or hearing of any action for the recovery of any amount due for any call, it shall be sufficient to prove that the name of the shareholder sued is entered on the Register as the holder or one of the holders of the share or shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book and that such notice of such call was duly given to the shareholder sued in pursuance of these Articles. It shall not be necessary to prove the appointment of the directors who made such call or any other matters whatsoever and the proof of the matters stipulated shall be conclusive evidence of the debt.

FORFEITURE OF SHARES

25. If any shareholder fails to pay any call or instalment on or before the day appointed for payment, the directors may at any time thereafter while the call or instalment remains unpaid serve a notice on such shareholder requiring payment thereof together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
26. The notice shall name a day (not being less than 14 days after the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses are to be paid. The notice shall also state that, in the event of non-payment on or before the day and at the place or one of the places so named, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.
27. If the requirements of any such notice are not complied with, any shares in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the

directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

28. When any share has been so forfeited, notice of the resolution shall be given to the shareholder in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall be made in the Register.
29. Any share so forfeited shall be deemed the property of the Company and the directors may sell, re-allot or otherwise dispose of it in such manner as they think fit.
30. The directors may at any time before any share so forfeited has been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.
31. Any shareholder whose shares have been forfeited shall nevertheless be liable to pay and shall forthwith pay to the Company all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon at the rate of 9% per year or such other rate of interest as the directors may determine from the time of forfeiture until payment. The directors may enforce such payment if they think fit, but are under no obligation to do so.
32. A certificate signed by the Secretary stating that a share has been duly forfeited on a specified date in pursuance of these Articles and the time when it was forfeited shall be conclusive evidence of the facts therein stated as against any person who would have been entitled to the share but for such forfeiture.

#### LIEN ON SHARES

33. The Company shall have a first and paramount lien upon all shares (other than fully paid-up shares) registered in the name of a shareholder (whether solely or jointly with others) and upon the proceeds from the sale thereof for debts, liabilities and other engagements of the shareholder, solely or jointly with any other person, to or with the Company, whether or not the period for the payment, fulfilment or discharge thereof has actually arrived, and such lien shall extend to all dividends declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of any lien of the Company on such shares.
34. For the purpose of enforcing such lien the directors may sell the shares subject to it in such manner as they think fit, but no sale shall be made until the period for the payment, fulfilment or discharge of such debts, liabilities or other engagements has arrived, and until notice in writing of the intention to sell has been given to such shareholder or the shareholder's executors or administrators and default has been made by them in such payment, fulfilment or discharge for seven days after such notice.
35. The net proceeds of any such sale after the payment of all costs shall be applied in or towards the satisfaction of such debts, liabilities or engagements and the residue, if any, paid to such shareholder.

VALIDITY OF SALES

36. Upon any sale after forfeiture or to enforce a lien in purported exercise of the powers given by these Articles the directors may cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after the purchaser's name has been entered in the Register in respect of such shares the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

TRANSFER OF SHARES

37. The instrument of transfer of any share in the Company shall be signed by the transferor. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof and shall be entitled to receive any dividend declared thereon before the registration of the transfer.
38. The instrument of transfer of any share shall be in writing in the following form or to the following effect:

For value received, \_\_\_\_\_ hereby sell, assign, and transfer unto \_\_\_\_\_, \_\_\_\_\_ shares in the capital of the Company represented by the within certificate, and do hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer such shares on the books of the Company with full power of substitution in the premises.

Dated the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_

Witness:

39. The directors may, without assigning any reason therefor, decline to register any transfer of shares
- (1) not fully paid-up or upon which the Company has a lien, or
  - (2) the transfer of which is restricted by any agreement to which the Company is a party.
40. Every instrument of transfer shall be left for registration at the Office of the Company, or at any office of its transfer agent where a Register is maintained, together with the certificate of the shares to be transferred and such other evidence as the Company may require to prove title to or the right to transfer the shares.
41. The directors may require that a fee determined by them be paid before or after registration of any transfer.

42. Every instrument of transfer shall, after its registration, remain in the custody of the Company. Any instrument of transfer that the directors decline to register shall, except in case of fraud, be returned to the person who deposited it.

#### TRANSMISSION OF SHARES

43. The executors or administrators of a deceased shareholder (not being one of several joint holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such shareholder. When a share is registered in the names of two or more joint holders, the survivor or survivors or the executors or administrators of the deceased shareholder, shall be the only persons recognized by the Company as having any title to, or interest in, such share.
44. Notwithstanding anything in these Articles, if the Company has only one shareholder (not being one of several joint holders) and that shareholder dies, the executors or administrators of the deceased shareholder shall be entitled to register themselves in the Register as the holders of the shares registered in the name of the deceased shareholder whereupon they shall have all the rights given by these Articles and by law to shareholders.
45. Any person entitled to shares upon the death or bankruptcy of any shareholder or in any way other than by allotment or transfer, upon producing such evidence of entitlement as the directors require, may be registered as a shareholder in respect of such shares, or may, without being registered, transfer such shares subject to the provisions of these Articles respecting the transfer of shares. The directors shall have the same right to refuse registration as if the transferee were named in an ordinary transfer presented for registration.

#### SURRENDER OF SHARES

46. The directors may accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof. Any share so surrendered may be disposed of in the same manner as a forfeited share.

#### INCREASE AND REDUCTION OF CAPITAL

47. Subject to the Act, the shareholders may by special resolution amend these Articles to increase or alter the share capital of the Company as they think expedient. Without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred or other special rights, or with such restrictions, whether in regard to dividends, voting, return of share capital or otherwise, as the shareholders may from time to time determine by special resolution. Except as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to payment of calls and instalments, transfer and transmission, forfeiture, lien and otherwise.

48. The Company may, by special resolution where required, reduce its share capital in any way and with and subject to any incident authorized and consent required by law. Subject to the Act and any provisions attached to such shares, the Company may redeem, purchase or acquire any of its shares and the directors may determine the manner and the terms for redeeming, purchasing or acquiring such shares and may provide a sinking fund on such terms as they think fit for the redemption, purchase or acquisition of shares of any class or series.

MEETINGS AND VOTING BY CLASS OR SERIES

49. Where the holders of shares of a class or series have, under the Act, the terms or conditions attaching to such shares or otherwise, the right to vote separately as a class in respect of any matter then, except as provided in the Act, these Articles or such terms or conditions, all the provisions in these Articles concerning general meetings (including, without limitation, provisions respecting notice, quorum and procedure) shall, mutatis mutandis, apply to every meeting of holders of such class or series of shares convened for the purpose of such vote.
50. Unless the rights, privileges, terms or conditions attached to a class or series of shares provide otherwise, such class or series of shares shall not have the right to vote separately as a class or series upon an amendment to the Memorandum or Articles to:
- (1) increase or decrease any maximum number of authorized shares of such class or series, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the shares of such class or series;
  - (2) effect an exchange, reclassification or cancellation of all or part of the shares of such class or series; or
  - (3) create a new class or series of shares equal or superior to the shares of such class or series.

BORROWING POWERS

51. The directors on behalf of the Company may:
- (1) raise or borrow money for the purposes of the Company or any of them;
  - (2) secure, subject to the sanction of a special resolution where required by the Act, the repayment of funds so raised or borrowed in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the execution and delivery of mortgages of the Company's real or personal property, or by the issue of bonds, debentures or other securities of the Company secured by mortgage or other charge upon all or any part of the property of the Company, both present and future including its uncalled capital for the time being;



- (3) sign or endorse bills, notes, acceptances, cheques, contracts, and other evidence of or securities for funds borrowed or to be borrowed for the purposes aforesaid;
- (4) pledge debentures as security for loans;
- (5) guarantee obligations of any person.

52. Bonds, debentures and other securities may be made assignable, free from any equities between the Company and the person to whom such securities were issued.
53. Any bonds, debentures and other securities may be issued at a discount, premium or otherwise and with special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of directors and other matters.

#### GENERAL MEETINGS

54. Ordinary general meetings of the Company shall be held at least once in every calendar year at such time and place as may be determined by the directors and not later than 15 months after the preceding ordinary general meeting. All other meetings of the Company shall be called special general meetings. Ordinary or special general meetings may be held either within or without the Province of Nova Scotia.
55. The President, a vice-president or the directors may at any time convene a special general meeting, and the directors, upon the requisition of shareholders in accordance with the Act shall forthwith proceed to convene such meeting or meetings to be held at such time and place or times and places as the directors determine.
56. The requisition shall state the objects of the meeting requested, be signed by the requisitionists and deposited at the Office of the Company. It may consist of several documents in like form each signed by one or more of the requisitionists.
57. At least seven clear days' notice, or such longer period of notice as may be required by the Act, of every general meeting, specifying the place, day and hour of the meeting and, when special business is to be considered, the general nature of such business, shall be given to the shareholders entitled to be present at such meeting by notice given as permitted by these Articles. With the consent in writing of all the shareholders entitled to vote at such meeting, a meeting may be convened by a shorter notice and in any manner they think fit, or notice of the time, place and purpose of the meeting may be waived by all of the shareholders.
58. When it is proposed to pass a special resolution, the two meetings may be convened by the same notice, and it shall be no objection to such notice that it only convenes the second meeting contingently upon the resolution being passed by the requisite majority at the first meeting.

59. The accidental omission to give notice to a shareholder, or non-receipt of notice by a shareholder, shall not invalidate any resolution passed at any general meeting.

RECORD DATES

60. (1) The directors may fix in advance a date as the record date for the determination of shareholders
- (a) entitled to receive payment of a dividend or entitled to receive any distribution;
  - (b) entitled to receive notice of a meeting; or
  - (c) for any other purpose.
- (2) If no record date is fixed, the record date for the determination of shareholders
- (a) entitled to receive notice of a meeting shall be the day immediately preceding the day on which the notice is given, or, if no notice is given, the day on which the meeting is held; and
  - (b) for any other purpose shall be the day on which the directors pass the resolution relating to the particular purpose.

PROCEEDINGS AT GENERAL MEETINGS

61. The business of an ordinary general meeting shall be to receive and consider the financial statements of the Company and the report of the directors and the report, if any, of the auditors, to elect directors in the place of those retiring and to transact any other business which under these Articles ought to be transacted at an ordinary general meeting.
62. No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business. A corporate shareholder of the Company that has a duly authorized agent or representative present at any such meeting shall for the purpose of this Article be deemed to be personally present at such meeting.
63. One person, being a shareholder, proxyholder or representative of a corporate shareholder, present and entitled to vote shall constitute a quorum for a general meeting, and may hold a meeting.
64. The Chairman shall be entitled to take the chair at every general meeting or, if there be no Chairman, or if the Chairman is not present within fifteen 15 minutes after the time appointed for holding the meeting, the President or, failing the President, a vice-president shall be entitled to take the chair. If the Chairman, the President or a vice-president is not present within 15 minutes after the time appointed for holding the meeting or if all such persons present decline to take the chair, the shareholders present entitled to vote at the

meeting shall choose another director as chairman and if no director is present or if all the directors present decline to take the chair, then such shareholders shall choose one of their number to be chairman.

65. If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting, if it was convened pursuant to a requisition of shareholders, shall be dissolved; if it was convened in any other way, it shall stand adjourned to the same day, in the next week, at the same time and place. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the shareholders present shall be a quorum and may hold the meeting.
66. Subject to the Act, at any general meeting a resolution put to the meeting shall be decided by a show of hands unless, either before or on the declaration of the result of the show of hands, a poll is demanded by the chairman, a shareholder or a proxyholder; and unless a poll is so demanded, a declaration by the chairman that the resolution has been carried, carried by a particular majority, lost or not carried by a particular majority and an entry to that effect in the Company's book of proceedings shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.
67. When a poll is demanded, it shall be taken in such manner and at such time and place as the chairman directs, and either at once or after an interval or adjournment or otherwise. The result of the poll shall be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn. When any dispute occurs over the admission or rejection of a vote, it shall be resolved by the chairman and such determination made in good faith shall be final and conclusive.
68. The chairman shall not have a casting vote in addition to any vote or votes that the chairman has as a shareholder.
69. The chairman of a general meeting may with the consent of the meeting adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting that was adjourned.
70. Any poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith without adjournment.
71. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

#### VOTES OF SHAREHOLDERS

72. Subject to the Act and to any provisions attached to any class or series of shares concerning or restricting voting rights:

- (1) on a show of hands every shareholder entitled to vote present in person, every duly authorized representative of a corporate shareholder, and, if not prevented from voting by the Act, every proxyholder, shall have one vote; and
- (2) on a poll every shareholder present in person, every duly authorized representative of a corporate shareholder, and every proxyholder, shall have one vote for every share held;

whether or not such representative or proxyholder is a shareholder.

73. Any person entitled to transfer shares upon the death or bankruptcy of any shareholder or in any way other than by allotment or transfer may vote at any general meeting in respect thereof in the same manner as if such person were the registered holder of such shares so long as the directors are satisfied at least 48 hours before the time of holding the meeting of such person's right to transfer such shares.
74. Where there are joint registered holders of any share, any of such holders may vote such share at any meeting, either personally or by proxy, as if solely entitled to it. If more than one joint holder is present at any meeting, personally or by proxy, the one whose name stands first on the Register in respect of such share shall alone be entitled to vote it. Several executors or administrators of a deceased shareholder in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.
75. Votes may be cast either personally or by proxy or, in the case of a corporate shareholder by a representative duly authorized under the Act.
76. A proxy shall be in writing and executed in the manner provided in the Act. A proxy or other authority of a corporate shareholder does not require its seal.
77. A shareholder of unsound mind in respect of whom an order has been made by any court of competent jurisdiction may vote by guardian or other person in the nature of a guardian appointed by that court, and any such guardian or other person may vote by proxy.
78. A proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office of the Company or at such other place as the directors may direct. The directors may, by resolution, fix a time not exceeding 48 hours excluding Saturdays and holidays preceding any meeting or adjourned meeting before which time proxies to be used at that meeting must be deposited with the Company at its Office or with an agent of the Company. Notice of the requirement for depositing proxies shall be given in the notice calling the meeting. The chairman of the meeting shall determine all questions as to validity of proxies and other instruments of authority.
79. A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death of the principal, the revocation of the proxy, or the transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation

or transfer is received at the Office of the Company before the meeting or by the chairman of the meeting before the vote is given.

80. Every form of proxy shall comply with the Act and its regulations and subject thereto may be in the following form:

I \_\_\_\_\_, of \_\_\_\_\_ being a shareholder of \_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_ (or failing him/her \_\_\_\_\_ of \_\_\_\_\_) as my proxyholder to attend and to vote for me and on my behalf at the ordinary/special general meeting of the Company, to be held on the day of and at any adjournment thereof, or at any meeting of the Company which may be held prior to [insert specified date or event]. [If the proxy is solicited by or behalf of the management of the Company, insert a statement to that effect.]

Dated \_\_\_\_\_ this day of \_\_\_\_\_ .

\_\_\_\_\_  
Shareholder

81. Subject to the Act, no shareholder shall be entitled to be present or to vote on any question, either personally or by proxy, at any general meeting or be reckoned in a quorum while any call is due and payable to the Company in respect of any of the shares of such shareholder.
82. Any resolution passed by the directors, notice of which has been given to the shareholders in the manner in which notices are hereinafter directed to be given and which is, within one month after it has been passed, ratified and confirmed in writing by shareholders entitled on a poll to three-fifths of the votes, shall be as valid and effectual as a resolution of a general meeting. This Article shall not apply to a resolution for winding up the Company or to a resolution dealing with any matter that by statute or these Articles ought to be dealt with by a special resolution or other method prescribed by statute.
83. A resolution, including a special resolution, in writing and signed by every shareholder who would be entitled to vote on the resolution at a meeting is as valid as if it were passed by such shareholders at a meeting and satisfies all of the requirements of the Act respecting meetings of shareholders.

#### DIRECTORS

84. Unless otherwise determined by resolution of shareholders, the number of directors shall not be less than one or more than ten.
85. Notwithstanding anything herein contained the subscribers to the Memorandum shall be the first directors of the Company.
86. The directors may be paid out of the funds of the Company as remuneration for their service such sums, if any, as the Company may by resolution of its shareholders determine, and such remuneration shall be divided among them in such proportions and manner as the directors determine. The directors may also be paid their reasonable travelling, hotel and other

expenses incurred in attending meetings of directors and otherwise in the execution of their duties as directors.

87. The continuing directors may act notwithstanding any vacancy in their body, but if their number falls below the minimum permitted, the directors shall not, except in emergencies or for the purpose of filling vacancies, act so long as their number is below the minimum.
88. A director may, in conjunction with the office of director, and on such terms as to remuneration and otherwise as the directors arrange or determine, hold any other office or place of profit under the Company or under any company in which the Company is a shareholder or is otherwise interested or is otherwise affiliated.
89. The office of a director shall ipso facto be vacated, if the director:
  - (1) becomes bankrupt or makes an assignment for the benefit of creditors;
  - (2) is, or is found by a court of competent jurisdiction to be, of unsound mind;
  - (3) by notice in writing to the Company, resigns the office of director; or
  - (4) is removed in the manner provided by these Articles.
90. No director shall be disqualified by holding the office of director from contracting with the Company, either as vendor, purchaser, or otherwise, nor shall any such contract, or any contract or arrangement entered into or proposed to be entered into by or on behalf of the Company in which any director is in any way interested, either directly or indirectly, be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such director holding that office or of the fiduciary relations thereby established, provided the director makes a declaration or gives a general notice in accordance with the Act. No director shall, as a director, vote in respect of any contract or arrangement in which the director is so interested, and if the director does so vote, such vote shall not be counted. This prohibition may at any time or times be suspended or relaxed to any extent by a resolution of the shareholders and shall not apply to any contract by or on behalf of the Company to give to the directors or any of them any security for advances or by way of indemnity.

#### ELECTION OF DIRECTORS

91. At the dissolution of every ordinary general meeting at which their successors are elected, all the directors shall retire from office and be succeeded by the directors elected at such meeting. Retiring directors shall be eligible for re-election.
92. If at any ordinary general meeting at which an election of directors ought to take place no such election takes place, or if no ordinary general meeting is held in any year or period of years, the retiring directors shall continue in office until their successors are elected.

93. The Company may by resolution of its shareholders elect any number of directors permitted by these Articles and may determine or alter their qualification.
94. The Company may, by special resolution or in any other manner permitted by statute, remove any director before the expiration of such director's period of office and may, if desired, appoint a replacement to hold office during such time only as the director so removed would have held office.
95. The directors may appoint any other person as a director so long as the total number of directors does not at any time exceed the maximum number permitted. No such appointment, except to fill a casual vacancy, shall be effective unless two-thirds of the directors concur in it. Any casual vacancy occurring among the directors may be filled by the directors, but any person so chosen shall retain office only so long as the vacating director would have retained it if the vacating director had continued as director.

MANAGING DIRECTOR

96. The directors may appoint one or more of their body to be managing directors of the Company, either for a fixed term or otherwise, and may remove or dismiss them from office and appoint replacements.
97. Subject to the provisions of any contract between a managing director and the Company, a managing director shall be subject to the same provisions as to resignation and removal as the other directors of the Company. A managing director who for any reason ceases to hold the office of director shall ipso facto immediately cease to be a managing director.
98. The remuneration of a managing director shall from time to time be fixed by the directors and may be by way of any or all of salary, commission and participation in profits.
99. The directors may from time to time entrust to and confer upon a managing director such of the powers exercisable under these Articles by the directors as they think fit, and may confer such powers for such time, and to be exercised for such objects and purposes and upon such terms and conditions, and with such restrictions as they think expedient; and they may confer such powers either collaterally with, or to the exclusion of, and in substitution for, all or any of the powers of the directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.

CHAIRMAN OF THE BOARD

100. The directors may elect one of their number to be Chairman and may determine the period during which the Chairman is to hold office. The Chairman shall perform such duties and receive such special remuneration as the directors may provide.

PRESIDENT AND VICE-PRESIDENTS

101. The directors shall elect the President of the Company, who need not be a director, and may determine the period for which the President is to hold office. The President shall have general supervision of the business of the Company and shall perform such duties as may be assigned from time to time by the directors.
102. The directors may also elect vice-presidents, who need not be directors, and may determine the periods for which they are to hold office. A vice-president shall, at the request of the President or the directors and subject to the directions of the directors, perform the duties of the President during the absence, illness or incapacity of the President, and shall also perform such duties as may be assigned by the President or the directors.

SECRETARY, TREASURER AND COMPTROLLER

103. The directors shall appoint a Secretary of the Company to keep minutes of shareholders' and directors' meetings and perform such other duties as may be assigned by the directors. The directors may also appoint a temporary substitute for the Secretary who shall, for the purposes of these Articles, be deemed to be the Secretary.
104. The directors may appoint a treasurer of the Company to carry out such duties as the directors may assign.
105. The directors may appoint a Comptroller of the Company who shall be the principal accounting officer of the Company and shall have charge of the Company's books of accounts and records; and shall have such other powers and perform such other duties as may from time to time be granted or assigned to him by the directors or, subject to the control of the directors, by a committee of directors, or otherwise be in accordance with the direction of the directors.

OFFICERS

106. The directors may elect or appoint such other officers of the Company, having such powers and duties, as they think fit.
107. If the directors so decide the same person may hold more than one of the offices provided for in these Articles.

PROCEEDINGS OF DIRECTORS

108. The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings, as they think fit, and may determine the quorum necessary for the transaction of business. Until otherwise determined, one director who is a Canadian resident or two directors having any residency shall constitute a quorum and may hold a meeting.



109. If all directors of the Company entitled to attend a meeting either generally or specifically consent, a director may participate in a meeting of directors or of a committee of directors by means of such telephone or other communications facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed to be present at that meeting for purposes of these Articles.
110. Meetings of directors may be held either within or without the Province of Nova Scotia and the directors may from time to time make arrangements relating to the time and place of holding directors' meetings, the notices to be given for such meetings and what meetings may be held without notice. Unless otherwise provided by such arrangements:
- (1) A meeting of directors may be held at the close of every ordinary general meeting of the Company without notice.
  - (2) Notice of every other directors' meeting may be given as permitted by these Articles to each director at least 48 hours before the time fixed for the meeting.
  - (3) A meeting of directors may be held without formal notice if all the directors are present or if those absent have signified their assent to such meeting or their consent to the business transacted at such meeting.
111. The President or any director may at any time, and the Secretary, upon the request of the President or any director, shall summon a meeting of the directors to be held at the Office of the Company. The President, the Chairman or a majority of the directors may at any time, and the Secretary, upon the request of the President, the Chairman or a majority of the directors shall, summon a meeting to be held elsewhere.
112. (1) Questions arising at any meeting of directors shall be decided by a majority of votes. The chairman of the meeting may vote as a director but shall not have a second or casting vote.
- (2) At any meeting of directors the chairman shall receive and count the vote of any director not present in person at such meeting on any question or matter arising at such meeting whenever such absent director has indicated by telegram, letter or other writing lodged with the chairman of such meeting the manner in which the absent director desires to vote on such question or matter and such question or matter has been specifically mentioned in the notice calling the meeting as a question or matter to be discussed or decided thereat. In respect of any such question or matter so mentioned in such notice any director may give to any other director a proxy authorizing such other director to vote for such first named director at such meeting, and the chairman of such meeting, after such proxy has been so lodged, shall receive and count any vote given in pursuance thereof notwithstanding the absence of the director giving such proxy.
113. If no Chairman is elected, or if at any meeting of directors the Chairman is not present within five minutes after the time appointed for holding the meeting, or declines to take the

chair, the President, if a director, shall preside. If the President is not a director, is not present at such time or declines to take the chair, a vice-president who is also a director shall preside. If no person described above is present at such time and willing to take the chair, the directors present shall choose some one of their number to be chairman of the meeting.

114. A meeting of the directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the directors generally.
115. The directors may delegate any of their powers to committees consisting of such number of directors as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the directors.
116. The meetings and proceedings of any committee of directors shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the directors insofar as they are applicable and are not superseded by any regulations made by the directors.
117. All acts done at any meeting of the directors or of a committee of directors or by any person acting as a director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of the director or person so acting, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.
118. A resolution in writing and signed by every director who would be entitled to vote on the resolution at a meeting is as valid as if it were passed by such directors at a meeting.
119. If any one or more of the directors is called upon to perform extra services or to make any special exertions in going or residing abroad or otherwise for any of the purposes of the Company or the business thereof, the Company may remunerate the director or directors so doing, either by a fixed sum or by a percentage of profits or otherwise. Such remuneration shall be determined by the directors and may be either in addition to or in substitution for remuneration otherwise authorized by these Articles.

#### REGISTERS

120. The directors shall cause to be kept at the Company's Office in accordance with the provisions of the Act a Register of the shareholders of the Company, a register of the holders of bonds, debentures and other securities of the Company and a register of its directors. Branch registers of the shareholders and of the holders of bonds, debentures and other securities may be kept elsewhere, either within or without the Province of Nova Scotia, in accordance with the Act.

MINUTES

121. The directors shall cause minutes to be entered in books designated for the purpose:
- (1) of all appointments of officers;
  - (2) of the names of directors present at each meeting of directors and of any committees of directors;
  - (3) of all orders made by the directors and committees of directors; and
  - (4) of all resolutions and proceedings of meetings of shareholders and of directors.

Any such minutes of any meeting of directors or of any committee of directors or of shareholders, if purporting to be signed by the chairman of such meeting or by the chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes.

POWERS OF DIRECTORS

122. The management of the business of the Company is vested in the directors who, in addition to the powers and authorities by these Articles or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by statute expressly directed or required to be exercised or done by the shareholders, but subject nevertheless to the provisions of any statute, the Memorandum or these Articles. No modification of the Memorandum or these Articles shall invalidate any prior act of the directors that would have been valid if such modification had not been made.
123. Without restricting the generality of the terms of any of these Articles and without prejudice to the powers conferred thereby, the directors may:
- (1) take such steps as they think fit to carry out any agreement or contract made by or on behalf of the Company;
  - (2) pay costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the Company;
  - (3) purchase or otherwise acquire for the Company any property, rights or privileges that the Company is authorized to acquire, at such price and generally on such terms and conditions as they think fit;
  - (4) pay for any property, rights or privileges acquired by, or services rendered to the Company either wholly or partially in cash or in shares (fully paid-up or otherwise), bonds, debentures or other securities of the Company;

- (5) subject to the Act, secure the fulfilment of any contracts or engagements entered into by the Company by mortgaging or charging all or any of the property of the Company and its unpaid capital for the time being, or in such other manner as they think fit;
- (6) appoint, remove or suspend at their discretion such experts, managers, secretaries, treasurers, officers, clerks, agents and servants for permanent, temporary or special services, as they from time to time think fit, and determine their powers and duties and fix their salaries or emoluments and require security in such instances and to such amounts as they think fit;
- (7) accept a surrender of shares from any shareholder insofar as the law permits and on such terms and conditions as may be agreed;
- (8) appoint any person or persons to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, execute and do all such deeds and things as may be required in relation to such trust, and provide for the remuneration of such trustee or trustees;
- (9) institute, conduct, defend, compound or abandon any legal proceedings by and against the Company, its directors or its officers or otherwise concerning the affairs of the Company, and also compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company;
- (10) refer any claims or demands by or against the Company to arbitration and observe and perform the awards;
- (11) make and give receipts, releases and other discharges for amounts payable to the Company and for claims and demands of the Company;
- (12) determine who may exercise the borrowing powers of the Company and sign on the Company's behalf bonds, debentures or other securities, bills, notes, receipts, acceptances, assignments, transfers, hypothecations, pledges, endorsements, cheques, drafts, releases, contracts, agreements and all other instruments and documents;
- (13) provide for the management of the affairs of the Company abroad in such manner as they think fit, and in particular appoint any person to be the attorney or agent of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit;
- (14) invest and deal with any funds of the Company in such securities and in such manner as they think fit; and vary or realize such investments;
- (15) subject to the Act, execute in the name and on behalf of the Company in favour of any director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property, present and future, as they think fit;

- (16) give any officer or employee of the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company;
- (17) set aside out of the profits of the Company before declaring any dividend such amounts as they think proper as a reserve fund to meet contingencies or provide for dividends, depreciation, repairing, improving and maintaining any of the property of the Company and such other purposes as the directors may in their absolute discretion think in the interests of the Company; and invest such amounts in such investments as they think fit, and deal with and vary such investments, and dispose of all or any part of them for the benefit of the Company, and divide the reserve fund into such special funds as they think fit, with full power to employ the assets constituting the reserve fund in the business of the Company without being bound to keep them separate from the other assets;
- (18) make, vary and repeal rules respecting the business of the Company, its officers and employees, the shareholders of the Company or any section or class of them;
- (19) enter into all such negotiations and contracts, rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;
- (20) provide for the management of the affairs of the Company in such manner as they think fit.

SOLICITORS

124. The Company may employ or retain solicitors any of whom may, at the request or on the instruction of the directors, the Chairman, the President or a managing director, attend meetings of the directors or shareholders, whether or not the solicitor is a shareholder or a director of the Company. A solicitor who is also a director may nevertheless charge for services rendered to the Company as a solicitor.

THE SEAL

125. The directors shall arrange for the safe custody of the common seal of the Company (the "Seal"). The Seal may be affixed to any instrument in the presence of and contemporaneously with the attesting signature of (i) any director or officer acting within such person's authority or (ii) any person under the authority of a resolution of the directors or a committee thereof. For the purpose of certifying documents or proceedings the Seal may be affixed by any director or the President, a vice-president, the Secretary, an assistant secretary, assistant treasurer or any other officer of the Company without the authorization of a resolution of the directors.
126. The Company may have facsimiles of the Seal which may be used interchangeably with the Seal.

127. The Company may have for use at any place outside the Province of Nova Scotia, as to all matters to which the corporate existence and capacity of the Company extends, an official seal that is a facsimile of the Seal of the Company with the addition on its face of the name of the place where it is to be used; and the Company may by writing under its Seal authorize any person to affix such official seal at such place to any document to which the Company is a party.

#### DIVIDENDS

128. The directors may from time to time declare such dividend as they deem proper upon shares of the Company according to the rights and restrictions attached to any class or series of shares, and may determine the date upon which such dividend will be payable and that it will be payable to the persons registered as the holders of the shares on which it is declared at the close of business upon a record date. No transfer of such shares registered after the record date shall pass any right to the dividend so declared.
129. Dividends may be paid as permitted by law and, without limitation, may be paid out of the profits, retained earnings or contributed surplus of the Company. No interest shall be payable on any dividend except insofar as the rights attached to any class or series of shares provide otherwise.
130. The declaration of the directors as to the amount of the profits, retained earnings or contributed surplus of the Company shall be conclusive.
131. The directors may from time to time pay to the shareholders such interim dividends as in their judgment the position of the Company justifies.
132. Subject to these Articles and the rights and restrictions attached to any class or series of shares, dividends may be declared and paid to the shareholders in proportion to the amount of capital paid-up on the shares (not including any capital paid-up bearing interest) held by them respectively.
133. The directors may deduct from the dividends payable to any shareholder amounts due and payable by the shareholder to the Company on account of calls, instalments or otherwise, and may apply the same in or towards satisfaction of such amounts so due and payable.
134. The directors may retain any dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
135. The directors may retain the dividends payable upon shares to which a person is entitled or entitled to transfer upon the death or bankruptcy of a shareholder or in any way other than by allotment or transfer, until such person has become registered as the holder of such shares or has duly transferred such shares.

136. When the directors declare a dividend on a class or series of shares and also make a call on such shares payable on or before the date on which the dividend is payable, the directors may retain all or part of the dividend and set off the amount retained against the call.
137. The directors may declare that a dividend be paid by the distribution of cash, paid-up shares (at par or at a premium), debentures, bonds or other securities of the Company or of any other company or any other specific assets held or to be acquired by the Company or in any one or more of such ways.
138. The directors may settle any difficulty that may arise in regard to the distribution of a dividend as they think expedient, and in particular without restricting the generality of the foregoing may issue fractional certificates, may fix the value for distribution of any specific assets, may determine that cash payments will be made to any shareholders upon the footing of the value so fixed or that fractions may be disregarded in order to adjust the rights of all parties, and may vest cash or specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the directors.
139. Any person registered as a joint holder of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.
140. Unless otherwise determined by the directors, any dividend may be paid by a cheque or warrant delivered to or sent through the post to the registered address of the shareholder entitled, or, when there are joint holders, to the registered address of that one whose name stands first on the register for the shares jointly held. Every cheque or warrant so delivered or sent shall be made payable to the order of the person to whom it is delivered or sent. The mailing or other transmission to a shareholder at the shareholder's registered address (or, in the case of joint shareholders at the address of the holder whose name stands first on the register) of a cheque payable to the order of the person to whom it is addressed for the amount of any dividend payable in cash after the deduction of any tax which the Company has properly withheld, shall discharge the Company's liability for the dividend unless the cheque is not paid on due presentation. If any cheque for a dividend payable in cash is not received, the Company shall issue to the shareholder a replacement cheque for the same amount on such terms as to indemnity and evidence of non-receipt as the directors may impose. No shareholder may recover by action or other legal process against the Company any dividend represented by a cheque that has not been duly presented to a banker of the Company for payment or that otherwise remains unclaimed for 6 years from the date on which it was payable.

#### ACCOUNTS

141. The directors shall cause proper books of account to be kept of the amounts received and expended by the Company, the matters in respect of which such receipts and expenditures take place, all sales and purchases of goods by the Company, and the assets, credits and liabilities of the Company.

142. The books of account shall be kept at the head office of the Company or at such other place or places as the directors may direct.
143. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions the accounts and books of the Company or any of them shall be open to inspection of the shareholders, and no shareholder shall have any right to inspect any account or book or document of the Company except as conferred by statute or authorized by the directors or a resolution of the shareholders.
144. At the ordinary general meeting in every year the directors shall lay before the Company such financial statements and reports in connection therewith as may be required by the Act or other applicable statute or regulation thereunder and shall distribute copies thereof at such times and to such persons as may be required by statute or regulation.

#### AUDITORS AND AUDIT

145. Except in respect of a financial year for which the Company is exempt from audit requirements in the Act, the Company shall at each ordinary general meeting appoint an auditor or auditors to hold office until the next ordinary general meeting. If at any general meeting at which the appointment of an auditor or auditors is to take place and no such appointment takes place, or if no ordinary general meeting is held in any year or period of years, the directors shall appoint an auditor or auditors to hold office until the next ordinary general meeting.
146. The first auditors of the Company may be appointed by the directors at any time before the first ordinary general meeting and the auditors so appointed shall hold office until such meeting unless previously removed by a resolution of the shareholders, in which event the shareholders may appoint auditors.
147. The directors may fill any casual vacancy in the office of the auditor but while any such vacancy continues the surviving or continuing auditor or auditors, if any, may act.
148. The Company may appoint as auditor any person, including a shareholder, not disqualified by statute.
149. An auditor may be removed or replaced in the circumstances and in the manner specified in the Act.
150. The remuneration of the auditors shall be fixed by the shareholders, or by the directors pursuant to authorization given by the shareholders, except that the remuneration of an auditor appointed to fill a casual vacancy may be fixed by the directors.
151. The auditors shall conduct such audit as may be required by the Act and their report, if any, shall be dealt with by the Company as required by the Act.



NOTICES

152. A notice (including any communication or document) shall be sufficiently given, delivered or served by the Company upon a shareholder, director, officer or auditor by personal delivery at such person's registered address (or, in the case of a director, officer or auditor, last known address) or by prepaid mail, telegraph, telex, facsimile machine or other electronic means of communication addressed to such person at such address.
153. Shareholders having no registered address shall not be entitled to receive notice.
154. All notices with respect to registered shares to which persons are jointly entitled may be sufficiently given to all joint holders thereof by notice given to whichever of such persons is named first in the Register for such shares.
155. Any notice sent by mail shall be deemed to be given, delivered or served on the earlier of actual receipt and the third business day following that upon which it is mailed, and in proving such service it shall be sufficient to prove that the notice was properly addressed and mailed with the postage prepaid thereon. Any notice given by electronic means of communication shall be deemed to be given when entered into the appropriate transmitting device for transmission. A certificate in writing signed on behalf of the Company that the notice was so addressed and mailed or transmitted shall be conclusive evidence thereof.
156. Every person who by operation of law, transfer or other means whatsoever becomes entitled to any share shall be bound by every notice in respect of such share that prior to such person's name and address being entered on the Register was duly served in the manner hereinbefore provided upon the person from whom such person derived title to such share.
157. Any notice delivered, sent or transmitted to the registered address of any shareholder pursuant to these Articles, shall, notwithstanding that such shareholder is then deceased and that the Company has notice thereof, be deemed to have been served in respect of any registered shares, whether held by such deceased shareholder solely or jointly with other persons, until some other person is registered as the holder or joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice on the heirs, executors or administrators of the deceased shareholder and all joint holders of such shares.
158. Any notice may bear the name or signature, manual or reproduced, of the person giving the notice written or printed.
159. When a given number of days' notice or notice extending over any other period is required to be given, the day of service and the day upon which such notice expires shall not, unless it is otherwise provided, be counted in such number of days or other period.

INDEMNITY

160. Every director or officer, former director or officer, or person who acts or acted at the Company's request, as a director or officer of the Company, a body corporate, partnership or other association of which the Company is or was a shareholder, partner, member or creditor, and the heirs and legal representatives of such person, in the absence of any dishonesty on the part of such person, shall be indemnified by the Company against, and it shall be the duty of the directors out of the funds of the Company to pay, all costs, losses and expenses, including an amount paid to settle an action or claim or satisfy a judgment, that such director, officer or person may incur or become liable to pay in respect of any claim made against such person or civil, criminal or administrative action or proceeding to which such person is made a party by reason of being or having been a director or officer of the Company or such body corporate, partnership or other association, whether the Company is a claimant or party to such action or proceeding or otherwise; and the amount for which such indemnity is proved shall immediately attach as a lien on the property of the Company and have priority as against the shareholders over all other claims.
161. No director or officer, former director or officer, or person who acts or acted at the Company's request, as a director or officer of the Company, a body corporate, partnership or other association of which the Company is or was a shareholder, partner, member or creditor, in the absence of any dishonesty on such person's part, shall be liable for the acts, receipts, neglects or defaults of any other director, officer or such person, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Company through the insufficiency or deficiency of title to any property acquired for or on behalf of the Company, or through the insufficiency or deficiency of any security in or upon which any of the funds of the Company are invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any funds, securities or effects are deposited, or for any loss occasioned by error of judgment or oversight on the part of such person, or for any other loss, damage or misfortune whatsoever which happens in the execution of the duties of such person or in relation thereto.

REMINDERS

162. The directors shall comply with the following provisions of the Act or the Corporations Registration Act (Nova Scotia) where indicated:
- (1) Keep a current register of shareholders (Section 42).
  - (2) Keep a current register of directors, officers and managers, send to the Registrar a copy thereof and notice of all changes therein (Section 98).
  - (3) Keep a current register of holders of bonds, debentures and other securities (Section 111 and Third Schedule).
  - (4) Call a general meeting every year within the proper time (Section 83). Meetings must be held not later than 15 months after the preceding general meeting.

- (5) Send to the Registrar copies of all special resolutions (Section 88).
- (6) Send to the Registrar notice of the address of the Company's Office and of all changes in such address (Section 79).
- (7) Keep proper minutes of all shareholders' meetings and directors' meetings in the Company's minute book kept at the Company's Office (Sections 89 and 90).
- (8) Obtain a certificate under the Corporations Registration Act (Nova Scotia) as soon as business is commenced.
- (9) Send notice of recognized agent to the Registrar under the Corporations Registration Act (Nova Scotia).

Name of Subscriber

/s/ Charles S. Reagh

Dated at Halifax, Nova Scotia the 5th day of November, 1999.

Witness to above signature:

/s/ Leanne M. Thomas

-----  
Halifax, Nova Scotia

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INDENTURE

AMONG

CHEVRON CAPITAL CORPORATION, As Issuer

CHEVRON CORPORATION, As Guarantor

and

THE CHASE MANHATTAN BANK, As Trustee

Dated as of \_\_\_\_\_, 1999

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311(c)	Inapplicable
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314(a)(3)	5.03(c)
314(a)(4)	5.03(d)
314(b)	Inapplicable
314(c)(1)	14.03
314(c)(2)	14.03
314(c)(3)	14.03
314(d)	Inapplicable
314(e)	14.03
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316(a)(2)	Omitted
316(b)	6.06
316(c)	6.09
317(a)	6.02, 6.03
317(b)	11.05(a)
318(a)	14.05

INDENTURE

THIS INDENTURE, dated as of \_\_\_\_\_, 1999, among CHEVRON CAPITAL CORPORATION, a Delaware corporation (the "Company"), CHEVRON CORPORATION, a Delaware corporation (the "Guarantor") and THE CHASE MANHATTAN BANK, a New York banking corporation, as Trustee (the "Trustee"),

WITNESSETH:

WHEREAS, the Company has duly authorized the issuance, execution and delivery, from time to time, of its unsecured evidences of indebtedness (hereinafter referred to as the "Securities"), without limit as to principal amount, issuable in one or more Series, the amount and terms of each such Series to be determined as hereinafter provided; and, to provide the terms and conditions upon which the Securities are to be authenticated, issued and delivered, the Company has duly authorized the execution of this Indenture;

WHEREAS, the Guarantor has duly authorized the execution and delivery of this Indenture and its guarantee of the Securities as provided herein;

WHEREAS, all acts and things necessary to make the Securities, when executed by the Company and authenticated and delivered by the Trustee as in this Indenture provided, the valid, binding and legal obligations of the Company, and to constitute this Indenture a valid indenture and agreement according to its terms, have been done and performed, and the execution of this Indenture and the issuance hereunder of the Securities have in all respects been duly authorized; and

WHEREAS, all acts and things necessary to make the guarantee of the Securities, as in this Indenture provided, the valid, binding and legal obligations of the Guarantor, and to constitute each such guarantee a valid guarantee and agreement according to its terms, have been done and performed, and the execution by the Guarantor of this Indenture has in all respects been duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Securities are to be issued, authenticated and delivered, and in consideration of the premises and of the purchase and acceptance of the Securities by the Holders thereof, the Company and the Guarantor covenant and agree with each other and with the Trustee, for the equal and proportionate benefit of the respective Holders from time to time of the Securities or of any Series thereof, as follows:

ARTICLE ONE

DEFINITIONS

Section 1.01. Certain Terms Defined. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

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

(b) all other terms used herein which are defined in the Trust Indenture Act of 1939, either directly or by reference therein, have the meanings assigned to them therein;

(c) all accounting terms not otherwise defined herein shall have the meanings assigned to them and all computations herein provided for shall be made, in accordance with generally accepted accounting principles, and the term "generally accepted accounting principles" shall mean such principles as they exist at the date of applicability thereof; and

(d) 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.

Attributable Debt

The term "Attributable Debt" for a sale-leaseback transaction means the lesser of (a) the fair value of the property subject to the transaction (as determined by the Board of Directors of the Guarantor) or (b) the present value of rent for the remaining term of the lease. Rent shall be discounted to present value at the actual percentage rate inherent in such lease as determined in good faith by the Guarantor, compounded semiannually. Rent is the lesser of (a) rent for the remaining term of the lease assuming it is not terminated or (b) rent from the date of determination until the first possible termination date plus the termination payment then due, if any. The remaining term of a lease includes any period for which the lease has been extended. Rent does not include (i) amounts for maintenance, repairs, insurance, taxes, assessments and similar charges or (ii) contingent rent, such as that based on sales. Rent may be reduced by rent that any sublessee must pay from the date of determination for all or part of the same property. For the purpose of any limitation contained in this Indenture, there shall not be deemed to be any Attributable Debt with respect to a sale-leaseback arrangement if the Guarantor or a Restricted Subsidiary would be entitled pursuant to the provisions contained in Section 4.06 to issue, assume or guarantee "Debt" (as defined in Section 4.06) secured by a lien on the property involved in such arrangement without equally and ratably securing the Securities or the Guarantees.

Board of Directors

The term "Board of Directors" when used with reference to the Company or the Guarantor shall mean the Board of Directors of the Company or the Guarantor, as the case may be, or any duly authorized committee of such Board of Directors.

Business Day

The term "Business Day" shall mean any day which is not a Saturday or Sunday or which in the City of San Francisco and The City of New York is neither a legal holiday nor a day on which banking institutions are authorized by law or regulation to close.

#### Certified Resolution

The term "Certified Resolution" shall mean a copy of a resolution of the Board of Directors of the Company certified by the Secretary or by an Assistant Secretary of the Company to have been duly adopted by the Board of Directors of the Company and to be in full force and effect on the date of such certification.

#### Commission

The term "Commission" shall mean the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, as amended, or if at any time after the execution of this Indenture such Commission is not existing and performing the duties theretofore assigned to it under the Trust Indenture Act of 1939, then the body performing such duties at such time.

#### Company

The term "Company" shall mean Chevron Capital Corporation, a Delaware corporation, until a successor corporation shall have become such pursuant to the applicable provisions hereof, and thereafter "Company" shall mean such successor corporation.

#### Consolidated Adjusted Tangible Assets

The term "Consolidated Adjusted Tangible Assets" shall mean the consolidated total assets of the Guarantor and its subsidiaries as reflected in the Guarantor's most recent consolidated balance sheet prepared in accordance with the Guarantor's accounting policies and generally accepted accounting principles, less (i) goodwill, trademarks, trade names, patents, unamortized debt discount and expense, and other deferred charges, (ii) total current liabilities except for (1) notes and loans payable, (2) current maturities of long-term debt and (3) current maturities of obligations under capital leases, (iii) deferred credits and other noncurrent obligations (including minority interests in consolidated subsidiaries and reserves -- employee annuity plans and other reserves which may hereafter be defined in the Guarantor's accounting policies).

#### Depository

The term "Depository" shall mean, with respect to the Securities of any Series issuable or issued in whole or in part in the form of one or more Global Securities, the Person designated as Depository by the Company pursuant to Section 2.01 of this Indenture until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter the term "Depository" shall mean or include each Person who is then a Depository hereunder, and if at any time there is more than one such Person, "Depository" as used with respect to the Securities of any such Series shall mean the Depository with respect to the Securities of that Series.

#### Event of Default

The term "Event of Default" with respect to Securities of any Series shall mean any event specified as such in Section 6.01 and any other event as may be established with respect to the securities of such Series as permitted by Section 2.01. An Event of Default shall "exist" if an Event of Default shall have occurred and be continuing.

#### Executive Committee

The term "Executive Committee" shall mean the Executive Committee of the Guarantor as such committee may from time to time be established and constituted pursuant to the provisions of the By-Laws of the Guarantor.

#### Global Security

The term "Global Security" shall mean a Security evidencing all or a portion of a Series of Securities, issued under this Indenture and delivered to the Depository for such Series in accordance with Section 2.09 of this Indenture, and bearing the legend prescribed in such Section 2.09.

#### Guarantee

The term "Guarantee" shall mean the guarantee of the Company's obligations under the Securities by the Guarantor as provided in Article Four of this Indenture.

#### Guarantor

The term "Guarantor" shall mean Chevron Corporation, a Delaware corporation, until a successor corporation shall have become such pursuant to the applicable provisions hereof, and thereafter "Guarantor" shall mean such successor corporation.

#### Indenture

The term "Indenture" shall mean this instrument as originally executed, or as it may from time to time be supplemented, modified or amended, as provided herein, and shall include the form and terms of particular Series of Securities established as contemplated by Section 2.01 and 2.02.

#### Interest Payment Date

The term "Interest Payment Date" when used with respect to any Security means the Stated Maturity of an installment of interest on such Security.

#### Officers' Certificate

The term "Officers' Certificate" shall mean a certificate, in the case of the Company, signed by the President, any Vice-President, the Treasurer, any Deputy Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Company and, in the case of the Guarantor, by the Chairman of the Board of Directors, any Vice-Chairman of the Board of Directors or any Vice-President, the Treasurer, any Deputy Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Guarantor, and delivered to the Trustee. Each such certificate shall include the statements provided for in Section 14.03, if and to the extent required by the provisions of such Section.

#### Opinion of Counsel

The term "Opinion of Counsel" shall mean a written opinion of counsel who may be counsel to the Company or to the Guarantor. Each such opinion shall include the statements provided for in Section 14.03, if and to the extent required by the provisions of such Section.

#### Original Issue Discount Security

The term "Original Issue Discount Security" shall mean (a) any Security which provides for an amount less than the principal amount thereof to be due and payable upon declaration of acceleration of the maturity thereof pursuant to Section 6.01 or (b) any other Security which for United States Federal income tax purposes would be considered an original issue discount security.

## Outstanding

The term "Outstanding" when used with reference to Securities shall, subject to the provisions of Section 8.04, mean, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

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

(b) Securities for the payment or redemption of which moneys in the necessary amount have been theretofore deposited with the Trustee or with any Paying Agent (other than the Company or Guarantor) in trust for the Holders of such Securities, provided that if such Securities are to be redeemed, notice of such redemption has been duly given as provided in Article Three hereof, or provision therefor satisfactory to the Trustee has been made;

(c) Securities in exchange for or in lieu of which other Securities shall have been authenticated and delivered under this Indenture; and

(d) Securities alleged to have been destroyed, lost or stolen which have been paid as provided in Section 2.07 hereof.

In determining whether the Holders of the requisite principal amount of Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, the principal amount of an Original Issue Discount Security 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 as if a declaration of acceleration of the maturity thereof pursuant to Section 6.01 had been made.

## Paying Agent

The term "Paying Agent" means any Person authorized by the Company to pay the principal of and any interest and premium on any Securities on behalf of the Company.

## Periodic Offering

The term "Periodic Offering" means an offering of Securities of a Series, from time to time, the specific terms of which (including without limitation, the rate or rates of interest, if any, thereon or any methods of calculating such, the maturity date or dates thereof and any redemption provisions with respect thereto) are to be determined by the Company or its agents upon the issuance of such Series of Securities.

## Person

The term "Person" shall mean an individual, a corporation, a partnership, a joint venture, an association, a joint stock company, a trust, an unincorporated organization, or a government or any agency, authority or political subdivision thereof.

## Principal Property

The term "Principal Property" means any oil or gas producing property located in the United States, onshore or offshore, or any refinery or manufacturing plant located in the United States in each case now owned or hereafter acquired by the Guarantor or a Restricted Subsidiary, except any oil or gas producing property, refinery or plant that in the opinion of the Board of Directors of the Guarantor is not of material importance to the total business conducted by the Guarantor and its consolidated Subsidiaries.



#### Record Date

The term "Record Date" for the interest payable on any Interest Payment Date on any Series of Securities shall mean the date specified as such in the Securities of such Series.

#### Redemption Date

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

#### Redemption Price

The term "Redemption Price" when used with respect to any Security to be redeemed means the price at which it is to be redeemed pursuant to this Indenture. It includes any applicable premium but does not include installments of interest whose Stated Maturity is on or before the Redemption Date.

#### Register

The term "Register" shall mean the books for the registration and transfer of Securities which books are kept by the Trustee pursuant to Section 2.05.

#### Responsible Officer

The term "Responsible Officer" when used with respect to the Trustee shall mean the chairman and vice-chairman of the board of directors, the chairman and vice-chairman of the executive committee of said board, the president, any vice-president or second vice-president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any corporate trust officer, the controller, any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers 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 such person's knowledge of and familiarity with the particular subject.

#### Restricted Subsidiary

The term "Restricted Subsidiary" means any Subsidiary that has substantially all of its assets located in the United States of America and which owns a Principal Property and in which the Guarantor's direct or indirect capital investment together with the outstanding balance of (a) any loans and advances made to such Subsidiary by the Guarantor or any other Subsidiary and (b) any debt of such Subsidiary guaranteed by the Guarantor or any other Subsidiary exceed \$100,000,000.

#### Security or Securities

The terms "Security" or "Securities" shall mean any security or securities of the Company without regard to Series, authenticated and delivered under this Indenture.

#### Securityholder; Holder

The terms "Securityholder" or "Holder", whenever employed herein with respect to a Security, shall mean the Person in whose name such Security shall be registered on the Register.

#### Series

The term "Series" shall mean an issue of Securities under this Indenture.

#### Stated Maturity

The term "Stated Maturity" when used with respect to any Security or any installment of interest thereon means the date specified in such as the fixed date on which the principal of such Security or such installment of interest is due and payable.

#### Subsidiary

The term "Subsidiary" means at any given time any corporation at least a majority of the outstanding securities of which having ordinary voting power (other than securities having such power only by reason of the happening of a contingency) shall at such time be owned by the Guarantor or by one or more Subsidiaries or by the Guarantor and one or more Subsidiaries.

#### Supplemental Indenture

The term "Supplemental Indenture" shall mean an indenture supplemental hereto as such supplemental indenture may be originally executed, or as it may from time to time be supplemented, modified or amended, as provided herein and therein.

#### Trustee

The term "Trustee" shall mean The Chase Manhattan Bank, a New York banking corporation, until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

#### Trust Indenture Act of 1939

The term "Trust Indenture Act of 1939" shall mean the Trust Indenture Act of 1939, as amended as of the date of this Indenture.

#### United States Dollars

The term "United States Dollars" shall mean the lawful currency of the United States of America.

### ARTICLE TWO

#### ISSUE, DESCRIPTION, EXECUTION, REGISTRATION, TRANSFER AND EXCHANGE OF SECURITIES

Section 2.01. Amount, Series, Execution, Authentication and Delivery of Securities. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is not limited. The Securities may be issued in one or more Series.

(A) The following terms and provisions of each Series of Securities shall be established by or pursuant to a resolution of the Board of Directors of the Company and set forth in either a Certified Resolution or a Supplemental Indenture:

(1) the designation of the Series of Securities (which shall distinguish the Securities of such Series from all other Series of Securities),

(2) any limit upon the aggregate principal amount of the particular Series of Securities which may be executed, authenticated and delivered under this Indenture; provided, however, that nothing contained in this Section or elsewhere in this Indenture or

or in the Securities or in such Certified Resolution or in a Supplemental Indenture is intended to or shall limit execution by the Company or authentication and delivery by the Trustee of Securities under the circumstances contemplated by Sections 2.05, 2.06, 2.07, 3.02, 3.04 and 10.04,

(3) the currency or currencies in which principal of and interest and any premium on such Series of Securities shall be payable (if other than in United States Dollars),

(4) the Stated Maturity for payment of principal of such Series of Securities and any sinking fund or analogous provisions,

(5) the rate or rates at which such Series of Securities shall bear interest or the method of calculating such rate or rates of interest and the Interest Payment Dates for such Series of Securities,

(6) the place or places where such Series of Securities may be presented for payment and for the other purposes provided in Section 11.02,

(7) any Redemption Price or Prices, the Redemption Date or Dates and other applicable redemption or repurchase provisions for such Series of Securities,

(8) whether such Series of Securities shall be issuable as one or more Global Securities and the form of such Series of Securities,

(9) if the Securities of such Series shall be issued in whole or in part as one or more Global Securities, the Depository for such Global Security or Securities and any additional terms and conditions relating to such Global Securities not set forth in this Indenture,

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

(11) the date from which interest on such Series of Securities shall accrue,

(12) the basis upon which interest on such Series of Securities shall be computed (if other than on the basis of a 360-day year of twelve 30-day months),

(13) if other than the principal amount thereof, the portion of the principal amount of such Series of Securities which shall be payable upon declaration of acceleration of the maturity thereof pursuant to Section 6.01,

(14) the Person or Persons who shall be registrar for such Series of Securities, and the place or places where the Register of such Series of Securities shall be kept,

(15) any additional events of default with respect to the Securities of a particular Series not set forth herein,

(16) any additional covenants of the Guarantor or the Company with respect to the Securities of a particular Series not set forth herein,

(17) the terms and conditions, if any, upon which any Securities of such Series may or shall be converted into other instruments or other forms of property and

(18) any other terms of such Series of Securities (which terms shall not be inconsistent with the provisions of this Indenture).

All Securities of any one Series shall be substantially identical except that any Series may have serial maturities and different interest rates for different maturities and except as to denomination and the differences herein specified between Global Securities and Securities issued in definitive form and except as may otherwise be provided in or pursuant to the Certified Resolution or Supplemental Indenture relating to such Series of Securities. All Securities of any one Series need not be issued at the same time, and, unless otherwise provided in or pursuant to the Certified Resolution or Supplemental Indenture relating to such Series, a Series may be reopened for issuances of additional Securities of such Series.

(B) At any time and from time to time after the execution and delivery of this Indenture, the Company and the Guarantor may deliver any Series of Securities executed by the Company to the Trustee for authentication by it, and the Trustee shall thereupon authenticate and deliver said Securities (or if only a single Global Security, such Global Security) to or upon the written order of the Company, signed by an officer of the Company and an officer of the Guarantor, without any further corporate action by the Company or the Guarantor. In authenticating such Securities and accepting the additional responsibilities under this Indenture in relation to such Securities and except as hereinafter provided with respect to a Series of Securities subject to a Periodic Offering, the Trustee shall be entitled to receive, and (subject to Section 7.01) shall be fully protected in relying upon:

- (1) each Certified Resolution relating to such Series of Securities,
- (2) an executed Supplemental Indenture, if any, relating to such Series of Securities,
- (3) an Opinion of Counsel to the effect that:

(a) the terms and form of such Securities have been established as permitted by Sections 2.01 and 2.02 in conformity with the provisions of this Indenture;

(b) such Securities, when executed and issued by the Company and authenticated and delivered by the Trustee in accordance with the provisions of this Indenture and subject to any conditions specified in such Opinion of Counsel, will constitute valid and binding obligations of the Company, except as any rights thereunder may be limited by the effect of bankruptcy, insolvency, reorganization, receivership, conservatorship, arrangement, moratorium or other laws affecting or relating to the rights of creditors generally; the rules governing the availability of specific performance, injunctive relief or other equitable remedies and general principles of equity, regardless of whether considered in a proceeding in equity or at law; the effect of applicable court decisions invoking statutes or principles of equity, which have held that certain covenants and provisions of agreements are unenforceable where the breach of such covenants or provisions imposes restrictions or burdens upon a borrower, and it cannot be demonstrated that the enforcement of such restrictions or burdens is necessary for the protection of the creditor, or which have held that the creditor's enforcement of such covenants or provisions under the circumstances would have violated the creditor's covenants of good faith and fair dealing implied under California law; and the effect of California statutes and rules of law which cannot be waived prospectively by a borrower, and

(c) the Company has complied with all applicable Federal laws and requirements in respect of the execution and delivery of such Securities.

With respect to a Series of Securities subject to a Periodic Offering, the Trustee shall be entitled to receive, and, subject to Section 7.01, shall be fully protected in relying upon the documents described in the foregoing subsections (1), (2) and (3) of this Section 2.01(B); provided, that (i) the Certified Resolution may be delivered to the Trustee prior to the delivery to the Trustee of such Securities for authentication and delivery, (ii) the Trustee shall authenticate and deliver Securities of such Series for original issue from time to time, in an aggregate principal amount not exceeding the aggregate principal amount, if any, established for such Series, pursuant to such Certified Resolution or pursuant to such procedures as may be specified from time to time by a Certified Resolution, (iii) the maturity date or dates, original issue date or dates, interest rate or rates or the method or methods of calculating such and any other terms of the Securities of such Series shall be determined by the Certified Resolution or pursuant to such procedures, (iv) if provided for in such procedures, such Certified Resolution may authorize authentication and delivery pursuant to oral or electronic instructions from the Company or its duly authorized agent or agents, which oral instructions shall be promptly confirmed in writing and (v) the Trustee shall be entitled to receive an Opinion of Counsel only once at or prior to the time of the first authentication of Securities of such Series and that the opinions described in the foregoing subsections (a) and (b) of this Section 2.01 may be to the effect that:

(x) the form of the Securities of such Series has been duly authorized by the Company and has been established in conformity with the provisions of this Indenture and that, when the terms of such Securities shall have been established pursuant to a Certified Resolution or pursuant to such procedures as may be specified from time to time by a Certified Resolution, such terms will have been duly authorized by the Company and will have been established in conformity with the provisions of this Indenture and

(y) Securities of such Series, when executed and issued by the Company and completed, authenticated and delivered by the Trustee in accordance with the provisions of this Indenture and subject to any conditions specified in such Opinion of Counsel and when paid for, all as contemplated by and in accordance with the Certified Resolution or specified procedures, as the case may be, will constitute valid and binding obligations of the Company, except as any rights thereunder may be limited by the effect of bankruptcy, insolvency, reorganization, receivership, conservatorship, arrangement, moratorium or other laws affecting or relating to the rights of creditors generally; the rules governing the availability of specific performance, injunctive relief or other equitable remedies and general principles of equity, regardless of whether considered in a proceeding in equity or at law; the effect of applicable court decisions invoking statutes or principles of equity, which have held that certain covenants and provisions of agreements are unenforceable where the breach of such covenants or provisions imposes restrictions or burdens upon a borrower, and it cannot be demonstrated that the enforcement of such restrictions or burdens is necessary for the protection of the creditor, or which have held that the creditor's enforcement of such covenants or provisions under the circumstances would have violated the creditor's covenants of good faith and fair dealing implied under California law; and the effect of California statutes and rules of law which cannot be waived prospectively by a borrower.

With respect to Securities of a Series offered in a Periodic Offering, the Trustee may rely, as to the authorization by the Company of any such Securities, the form and terms thereof and the valid and binding effect thereof, upon the Opinion of Counsel and other documents delivered pursuant to this Section 2.01 in connection with the first authentication of Securities of such Series unless and until such Opinion of Counsel or other documents shall have been superseded or revoked. In connection with the authentication and delivery of Securities of a Series subject to a Periodic Offering, the Trustee shall be entitled to assume that the instructions of the Company to authenticate and deliver such Securities do not violate any rules, regulations or orders of any governmental agency having jurisdiction over the Company.

Each Security shall be dated the date of its authentication.

Section 2.02. Form of Securities and Trustee's Certificate of Authentication. The Securities of each Series shall be substantially of the tenor and purport as shall be authorized by the related Certified Resolution or Supplemental Indenture, in each case with such appropriate 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 or designation and such legends or endorsements thereon as the Board of Directors of the Company may deem appropriate and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Securities of such Series may be listed, or to conform to usage.

The definitive Securities and each Global Security may be printed, lithographed or fully or partly engraved or produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their executions thereof.

The Trustee's certificate of authentication 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.

THE CHASE MANHATTAN BANK, as Trustee

By \_\_\_\_\_  
Authorized Officer

Section 2.03. Denominations; Payment of Interest on Securities. The Securities of each Series shall be issued as fully registered Securities without coupons (including as one or more Global Securities) and in denominations all as shall be specified as contemplated by Section 2.01. In the absence of such provisions with respect to the Securities of any Series, the Securities of such Series (other than any Global Securities) shall be issued in denominations of \$1,000 and any integral multiple thereof.

If the Securities of any Series shall bear interest, each Security of such Series shall bear interest from the applicable date at the rate per annum specified in the Certified Resolution or Supplemental Indenture with respect to such Series of Securities. Unless otherwise specified in the Certified Resolution or Supplemental Indenture with respect to the Securities of any Series, interest on the Securities of such Series shall be computed on the basis of a 360-day year of twelve 30-day months. Such interest shall be payable on the Interest Payment Dates, specified in the Certified Resolution or Supplemental Indenture with respect to such Series of Securities. The Person in whose name any Security is registered at the close of business on any applicable Record Date for the Series of which such Security is a part shall be entitled to receive the interest payable thereon on such Interest Payment Date notwithstanding the cancellation of such Security upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date unless such Security shall have been called for redemption on a Redemption Date which is subsequent to such Record Date and prior to such Interest Payment Date or unless the Company shall default in the payment of interest due on such Interest Payment Date on any Security of such Series.

Any interest on any Security of any Series which 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 registered Holder on the relevant Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in subsection A or B below:

A. The Company may elect to make payment of any Defaulted Interest on the Securities of any Series to the Persons in whose names such Securities are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), 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 subsection provided. Thereupon the Trustee shall fix a special record date (the "Special Record Date") for the payment of such Defaulted Interest which 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 of a Security of such Series at such Holder's address as it appears in the Security 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 the Securities of such Series are registered on such Special Record Date and shall no longer be payable pursuant to the following Subsection B.

B. The Company may make payment of any Defaulted Interest on the Securities of any Series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities 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 Subsection, such payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section 2.03, each Security delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Security shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security and each such Security shall bear interest from such date, such that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

Section 2.04. Execution of Securities. The Securities shall be executed manually or in facsimile, by an officer and the Secretary or an Assistant Secretary of the Company under its corporate seal, which may be affixed thereto or printed, engraved or otherwise reproduced thereon, by facsimile or otherwise. Only such Securities as shall bear thereon a certificate of authentication substantially in the form recited herein, executed by the Trustee manually by an authorized officer, shall be entitled to the benefits of this Indenture or of the Guarantee or be valid or obligatory for any purpose. Such certificate of authentication of the Trustee upon any Security executed by the Company shall be conclusive evidence that the Security so authenticated has been duly authenticated and delivered hereunder and that the Holder is entitled to the benefits of this Indenture. Typographical or other errors or defects in the seal or facsimile signature on any Security or in the text thereof shall not affect the validity or enforceability of such Security if it has been duly authenticated and delivered by the Trustee.

In case any officer of the Company who shall have signed any of the Securities (manually or in facsimile), shall cease to be such officer before the Securities so signed shall have been authenticated and delivered by the Trustee, or disposed of by the Company or the Guarantor, such Securities nevertheless may be authenticated and delivered or disposed of as though the Person who signed such Securities had not

ceased to be such officer of the Company. Also, any Security may be signed on behalf of the Company by such Persons as on the actual date of execution of such Security shall be the proper officers of the Company, although at the date of the execution of this Indenture any such Person was not such officer.

Section 2.05. Registration, Transfer and Exchange of Securities. Except as specifically otherwise provided herein with respect to Global Securities, Securities of any Series may be exchanged for a like aggregate principal amount of Securities of the same Series of other authorized denominations. Securities to be exchanged shall be surrendered at the offices or agencies to be maintained in accordance with the provisions of Section 11.02 and the Company shall execute the Security or Securities, and the Trustee shall authenticate and deliver in exchange therefor the Security or Securities which the Securityholder making the exchange shall be entitled to receive.

The Company shall keep or cause to be kept, at one or more of the offices or agencies to be maintained by the Company in accordance with the provisions of Section 11.02 with respect to the Securities of each Series, the Register in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of the Securities of such Series and the transfer of Securities of such Series as in this Article provided. The Register shall be in written form or in any other form capable of being converted into written form within a reasonable time. At all reasonable times the Register shall be open for inspection by the Trustee and any registrar of the Securities of such Series other than the Trustee. Upon due presentment for transfer of any Security of any Series at the offices or agencies of the Company to be maintained in accordance with Section 11.02 with respect to the Securities of such Series, the Company shall execute a new Security and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Security or Securities of the same Series for a like aggregate principal amount of authorized denominations.

Notwithstanding any other provisions of this Section 2.05, unless and until it is exchanged in whole or in part for Securities in definitive form, 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.

All Securities of any Series presented or surrendered for exchange, transfer, redemption, conversion or payment shall, if so required by the Company or any registrar of the Securities of such Series, be accompanied by a written instrument or instruments of transfer, in form satisfactory to the Company and such registrar, duly executed by the registered Holder or by such Person's attorney duly authorized in writing.

No service charge shall be made for any exchange or registration of transfer of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

The Company shall not be required to exchange or transfer (a) any Securities of any Series during a period beginning at the opening of business 15 days before the day of the first publication or the mailing (if there is no publication) of a notice of redemption of Securities of such Series and ending at the close of business on the day of such publication or mailing or (b) any Securities called or selected for redemption in whole or in part, except, in the case of Securities called for redemption in part, the portion thereof not so called for redemption in whole or in part, during a period beginning at the opening of business on any Record Date for such Series and ending at the close of business on the relevant Interest Payment Date therefor.

Section 2.06. Temporary Securities. Pending the preparation of definitive Securities of any Series, the Company may execute and the Trustee shall authenticate and deliver temporary Securities of such Series which are printed, lithographed, typewritten or otherwise produced, in any denomination substantially of the tenor of the definitive Securities in lieu of which they are issued, in registered form and with such appropriate omissions, insertions, substitutions and other variations as the officers executing such Securities may



determine, as evidenced by their execution of such Securities. Every such temporary Security shall be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with the same effect, as the definitive Securities. If temporary Securities are issued, the Company will cause definitive Securities to be prepared without unreasonable delay. After the preparation of definitive Securities, the temporary Securities of such Series shall be exchangeable for definitive Securities upon surrender of the temporary Securities without charge to the Holder at the offices or agencies to be maintained by the Company as provided in Section 11.02 with respect to the Securities of such Series. Upon surrender for cancellation of any one or more temporary Securities the Company shall execute and the Trustee shall authenticate and deliver in exchange for such temporary Securities an equal aggregate principal amount of definitive Securities of such Series. Until so exchanged, the temporary Securities of any Series shall in all respects be entitled to the benefits of this Indenture and interest thereon, when and as payable, shall be paid to the owners of the temporary Securities upon presentation thereof for notation of such payment thereon.

Section 2.07. Mutilated, Destroyed, Lost or Stolen Securities. If (i) any mutilated Security is surrendered to the Trustee, or the Company and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Security, and (ii) there is delivered to the Company, the Guarantor and the Trustee 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 or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and upon its request the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Security, a new Security of the same Series 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 2.07, 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 connected therewith.

Every new Security issued pursuant to this Section 2.07 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 security and benefits of this Indenture equally and ratably with all other Outstanding Securities of such Series.

The provisions of this Section 2.07 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

Section 2.08. Cancellation and Destruction of Surrendered Securities. All Securities surrendered for payment, redemption, transfer, conversion or exchange shall, if surrendered to the Company, the Guarantor, the Trustee or any agent of the Company, the Guarantor or of the Trustee, be delivered to the Trustee, and the same, together with Securities surrendered to the Trustee for cancellation, shall be canceled by it, and thereafter disposed of by it as directed by the Company and no Securities shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall destroy canceled Securities and deliver a certificate of destruction thereof to the Company and the Guarantor unless by an Officer's Certificate of the Company, the Company shall direct that canceled Securities be returned to it. If the Company shall purchase or otherwise acquire any of the Securities, however, such purchase or acquisition shall not operate as a payment, redemption or satisfaction of the indebtedness represented by such Securities unless and until the Company, or the Guarantor, at their respective options, shall deliver or surrender the same to the Trustee for cancellation.

Section 2.09. Securities in Global Form; Depositories. (a) Each Global Security shall: (i) represent and be denominated in an aggregate amount equal to the aggregate principal amount of the Securities of the Series to be represented by such Global Security, (ii) be registered in the name of either the

Depository for such Global Security or the nominee of such Depository, (iii) be delivered by the Trustee to such Depository or pursuant to such Depository's written instruction and (iv) bear a legend substantially to the following effect: "Unless and until it is exchanged in whole or in part for Securities in definitive form, this Global Security may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any nominee to a successor Depository or a nominee of any successor Depository." The notation of the record owner's interest in such Global Security upon the original issuance thereof shall be deemed to be delivered in connection with the original issuance of each beneficial owner's interest in such Global Security. Without limiting the foregoing, the Company, the Guarantor and the Trustee shall have no responsibility, obligation or liability with respect to: (x) the maintenance, review or accuracy of the records of the Depository or of any of its participating organizations with respect to any ownership interest in or payments with respect to such Global Security, (y) any communication with or delivery of any notice (including notices of redemption) with respect to the Series of Securities represented by the Global Security to any Person having any ownership interest in such Global Security or to any of the Depository's participating organizations or (z) any payment made on account of any beneficial ownership interest in such Global Security.

(b) If any Security of a Series is issuable in the form of a Global Security or Securities, each such Global Security may provide that it shall represent the aggregate amount of Outstanding Securities of such Series from time to time endorsed thereon and may also provide that the aggregate amount of Outstanding Securities of such Series represented thereby may from time to time be reduced to reflect exchanges. Any endorsement of a Global Security to reflect the amount of Outstanding Securities of a Series represented thereby shall be made by the Trustee and in such manner as shall be specified on such Global Security. Any instructions by the Company with respect to a Global Security, after its initial issuance, shall be in writing but need not comply with Section 14.03 of this Indenture.

(c) Each Depository designated pursuant to the provisions of Section 2.01 of this Indenture for a Global Security must, at the time of its designation and at all times while it serves as a depository, be a clearing agency registered under the Securities Exchange Act of 1934, as amended, and any other applicable statute or regulation. 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 this Section 2.09, the Company shall appoint a successor Depository with respect to the Securities of such Series. If a successor Depository for the Securities of such Series is not appointed by the Company within 90 days after the Company receives such notice or learns of such ineligibility, the Company shall execute and the Company shall direct the Trustee to authenticate and deliver definitive Securities of such Series in authorized denominations in exchange for the Global Security or Securities. Upon receipt of such direction, the Trustee shall thereupon authenticate and deliver the definitive Securities of such Series in the same aggregate principal amount as the Global Security or Securities representing such Series in exchange for such Global Security or Securities, in accordance with the provisions of subsection (e) of this Section 2.09, without any further corporate action by the Company or the Guarantor.

(d) The Company may at any time and in its sole discretion determine that the Securities of any Series issued in the form of one or more Global Securities shall no longer be represented by such Global Security or Securities. In such event, the Company will execute and upon receipt of a written order from the Company, the Trustee shall thereupon authenticate and deliver Securities of such Series in definitive form and in authorized denominations in an aggregate principal amount equal to the principal amount of the Global Security or Securities representing such Series in exchange for such Global Security or Securities, in accordance with the provisions of subsection (e) of this Section 2.09 without any further corporate action by the Company or the Guarantor.

(e) Upon any exchange hereunder of the Global Security or Securities for Securities in definitive form, such Global Security or Securities shall be canceled by the Trustee. Securities issued hereunder in exchange for the Global Security or Securities 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 definitive Securities in exchange for the Global Security or Securities to the Persons in whose name such definitive Securities have been registered in accordance with the directions of the Depository.

### ARTICLE THREE

#### REDEMPTION OF SECURITIES

Section 3.01. Redemption of Securities. Securities of any Series may be made subject to redemption prior to their Stated Maturity, as a whole or in part, at such time or times, upon payment of the principal amount thereof plus such premium or premiums, if any, as shall be set forth in the Certified Resolution or the Supplemental Indenture relating to such Series.

Section 3.02. Notice of Redemption. In all cases other than redemption at the option of the Holders of Securities, notice of redemption shall be mailed, not less than 30 nor more than 60 days prior to the Redemption Date, to each Person in whose name any Security called for redemption is registered on the Register as of the date of such notice, but neither a failure to give notice by mail nor any defect in any notice so mailed shall affect the validity of the proceedings for such redemption. Each notice of redemption shall state the Redemption Date, the Redemption Price, the place of redemption, the principal amount and, if less than all, the distinctive numbers of the Securities to be redeemed and shall also state that the interest on the Securities in such notice designated for redemption shall cease to accrue from and after such Redemption Date.

Notice of redemption of Securities may be given by the Company, or at the option of the Company, by the Trustee on behalf of the Company. Upon receipt of any direction to give notice, the Trustee shall immediately give such notice. The Trustee may rely upon such direction that all conditions precedent to the giving of such direction have been complied with or done.

Section 3.03. Selection of Securities for Redemption. Whenever provision is made for the redemption of any Series of Securities or portion thereof and less than all of the Securities of such Series or portion thereof are called for redemption, the Trustee shall select the Securities to be redeemed, from the Outstanding Securities of such Series or portion thereof not previously called for redemption, in any manner which the Trustee deems fair and appropriate. For the purpose of any such selection, the Trustee shall assign a separate number for each \$1,000 principal amount of each Security of a denomination of more than \$1,000, except that if the Securities of any Series are denominated in a currency other than United States Dollars, the Trustee shall assign a separate number for each amount equal to the minimum denomination of each Security of such Series of a denomination greater than such minimum denomination.

Section 3.04. Partial Redemption of Registered Security. Upon surrender of any registered Security (including any Global Security) to be redeemed in part only, the Company shall execute and the Trustee shall authenticate and deliver to the registered owner thereof, without service charge, a new Security or Securities (or in the case of a Global Security, a new Global Security) of the same Series and maturity and of authorized denomination or denominations as requested by such registered owners, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

Section 3.05. Effect of Redemption. If notice of redemption shall have been duly given as provided in Section 3.02, the Securities or portions of Securities specified in such notice shall become due and payable on the Redemption Date and at the place or places stated in such notice at the Redemption Price specified in such notice, and on and after such Redemption Date (unless the Company and the Guarantor shall default in the payment of such Securities at the applicable Redemption Price) such Securities or portions of Securities shall cease to bear interest, and such Securities shall cease from and after the Redemption Date to be entitled to any benefit or security under this Indenture, and the Holders thereof shall have no right in respect of such

Securities except the right to receive the Redemption Price thereof and any unpaid interest accrued to the Redemption Date. Upon presentation and surrender of such Securities at said place of payment in said notice specified, the said Securities or portions thereof shall be paid and redeemed by the Company or the Guarantor at the applicable Redemption Price, together with any interest accrued to the Redemption Date; provided, however, that any regular payment of interest becoming due on any Securities on the Redemption Date shall be payable to the registered owners of such Securities as of the relevant Record Date as provided in Article Two hereof. Upon presentation of any Security which is redeemed in part only, the Company shall execute a new Security and the Trustee shall authenticate and deliver at the expense of the Company a new Security of the same Series of authorized denomination in principal amount equal to the unredeemed portion of the Security so presented.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, to the extent permitted by law, bear interest from the date fixed for redemption at the rate borne by the Security, or, in the case of a Security which does not bear interest, at the rate of interest set forth therefor in the Security, in either case, until paid.

#### ARTICLE FOUR

##### THE GUARANTEE BY AND COVENANTS OF THE GUARANTOR

Section 4.01. Guarantee. The Guarantor hereby unconditionally guarantees to the Holders from time to time of the Securities (a) the full and prompt payment of the principal of and any premium on any Security when and as the same shall become due, whether at the stated maturity thereof, by acceleration, redemption or otherwise and (b) the full and prompt payment of any interest on any Security when and as the same shall become due. Each payment by the Guarantor with respect to any Security shall be paid in the currency specified in this Indenture or in the related Certified Resolution or Supplemental Indenture for payments on such Security. Each and every default in the payment of the principal of or interest or any premium on any Security shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises.

The obligations of the Guarantor hereunder shall be absolute and unconditional and shall remain in full force and effect until the entire principal of and interest and any premium on the Securities shall have been paid or provided for in accordance with the provisions of this Indenture, and such payment shall not be affected, modified or impaired upon the happening from time to time of any event, including without limitation any of the following, whether or not with notice to, or the consent of, the Guarantor:

(a) the waiver, surrender, compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of the Company under this Indenture or the Securities;

(b) the failure to give notice to the Guarantor of the occurrence of an Event of Default;

(c) the waiver, compromise or release of the payment, performance or observance by the Company or the Guarantor of any or all of the obligations, covenants or agreements of either of them contained in this Indenture;

(d) the extension of the time for payment of any principal of or interest or any premium on any Security or for any other payment under this Indenture or of the time for performance of any other obligations, covenants or agreements under or arising out of this Indenture;

(e) the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in this Indenture or the Securities;

(f) the taking or the omission of any of the actions referred to in this Indenture and any of the actions under the Securities;

(g) any failure, omission, delay or lack on the part of the Trustee to enforce, assert or exercise any right, power or remedy conferred on the Trustee in this Indenture, or any other act or acts on the part of the Trustee or any of the Holders from time to time of the Securities;

(h) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment of, or other similar proceedings affecting the Guarantor, or the Company or any of the assets of any of them, or any allegation or contest of the validity of the Guarantee in any such proceeding;

(i) to the extent permitted by law, the release or discharge by operation of law of the Guarantor from the performance or observance of any obligation, covenant or agreement contained in this Indenture;

(j) to the extent permitted by law, the release or discharge by operation of law of the Company from the performance or observance of any obligation, covenant or agreement contained in this Indenture;

(k) the default or failure of the Guarantor or the Trustee fully to perform any of its obligations set forth in this Indenture or the Securities; or

(l) the invalidity of this Indenture or the Securities or any part of any thereof.

No set-off, counterclaim, reduction, or diminution of any obligation, or any defense of any kind or nature which the Guarantor has or may have against the Trustee shall be available hereunder to the Guarantor against the Trustee to reduce the payments of the Guarantor under this Section 4.01.

The Guarantor assumes responsibility for being and remaining informed of the financial condition of the Company and of all other circumstances bearing upon the risk of nonpayment of amounts owing under the Securities which diligent inquiry would reveal and agrees that the Holders of the Securities shall have no duty to advise the Guarantor of information known to any of them regarding such condition or any such circumstances.

Section 4.02. Proceedings Against the Guarantor. In the event of a default in the payment of principal of or any premium on any Security when and as the same shall become due, whether at the stated maturity thereof, by acceleration, call for redemption or otherwise, or in the event of a default in any sinking fund payment, or in the event of a default in the payment of any interest on any Security when and as the same shall become due, the Trustee shall have the right to proceed first and directly against the Guarantor under this Indenture without first proceeding against the Company or exhausting any other remedies which it may have and without resorting to any other security held by the Trustee.

The Trustee shall have the right, power and authority to do all things it deems necessary or advisable to enforce the provisions of this Indenture relating to the Guarantee and protect the interests of the Holders of the Securities and, in the event of a default in payment of the principal of or any premium on any Security when and as the same shall become due, whether at the stated maturity thereof, by acceleration, call for

redemption or otherwise, or in the event of a default in the payment of any interest on any Security when and as the same shall become due, the Trustee may institute or appear in such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of its rights and the rights of the Securityholders, whether for the specific enforcement of any covenant or agreement in this Indenture relating to the Guarantee or in aid of the exercise of any power granted herein, or to enforce any other proper remedy. Without limiting the generality of the foregoing, in the event of a default in payment of the principal of or interest or any premium on any Security when due, the Trustee 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 Guarantor and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Guarantor, wherever situated.

Section 4.03. Guarantee for Benefit of Securityholders. The Guarantee contained in this Indenture is entered into by the Guarantor for the benefit of the Holders from time to time of the Securities. Such provisions shall not be deemed to create any right in, or to be in whole or in part for the benefit of any Person other than the Trustee, the Guarantor, the Holders from time to time of the Securities and their permitted successors and assigns.

Section 4.04. Corporate Existence of Guarantor; Consolidation, Merger, Sale or Transfer. The Guarantor covenants that so long as any of the Securities are Outstanding, it will maintain its corporate existence, will not dissolve, sell or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it; provided that the Guarantor may, without violating the covenants in this Section 4.04 contained, consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve, if the surviving, resulting or transferee corporation, as the case may be, (i) shall be incorporated and existing under the laws of one of the States of the United States of America, (ii) assumes, if such corporation is not the Guarantor, all of the obligations of the Guarantor hereunder and (iii) is not, after such transaction, otherwise in default under any provisions hereof.

Section 4.05. Securities to Be Secured in Certain Events. If, upon any consolidation or merger of the Guarantor, any Principal Property would thereupon become subject to any mortgage, security interest, pledge, lien or other encumbrance (the "Attaching Lien"), the Guarantor, prior to any such consolidation or merger, will secure the Outstanding Securities (together with, if the Guarantor shall so determine, any other indebtedness of or guaranteed by the Guarantor ranking equally with the Securities and then existing or thereafter created) equally and ratably with the debt or other obligation secured by the Attaching Lien unless such debt or other obligation secured by the Attaching Lien could have been incurred by the Guarantor or a Restricted Subsidiary without being required by the provisions of Section 4.06 (whether or not such Section may be applicable to any Series of Securities) to secure the Securities equally and ratably therewith.

Section 4.06. Limitations on Liens. Nothing in this Indenture or (except as expressly provided with respect to a Series in the establishment of the terms thereof) in the Securities contained shall in any way restrict or prevent the Guarantor or any Subsidiary from incurring any indebtedness; provided that the Guarantor covenants and agrees that it will not itself and will not permit any Restricted Subsidiary to issue, assume or guarantee any notes, bonds, debentures or other similar evidences of indebtedness for money borrowed (notes, bonds, debentures or other similar evidences of indebtedness for money borrowed being hereinafter in this Article Four called "Debt") secured by a pledge of, or mortgage or lien on (mortgages, pledges and liens being hereinafter in this Article Four called "liens"), any of the Guarantor's or any Restricted Subsidiary's Principal Properties or any shares of stock of or indebtedness of any Restricted Subsidiary (such Principal Properties, stock and indebtedness being hereinafter collectively referred to as "Property"), without effectively providing that the Securities (together with, if the Guarantor shall so determine, any other Debt of the Guarantor or such Restricted Subsidiary then existing or thereafter created ranking equally with the Securities, including guarantees of indebtedness of others) shall be secured equally and ratably with (or prior to) such Debt, so long as such Debt shall be so secured, except that this Section 4.06 shall not apply to Debt secured by:

(1) liens on Property of any corporation existing at the time such corporation becomes a Restricted Subsidiary;

(2) liens on Property existing at the time of acquisition thereof or to secure the payment of all or any part of the purchase price thereof or to secure any Debt incurred prior to, at the time of or within 24 months after the acquisition of such Property for the purpose of financing all or any part of the purchase price thereof;

(3) liens on particular Property to secure any Debt incurred to provide funds for all or any part of the cost of exploration, drilling or development of such Property or the cost of improvements to such Property;

(4) liens which secure Debt owing by a Restricted Subsidiary to the Guarantor or any Subsidiary;

(5) liens on personal property, other than shares of stock or indebtedness of any Restricted Subsidiary, to secure loans maturing not more than one year from the date of the creation thereof;

(6) liens on Property to secure Debt or other indebtedness incurred in connection with any financings done in accordance with the provisions of Section 103 of the Internal Revenue Code of 1986, as amended; and

(7) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any lien referred to in the foregoing subparagraphs (1) to (6), inclusive, or of any Debt secured thereby; provided that such extension, renewal or replacement mortgage shall be limited to all or any part of the same Property that secured the lien extended, renewed or replaced (plus improvements on such Property).

Notwithstanding the restrictions contained in this Section 4.06, the Guarantor may, and may permit any Restricted Subsidiary to, issue, assume or guarantee Debt secured by liens on property of the types to which this Section applies and which are not excepted by Subsections (1) through (7) of this Section without equally and ratably securing the Securities, provided that the sum of all such Debt then being issued, assumed or guaranteed and the aggregate of Attributable Debt with respect to sale and leaseback arrangements of the Guarantor and any Restricted Subsidiary permitted by Section 4.07 (whether or not such Section may be applicable to any Series of Securities) does not exceed ten percent of the Consolidated Adjusted Tangible Assets prior to the time such Debt was issued, assumed or guaranteed.

The following types of transactions, among others, shall not be deemed to create "Debt" secured by "liens" within the meaning of those terms as defined above:

(a) the sale or other transfer of (i) oil, gas or other minerals in place for a period of time until, or in an amount such that, the purchaser will realize therefrom a specified amount of money (however determined) or a specified amount of such minerals, or (ii) any other interest in property of the character commonly referred to as a "production payment"; and

(b) the mortgage or pledge of any property of the Guarantor or any Subsidiary in favor of the United States, or any State, or any department, agency or instrumentality of either, to secure partial, progress, advance or other payments to the Guarantor or any Subsidiary pursuant to the provisions of any contract or statute.

Section 4.07. Limitation on Sale and Leaseback. The Guarantor will not itself, and will not permit any Restricted Subsidiary to, enter into any arrangement (except for temporary leases for a term of not more than three years, or except for sale or transfer and leaseback transactions involving the acquisition or improvement of Principal Properties provided that the amount of consideration received at the time of sale or transfer by the Guarantor or such Restricted Subsidiary for the property so sold or transferred shall be applied as set forth in subparagraph (2) below) with any bank, insurance company or other lender or investor, or to which any such lender or investor is a party, providing for the leasing to the Guarantor or any Restricted Subsidiary of any Principal Property which has been or is to be sold or transferred by the Guarantor or any Restricted Subsidiary to such lender or investor or to any Person to whom funds have been or are to be advanced by such lender or investor on the security of such property unless, either:

(1) the Guarantor or any Restricted Subsidiary could create Debt secured by a mortgage pursuant to Section 4.06 on the property to be leased without equally and ratably securing the Securities or

(2) The Guarantor within the 12 months preceding such sale or transfer or the 12 months following such sale or transfer, regardless of whether such sale or transfer may have been made by the Guarantor or by a Restricted Subsidiary, has applied or applies an amount equal to the greater of (a) the net proceeds of the sale of the property leased pursuant to such arrangement or (b) the fair value of the property so leased at the time of entering into such arrangement:

(i) to the voluntary retirement of debt of the Guarantor or of a Restricted Subsidiary or debt of a Subsidiary guaranteed by the Guarantor which debt matures by its terms more than one year after the date on which it was originally incurred (collectively herein called "funded debt"); provided that there shall be credited against the amount required by subparagraph (2) to be applied to the retirement of funded debt an amount equal to:

(A) the principal amount of any Securities delivered within the 12 months preceding such sale or transfer or the 12 months following such sale or transfer to the Trustee for voluntary retirement and cancellation, and

(B) the principal amount of funded debt, other than Securities, voluntarily retired by the Guarantor within 12 months before or after such sale; or

(ii) to the acquisition, development or improvement of a Principal Property or Principal Properties.

Section 4.08. Notice of Default. The Guarantor covenants that, as soon as is practicable, the Guarantor will furnish the Trustee notice of any event which is an Event of Default or which with the giving of notice or the passage of time or both would constitute an Event of Default which has occurred and is continuing on the date of such notice, which notice shall set forth the nature of such event and the action which the Guarantor proposes to take with respect thereto.

Section 4.09. Waiver of Certain Covenants of Guarantor. The Guarantor may omit in any particular instance to comply with any covenant, term, provision or condition set forth in this Article Four with respect to the Securities of any series if before the time for such compliance, the Holders of at least a majority in principal amount of the Securities of such Series at the time Outstanding shall either waive such compliance in such instance or generally waive compliance with such covenant, term, provision or condition, but no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Guarantor in respect of any such covenant, term, provision or condition shall remain in full force and effect.



ARTICLE FIVE

SECURITYHOLDERS' LISTS

Section 5.01. Company to Furnish Trustee Information As to the Names and Addresses of Securityholders. The Company will furnish or cause to be furnished to the Trustee, not less than 45 days nor more than 60 days after each date (month and day) specified as an Interest Payment Date for the Securities of the first Series issued under this Indenture (whether or not any Securities of that Series are then Outstanding), but in no event less frequently than semiannually, and at such other times as the Trustee may request in writing, within 30 days after receipt by the Company of any such request, a list, in such form as the Trustee may reasonably require, containing all the information in the possession or control of the Company, or any of its Paying Agents other than the Trustee, as to the names and addresses of the Holders of Securities, obtained since the date as of which the next previous list, if any, was furnished, excluding from any such list the names and addresses received by the Trustee in its capacity as registrar (if so acting). Any such list may be dated as of a date not more than 15 days prior to the time such information is furnished and need not include information received after such date.

Section 5.02. Preservation of Information; Communication to Securityholders. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the Holders of Securities of each Series (1) contained in the most recent list furnished to it as provided in Section 5.01, (2) received by the Trustee in the capacity of Paying Agent or registrar (if so acting) and (3) filed with the Trustee within the two preceding years as provided for in Section 5.04(c). The Trustee may destroy any list furnished to it as provided in Section 5.01 upon receipt of a new list so furnished.

(b) If three or more Holders of Securities (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 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 any Series or with 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 which such applicants propose to transmit, then the Trustee shall, within five Business Days after the receipt of such application, at its election, either:

(1) afford such applicants access to the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section 5.02 or

(2) 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 the provisions of subsection (a) of this Section 5.02, and as to the approximate cost of mailing to such Securityholders the form of proxy or other communications, 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 of the Holders of Securities of such Series, or all Securities, as the case may be, whose name and address appear in the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section 5.02, a copy of the form of proxy or other communication which 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 Securityholders 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) Each and every Holder of the Securities, by receiving and holding the same, agrees with the Company, the Guarantor and the Trustee that neither the Company nor the Guarantor nor the Trustee nor any Paying Agent nor any registrar shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders of Securities in accordance with the provisions of subsection (b) of this Section 5.02, 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 said subsection (b).

Section 5.03. Reports by Company and Guarantor. (a) The Company and the Guarantor each covenant and agree to file with the Trustee within 30 days after the Company or the Guarantor 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) which the Company or the Guarantor may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934; or, if the Company or the Guarantor is not required to file information, documents or reports pursuant to either of such sections, then to 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 which may be required pursuant to Section 13 of the Securities Exchange Act of 1934 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) The Company and the Guarantor each covenant and agree to file with the Trustee and the Commission, in accordance with the rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company or the Guarantor, as the case may be, with the conditions and covenants provided for in this Indenture as may be required from time to time by such rules and regulations.

(c) The Company and the Guarantor each covenant and agree to transmit to the Holders of Securities within 30 days after the filing thereof with the Trustee, in the manner and to the extent provided in subsection (c) of Section 5.04 with respect to reports pursuant to subsection (a) of said Section 5.04, such summaries of any information, documents and reports required to be filed by the Company or the Guarantor, as the case may be, pursuant to subsections (a) and (b) of this Section 5.03 as may be required by rules and regulations prescribed from time to time by the Commission.

(d) The Company, the Guarantor and any other obligor on the Securities each covenant and agree to furnish to the Trustee, not less than annually, a brief certificate from the principal executive officer, principal financial officer or principal accounting officer as to his or her knowledge of the Company's or the Guarantor's compliance with all conditions and covenants of this Indenture (which compliance shall be determined without regard to any period of grace or requirement of notice as provided in this Indenture). Such certificates need not comply with Section 14.03 of this Indenture.

Section 5.04. Reports by Trustee. (a) On or before the first July 15th following the date of execution of this Indenture, and on or before July 15 in every year thereafter, if and so long as any Securities are Outstanding hereunder, the Trustee shall transmit to the Securityholders as hereinafter in this Section 5.04 provided, a brief report dated as of the preceding May 15 with respect to any of the following events which may have occurred within the previous 12 months (but if no such event has occurred within such period no report need be transmitted):

(1) any change to its eligibility under Section 7.09, and its qualifications under Section 7.08;

(2) the creation of or any material change to a relationship specified in paragraph (1) through (10) of Section 7.08(d)

(3) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) which remain unpaid on the date of such report, and for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Securities of any Series, on any property or funds held or collected by it as Trustee, except that the Trustee shall not be required (but may elect) to state such advances if such advances so remaining unpaid aggregate not more than one-half of one percent of the principal amount of the Securities of such Series Outstanding on the date of such report;

(4) the amount, interest rate and maturity date of all other indebtedness owing by the Company or the Guarantor (or by any other obligor on the Securities) to the Trustee in its individual capacity, on the date of such report, with a brief description of any property held as collateral security therefor, except indebtedness based upon a creditor relationship arising in any manner described in paragraph (2), (3), (4) or (6) of subsection (b) of Section 7.13;

(5) any change to the property and funds, if any, physically in the possession of the Trustee (as such) on the date of such report;

(6) any additional issue of Securities which the Trustee has not previously reported; and

(7) any action taken by the Trustee in the performance of its duties under this Indenture which it has not previously reported and which in its opinion materially affects the Securities, except action in respect of a default, notice of which has been or is to be withheld by it in accordance with the provisions of Section 6.10.

(b) The Trustee shall transmit to the Securityholders, as hereinafter provided, a brief report with respect to the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) since the date of the last report transmitted pursuant to the provisions of subsection (a) of this Section (or if no such report has yet been so transmitted, since the date of execution of this Indenture), for the reimbursement of which it claims or may claim a lien or charge prior to that of the Securities of any Series on property or funds held or collected by it as Trustee, and which it has not previously reported pursuant to this subsection, except that the Trustee shall not be required (but may elect) to report such advances if such advances remaining unpaid at any time aggregate ten percent or less of the principal amount of Securities of such Series Outstanding at such time, such report to be transmitted within 90 days after such time.

(c) Reports pursuant to this Section 5.04 shall be transmitted by mail to (i) all Holders of Securities of any Series, as the names and addresses of such Holders shall appear upon the Register of the Securities of such Series, (ii) to such Holders of Securities as have, within the two years preceding such transmission, filed their names and addresses with the Trustee for that purpose and (iii) except in the case of reports pursuant to subsection (b) of this Section 5.04 to each Holder whose name and address are preserved at the time by the Trustee as provided in Section 5.02(a) hereof.

(d) A copy of each such report shall, at the time of such transmission to Securityholders, be filed by the Trustee with each stock exchange upon which the Securities of any Series are listed and also with the

Commission. The Company will notify the Trustee when and as the Securities of any Series become listed on any stock exchange.

## ARTICLE SIX

### REMEDIES OF THE TRUSTEE AND SECURITYHOLDERS ON EVENT OF DEFAULT

Section 6.01. Events of Default; Acceleration, Waiver of Default and Restoration of Position and Rights. The term "Event of Default" whenever used herein with respect to any particular Series of Securities shall mean any one of the following events:

(a) default in the payment of any installment of interest on any Security of such Series as and when the same shall become due and payable, and continuance of such default for a period of 30 days, or

(b) default in the payment of all or any part of the principal of or any premium on any Security of such Series as and when the same shall become due and payable whether at maturity, by proceedings for redemption, by declaration or otherwise, or

(c) default in the satisfaction of any sinking fund payment obligation relating to such Series of Securities, when and as such obligation shall become due and payable, or

(d) failure on the part of the Company or the Guarantor duly to observe or perform in any material respect any other of the covenants or agreements on the part of the Company or the Guarantor in the Securities or in this Indenture (including any Supplemental Indenture or pursuant to any Certified Resolution, as contemplated by Section 2.01) specifically contained for the benefit of the Holders of the Securities of such Series, for a period of 90 days after there has been given, by registered or certified mail, to the Company and the Guarantor by the Trustee, or to the Company, the Guarantor and the Trustee by the Holders of not less than 25% in principal amount of the Securities of such Series and all other Series so benefitted (all Series voting as one class) at the time Outstanding under this Indenture a written notice specifying such failure and stating that such is a "Notice of Default" hereunder, or

(e) the entry by a court having jurisdiction in the premises of a decree or order for relief in respect of the Company in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, if such decree or order shall remain unstayed and in effect for a period of 60 consecutive days, or

(f) the commencement by the Company of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or the Company's consent to the entry of an order for relief in any involuntary case under any such law, or its consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Company or for any substantial part of its property, or the making by the Company of any general assignment for the benefit of creditors, or its failure generally to pay its debts as they become due or the taking by the Company of any corporate action in furtherance of any of the foregoing, or

(g) the entry by a court having jurisdiction in the premises of a decree or order for relief in respect of the Guarantor in an involuntary case under any applicable bankruptcy,

insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Guarantor or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, if such decree or order shall remain unstayed and in effect for a period of 60 consecutive days, or

(h) the commencement by the Guarantor of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or the Guarantor's consent to the entry of an order for relief in any involuntary case under any such law, or its consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Guarantor or for any substantial part of its property, or the making by the Guarantor of any general assignment for the benefit of creditors, or its failure generally to pay its debts as they become due or the taking by the Guarantor of any corporate action in furtherance of any of the foregoing.

If an Event of Default shall have occurred and be continuing with respect to any one or more Series of Outstanding Securities, then and in each and every such case, unless the principal amount of all the Securities of each Series as to which there is an Event of Default shall have already become due and payable, either the Trustee or the Holders of not less than 25% in principal amount of the Securities of such Series then Outstanding hereunder (each such Series voting as a separate class) by notice in writing to the Company and to the Guarantor (and to the Trustee if given by Securityholders) may declare the principal amount (or, if the Securities of any such Series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of such Series) of all the Securities of such Series, together with any accrued interest, to be due and payable immediately and upon any such declaration the same shall be immediately due and payable, anything in this Indenture or in the Securities of such Series contained to the contrary notwithstanding. The foregoing provisions, however, are subject to the condition that if, at any time after the principal amount of the Securities of any one or more Series (or of all the Securities, as the case may be) shall have been so declared due and payable, and before any judgment or decree for the payment of moneys due shall have been obtained or entered as hereinafter provided, the Company or the Guarantor shall pay or shall deposit with the Trustee a sum sufficient to pay any matured installments of interest upon all the Securities of such Series (or upon all the Securities, as the case may be) and the principal of any and all Securities of such Series (or of any and all the Securities, as the case may be) which shall have become due otherwise than by declaration (with interest on overdue installments of interest to the extent permitted by law and on such principal at the rate or rates of interest borne by or prescribed therefor in the Securities of such Series to the date of such payment or deposit) and the amounts payable to the Trustee under Section 7.06 and any and all defaults under the Indenture with respect to Securities of such Series (or all Securities, as the case may be), other than the non-payment of principal of and any accrued interest on Securities of such Series (or any Securities, as the case may be) which shall have become due by declaration shall have been cured, remedied or waived as provided in Section 6.09 -- then and in every such case the Holders of a majority in principal amount of the Securities of such Series (or of all the Securities, as the case may be) then Outstanding (such Series or all Series voting as one class if more than one Series are so entitled) by written notice to the Company, to the Guarantor and to the Trustee, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Company, the Guarantor, the Trustee and the Holders of the Securities of such Series (or of all the Securities, as the case may be) shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Company, the Guarantor and the Trustee and the Holders of the Securities of such Series (or of all the Securities, as the case may be) shall continue as though no such proceedings had been taken.

Section 6.02. Covenant of Company to Pay to Trustee Whole Amount Due on Securities on Default in Payment of Interest or Principal. The Company covenants that:

(1) in case default shall be made in the payment of any installment of interest on any of the Securities of any Series as and when the same shall become due and payable, and such default shall have continued for a period of 30 days or

(2) in case default shall be made in the payment of all or any part of the principal of any of the Securities of any Series when the same shall have become due and payable, whether at the Stated Maturity of the Securities of such Series or by any call for redemption or upon declaration of acceleration or otherwise or

(3) default shall be made in the satisfaction of any sinking fund obligation when and as such obligation becomes due and payable,

upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the Holders of the Securities of such Series, the whole amount that then shall have become due and payable on all such Securities of such Series for principal (and any premium) and interest and for any overdue sinking fund payment together with interest upon the overdue principal and installments of interest (to the extent permitted by law) at the rate or rates of interest borne by, or prescribed therefor in, the Securities of such Series; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expense of collection, including a reasonable compensation to the Trustee, its agents and counsel, and any expenses or liabilities incurred, and all advances made, by the Trustee hereunder other than through its negligence or bad faith.

In case the Company shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as Trustee of an express trust, shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Company, the Guarantor or any other obligor upon such Securities, and collect in the manner provided by law out of the property of the Company, the Guarantor or any other obligor upon such Securities wherever situated the moneys adjudged or decreed to be payable.

If an Event of Default with respect to Securities of any Series 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 6.03. Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other similar 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 the Securities of any Series 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 or interest) shall be entitled and empowered, to the fullest extent permitted by law, by intervention in such proceeding or otherwise:

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

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

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder 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 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 7.06.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder 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 in any such proceeding.

Section 6.04. Trustee May Enforce Claims Without Possession of Securities. All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee to the fullest extent permitted by law without the possession of any of the Securities 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, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

Section 6.05. Application of Moneys Collected By Trustee. Any moneys collected by the Trustee pursuant to Section 6.02 shall be applied in the order following, at the date or dates fixed by the Trustee for the distribution of such moneys, upon presentation of the several Securities in respect of which moneys have been collected, and stamping thereon the payment, if only partially paid, and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due to the Trustee under Section 7.06;

SECOND: In case the principal of the Outstanding Securities in respect of which moneys have been collected shall not have become due and be unpaid, to the payment of any interest on such Securities, in the order of the maturity of the installments of such interest, with interest upon the overdue installments of interest (so far as permitted by law and to the extent that such interest has been collected by the Trustee at the rate or rates of interest borne by such Securities or prescribed therefor therein), such payments to be made ratably to the Persons entitled thereto, without discrimination or preference;

THIRD: In case the principal of the Outstanding Securities in respect of which such moneys have been collected shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon such Securities for principal and interest, if any, with interest on the overdue principal and any installments of interest (so far as permitted by law and to the extent that such interest has been collected by the Trustee) at the rate or rates of interest borne by, or prescribed therefor in, such Securities; and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon such Securities, then to the payment of such principal and interest, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Security over any other Security, ratably to the aggregate of such principal and accrued and unpaid interest; and

FOURTH: To the payment of the remainder, with appropriate interest to the Company, the Guarantor or their successors or assigns, or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

Section 6.06. Limitation on Suits By Holders of Securities. No Holder of any Security of any Series shall have any right by virtue or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such Holder previously shall have given to the Trustee written notice of a continuing Event of Default, as hereinbefore provided, and unless also the Holders of not less than 25% in principal amount of the Securities of such Series then Outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby (including the reasonable fees of counsel for the Trustee), and the Trustee, for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to this Section 6.06; it being understood and intended, and being expressly covenanted by the taker and Holder of every Security with every other taker and Holder and the Trustee, that no one or more Holders of Securities shall have any right in any manner whatever by virtue or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of the Holders of any other of such Securities, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Securities. For the protection and enforcement of the provisions of this Section, each and every Holder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provisions in this Indenture, the right of any Holder of any Security to receive payment of the principal of and interest on such Security, on or after the respective due dates expressed in such Security (or, in the case of redemption on or after the date fixed for redemption), or to institute suit for the enforcement of any such payment on or after such respective dates shall not be impaired or affected without the consent of such Holder.

Section 6.07. Rights and Remedies Cumulative. All powers and remedies given by this Article Six to the Trustee or to the Holders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the Holders, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any Holder of any of the Securities to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein; and, subject to the provisions of Section 6.06, every power and remedy given by this Article Six or by law to the Trustee or to the Holders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Holders. The assertion or employment of any right or remedy hereunder or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.08. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of any Securities 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. Subject to the provisions of Section 6.06, every right and remedy given by this Article Six 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 6.09. Control By Holders; Waiver of Past Defaults. The Holders of a majority in principal amount of the Securities of a Series at the time Outstanding (determined as provided in Section 8.04) and with respect to which an Event of Default shall have occurred and be continuing 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; provided, however, that, subject to Section 7.01, the Trustee shall have the right to decline to follow any such direction if the Trustee in reliance upon an Opinion of Counsel



determines that the action so directed may not lawfully be taken, or if the Trustee in good faith shall, by a Responsible Officer or Officers of the Trustee, determine that the proceedings so directed would be illegal or involve it in personal liability or be unduly prejudicial to the rights of Holders not parties to such direction, and provided further that nothing in this Indenture shall impair the right of the Trustee to take any action deemed proper by the Trustee and which is not inconsistent with such direction by the Holders.

The Company may set a special record date for purposes of determining the identity of the Holders of Securities entitled to vote or consent to any action by vote or consent authorized or permitted by this Section 6.09. Such record date shall be the later of 15 days prior to the first solicitation of such consent or the date of the most recent list of holders furnished to the Trustee pursuant to Section 5.01 of this Indenture prior to such solicitation.

The Holders of not less than a majority in principal amount of the Securities of any Series at the time Outstanding (determined as provided in Section 8.04) may on behalf of the Holders of all the Securities of such Series waive any past Event of Default with respect to such Series and its consequences (subject to Section 6.02), except a continuing Event of Default specified in Section 6.01(a), (b) or (c), or in respect of a covenant or provision hereof which under Article Ten cannot be modified or amended without the consent of the Holder of each Security so affected. Upon any such waiver, the Company, the Guarantor, the Trustee and the Holders of the Securities of such Series shall be restored to their former positions and rights hereunder, respectively, and such Event of Default shall be deemed to have been cured and not continuing for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 6.10. Trustee to Give Notice of Defaults Known to It, But May Withhold in Certain Circumstances. The Trustee shall, within 90 days after the occurrence of any default hereunder with respect to the Securities of any Series, give to the Holders of the Securities of such Series in the manner and to the extent provided in subsection (c) of Section 5.04 with respect to reports pursuant to subsection (a) of said Section 5.04, notice of such default known to the Trustee unless such default shall have been cured, remedied or waived before the giving of such notice (the term "default" for the purposes of this Section 6.10 being hereby defined to be the events specified in Section 6.01 and any additional events specified in the terms of any Series of Securities pursuant to Section 2.01 not including any periods of grace provided for therein, and irrespective of the giving of written notice specified in clause (d) of Section 6.01 and in any such terms); provided, that except in the case of default in the payment of the principal of or interest on any of the 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 interest of the Holders of the Securities of such Series.

Section 6.11. Requirement of an Undertaking to Pay Costs in Certain Suits Under the Indenture or Against the Trustee. All parties to this Indenture agree, and each Holder of any Security by such Holder's 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 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 6.11 shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder of Securities of any Series, or group of such Holders, holding in the aggregate more than ten percent in principal amount of the Securities of such Series Outstanding, or to any suit instituted by any Holder for the enforcement of the payment of the principal of or any interest or premium on any Security, on or after the due date expressed in such Security (or in the case of any redemption, on or after the Redemption Date).

## ARTICLE SEVEN

CONCERNING THE TRUSTEE

Section 7.01. Certain Duties and Responsibilities of Trustee. The Trustee, prior to the occurrence of an Event of Default and after the curing, remedying or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured, remedied or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

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, provided, however, that:

(a) prior to the occurrence of an Event of Default and after the curing, remedying or waiving of all Events of Default which may have occurred:

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which 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 to the requirements of this Indenture;

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

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of Securities pursuant to Section 6.09 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.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 7.02. Certain Rights of Trustee. Except as otherwise provided in Section 7.01:

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

(b) Any request, direction, order or demand of the Company or the Guarantor mentioned herein shall be sufficiently evidenced by an Officer's Certificate (unless other evidence in respect thereof shall be herein specifically prescribed); and any resolution of the Board of Directors of the Company or of the Guarantor may be evidenced to the Trustee by a copy thereof certified by the Secretary or an Assistant Secretary of the Company or the Guarantor, as the case may be.

(c) The Trustee may consult with counsel and the written 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 accordance with such written advice or Opinion of Counsel.

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Securityholders, pursuant to the provisions of this Indenture, unless such Securityholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

(e) The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(f) 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, consent, order, approval, bond, debenture, note or other paper or document, unless requested in writing so to do by the Holders of Securities pursuant to Section 6.09; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such costs, expenses or liabilities as a condition to so proceeding; and provided further, that nothing in this subsection (f) shall require the Trustee to give the Securityholders any notice other than that required by Section 6.10. The reasonable expense of every such examination shall be paid by the Company or, if paid by the Trustee, shall be repaid by the Company upon demand.

(g) 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.

(h) The Trustee shall be under no responsibility for the approval by it in good faith of any expert for any of the purposes expressed in this Indenture.

Section 7.03. Trustee Not Responsible for Recitals or Application of Proceeds. The recitals contained herein and in the Securities (other than the certificate of authentication on the Securities) shall be taken as the statements of the Company or the Guarantor, as the case may be, and the Trustee assumes no responsibility for the correctness of the same. 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 any of the Securities or of the proceeds thereof.

Section 7.04. Trustee May Own Securities. The Trustee, any Paying Agent, registrar or any agent of the Company or of the Trustee, in its individual or any other capacity, may become the owner or pledgee

of Securities with the same rights it would have if it were not Trustee, Paying Agent, registrar or such other agent.

Section 7.05. Moneys Received by Trustee to be Held in Trust. Moneys held by the Trustee in trust 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 with the Company.

Section 7.06. Trustee Entitled to Compensation, Reimbursement and Indemnity. The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of any express trust), and the Company will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in connection with the acceptance or administration of its trust under this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all Persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or bad faith. The Company also agrees to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustee and arising out of or in connection with the acceptance or administration of this trust, including the reasonable costs and expenses of defending itself against any claim of liability in the premises. The obligations of the Company under this Section to compensate the Trustee, to pay or reimburse the Trustee for expenses, disbursements and advances and to indemnify and hold harmless the Trustee shall constitute additional indebtedness hereunder and shall survive the satisfaction and discharge of this Indenture. Such additional indebtedness shall be secured by a lien prior to that of the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of or interest or redemption premium on particular Securities.

Section 7.07. Right of Trustee to Rely on Officers' Certificate Where No Other Evidence Specifically Prescribed. Except as otherwise provided in Section 7.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate of the Company or the Guarantor delivered to the Trustee, and such Certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the faith thereof.

Section 7.08. Disqualification; Conflicting Interest. (a) If the Trustee has or shall acquire any conflicting interest, as defined in this Section 7.08, it shall, within 90 days after ascertaining that it has such conflicting interest, and if the Event of Default to which such conflicting interest relates has not been cured or duly waived or otherwise eliminated before the end of such 90-day period, the Trustee shall either eliminate such conflicting interest or, except as otherwise provided in this Section 7.08, resign in the manner and with the effect specified in Section 7.10, such resignation to become effective upon the appointment of a successor trustee and such successor's acceptance of such appointment, and the Company shall take prompt steps to have a successor appointed in the manner provided in Section 7.10.

(b) In the event that the Trustee shall fail to comply with the provisions of subsection (a) of this Section, the Trustee shall, within ten days after the expiration of such 90-day period, transmit notice of such failure to the Securityholders in the manner and to the extent provided in subsection (c) of Section 5.04 with respect to reports pursuant to subsection (a) of said Section 5.04.

(c) Subject to the provisions of Section 6.11 of this Indenture, unless the Trustee's duty to resign is stayed as provided in subsection (f) of this Section 7.08, any Holder who has been a bona fide

Holder of Securities for at least six months may, on such Holder's behalf and on behalf of all other Holders similarly situated, petition any court of competent jurisdiction for the removal of such Trustee and the appointment of

a successor, if such Trustee fails after written request thereof by such Holder to comply with the provisions of subsection (a) of this Section 7.08.

(d) For the purposes of this Section 7.08 the Trustee shall be deemed to have a conflicting interest with respect to the Securities of any Series if an Event of Default (exclusive of any period of grace or requirement of notice) has occurred with respect to securities of such Series and:

(1) the Trustee is trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the Company or the Guarantor or any other obligor on the Securities are outstanding or is trustee for more than one outstanding series of securities, as hereinafter defined, under a single indenture of the Company, the Guarantor or any other obligor on the Securities, unless such other indenture is a collateral trust indenture under which the only collateral consists of Securities, provided that there shall be excluded from the operation of this paragraph, this Indenture with respect to the Securities of any other Series outstanding, the Indenture dated as of May 15, 1987 among Chevron Capital U.S.A. Inc, as issuer, Chevron Corporation, as guarantor and the Trustee and the Indenture dated as of June 15, 1995 between Chevron Corporation and the Trustee and any other indenture or indentures under which other securities, or certificates of interest or participation in other securities, of the Company or the Guarantor or any other obligor on the Securities are outstanding, if (A) this Indenture is and such other indenture or indentures (and all series of securities issued thereunder) are wholly unsecured and rank equally, and such other indenture or indentures (and such series) are hereafter qualified under the Trust Indenture Act of 1939, unless the Commission shall have found and declared by order pursuant to subsection (b) of Section 305 or subsection (c) of Section 307 of the Trust Indenture Act of 1939, that differences exist between the provisions of this Indenture with respect to Securities of such Series and one or more other Series, or the provisions of this Indenture and the provisions of such other indenture or indentures (or such series), which are so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under this Indenture with respect to Securities of such Series and such other Series, or under this Indenture and such other indenture or indentures, or (B) the Company or the Guarantor shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that the trusteeship under this Indenture with respect to Securities of such Series and such other Series, or under this Indenture and such other indenture, is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under this Indenture with respect to Securities of such Series and such other Series, or under this Indenture and one of such indentures,

(2) the Trustee or any of its directors or executive officers is an underwriter for the Company or the Guarantor or any other obligor on the Securities,

(3) the Trustee directly or indirectly controls or is directly or indirectly controlled by or is under direct or indirect common control with an underwriter for the Company or the Guarantor or any other obligor on the Securities,

(4) the Trustee or any of its directors or executive officers is a director, officer, partner, employee, appointee or representative of the Company or the Guarantor or any other obligor on the Securities, or of an underwriter (other than the Trustee itself) for the Company or the Guarantor or any other obligor on the Securities who is currently engaged in the business of underwriting, except that (A) one individual may be a director and/or an executive officer of the Trustee and a director and/or an executive officer of the Company or the Guarantor or any other obligor on the Securities, but may not be at the same time an executive officer of both the Trustee and the Company or the Guarantor or any other obligor

on the Securities; (B) if and so long as the number of directors of the Trustee in office is more than nine, one additional individual may be a director and/or an executive officer of the Trustee and a director of the Company or the Guarantor or any other obligor on the Securities; and (C) the Trustee may be designated by the Company or the Guarantor or any other obligor on the Securities or by an underwriter for the Company or the Guarantor or any other obligor on the Securities to act in the capacity of transfer agent, registrar, custodian, paying agent, fiscal agent, escrow agent or depository, or in any other similar capacity, or, subject to the provisions of paragraph (1) of this subsection (d), to act as trustee whether under an indenture or otherwise,

(5) ten percent or more of the voting securities of the Trustee are beneficially owned either by the Company or the Guarantor or any other obligor on the Securities or by any director, partner or executive officer thereof, or 20% or more of such voting securities are beneficially owned, collectively, by any two or more of such Persons; or ten percent or more of the voting securities of the Trustee are beneficially owned either by an underwriter for the Company or the Guarantor or any other obligor on the Securities or by any director, partner or executive officer thereof, respectively, or are beneficially owned, collectively, by any two or more such Persons,

(6) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default as hereinafter defined, (A) five percent or more of the voting securities, or ten percent or more of any other class of security, of the Company or the Guarantor or any other obligor on the Securities, not including the Securities and securities issued under any other indenture under which the Trustee is also trustee, or (B) ten percent or more of any class of security of an underwriter for the Company or the Guarantor or any other obligor on the Securities,

(7) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default, as hereinafter defined, five percent or more of the voting securities of any Person who, to the knowledge of the Trustee, owns ten percent or more of the voting securities of, or controls directly or indirectly or is under direct or indirect common control with the Company or the Guarantor or any other obligor on the Securities,

(8) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default, as hereinafter defined, ten percent or more of any class of security of any Person who, to the knowledge of the Trustee, owns 50% or more of the voting securities of the Company or the Guarantor or any other obligor on the Securities,

(9) the Trustee owns on the date of the occurrence of such Event of Default (exclusive of any period of grace or requirement of notice) or any anniversary thereof while such Event of Default remains outstanding, in the capacity of executor, administrator, testamentary or inter vivos trustee, guardian, committee or conservator, or in any other similar capacity an aggregate of 25% or more of the voting securities or of any class of security, of any Person, the beneficial ownership of a specified percentage of which would have constituted a conflicting interest under paragraph (6), (7) or (8) of this subsection (d). As to any such securities of which the Trustee acquired ownership through becoming executor, administrator or testamentary trustee of an estate which included them, the provisions of the preceding sentence shall not apply, for a period of two years from the date of such acquisition, to the extent that such securities included in such estate do not exceed 25% of such voting securities or 25% of any such class of security. Promptly after the date of the occurrence of any such Event of Default and annually in each succeeding year that the Securities or any Series thereof remain in default, the Trustee shall make a check of its holdings of such securities in any of the above-mentioned capacities as of such date. If the Company or the Guarantor or any other obligor on the Securities fails to make payment in

full of principal of or interest on any of the Securities when and as the same becomes due and payable and such failure continues for 30 days thereafter, the Trustee shall make a prompt check of its holdings of such securities in any of the above-mentioned capacities as of the date of the expiration of such 30-day period, and after such date, notwithstanding the foregoing provisions of this paragraph (9), all such securities so held by the Trustee, with sole or joint control over such securities vested in it, shall, but only so long as such failure shall continue, be considered as though beneficially owned by the Trustee for the purposes of paragraphs (6), (7) and (8) of this subsection (d), or

(10) except under the circumstances described in paragraphs (1), (3), (4), (5) or (6) of Section 7.13(b), the Trustee shall be or become a creditor of the Company or the Guarantor or any other obligor on the Securities.

The specifications of percentages in paragraphs (5) to (9), inclusive, of this subsection (d) shall not be construed as indicating that the ownership of such percentages of the securities of a Person is or is not necessary or sufficient to constitute direct or indirect control for the purposes of paragraph (3) or (7) of this subsection (d).

For the purposes of paragraphs (6), (7), (8) and (9) of this subsection (d) only, (A) the terms "security" and "securities" shall include only such securities as are generally known as corporate securities, but shall not include any note or other evidence of indebtedness issued to evidence an obligation to repay moneys lent to a Person by one or more banks, trust companies or banking firms, or any certificate of interest or participation in any such note or evidence of indebtedness; (B) an obligation shall be deemed to be in default when a default in payment of principal shall have continued for 30 days or more and shall not have been cured; and (C) the Trustee shall not be deemed to be the owner or Holder of (i) any security which it holds as collateral security (as trustee or otherwise) for an obligation which is not in default as defined in clause (B) above, or (ii) any security which it holds as collateral security under this Indenture, irrespective of any default hereunder, or (iii) any security which it holds as agent for collection, or as custodian, escrow agent or depository, or in any similar representative capacity.

(e) For the purposes of this Section 7.08:

(1) The term "underwriter" when used with reference to the Company or the Guarantor or any other obligor on the Securities shall mean every Person who, within one year prior to the time as of which the determination is made, has purchased from the Company or the Guarantor or any other obligor on the Securities with a view to, or has offered or sold for the Company or the Guarantor or any other obligor on the Securities in connection with, the distribution of any security of the Company or the Guarantor or any other obligor on the Securities outstanding at such time, or has participated or has had a direct or indirect participation in any such undertaking, or has participated or has had a participation in the direct or indirect underwriting of any such undertaking, but such term shall not include a Person whose interest was limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors' or sellers' commission.

(2) The term "director" shall mean any director of a corporation or any individual performing similar functions with respect to any organization whether incorporated or unincorporated.

(3) The term "trust" shall include only a trust where the interest or interests of the beneficiary or beneficiaries are evidenced by a security.

(4) The term "voting security" shall mean any security presently entitling the owner or Holder thereof to vote in the direction or management of the affairs of a Person, or any security issued under or pursuant to any trust, agreement or arrangement whereby a

trustee or trustees or agent or agents for the owner or Holder of such security are presently entitled to vote in the direction or management of the affairs of a Person.

(5) The term "executive officer" shall mean the president, every vice-president, every trust officer, the cashier, the secretary and the treasurer of a corporation, and any individual customarily performing similar functions with respect to any organization whether incorporated or unincorporated, but shall not include the chairman of the board of directors.

(6) Except for purposes of paragraphs (6), (7), (8) and (9) of subsection (d) of this Section 7.08, the term "security" or "securities" shall mean any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, pre-organization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral rights, or, in general, any interest or instrument commonly known as a "security" or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

(7) For the purpose of subsection (d)(1) of this Section 7.08, the term "Series of securities" or "Series" means a Series, class or group of securities issuable under an indenture pursuant to whose terms Holders of one such Series may vote to direct the indenture trustee, or otherwise take action pursuant to a vote of such holders, separately from holders of another such Series; provided, that "Series of securities" or "Series" shall not include any Series of securities issuable under an indenture if all such Series rank equally and are wholly unsecured.

The percentages of voting securities and other securities specified in this Section 7.08 shall be calculated in accordance with the following provisions:

(A) A specified percentage of the voting securities of the Trustee, the Company, the Guarantor or any other Person referred to in this Section 7.08 (each of whom is referred to as a "Person" in this paragraph) means such amount of the outstanding voting securities of such Person as entitles the Holder or Holders thereof to cast such specified percentage of the aggregate votes which the Holders of all the outstanding voting securities of such Person are entitled to cast in the direction or management of the affairs of such Person.

(B) A specified percentage of a class of securities of a Person means such percentage of the aggregate amount of securities of the class outstanding.

(C) The term "amount", when used in regard to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to capital shares, and the number of units if relating to any other kind of security.

(D) The term "outstanding" means issued and not held by or for the account of the issuer. The following securities shall not be deemed outstanding within the meaning of this definition:

(i) securities of an issuer held in a sinking fund relating to securities of the issuer of the same class;



(ii) securities of an issuer held in a sinking fund relating to another class of securities of the issuer, if the obligation evidenced by such other class of securities is not in default as to principal or interest or otherwise;

(iii) securities pledged by the issuer thereof as security for an obligation of the issuer not in default as to principal or interest or otherwise; and

(iv) securities held in escrow if placed in escrow by the issuer thereof;

provided, however, that any voting securities of an issuer shall be deemed outstanding if any Person other than the issuer is entitled to exercise the voting rights thereof.

(E) A security shall be deemed to be of the same class as another security if both securities confer upon the Holder or Holders thereof substantially the same rights and privileges, provided, however, that, in the case of secured evidences of indebtedness, all of which are issued under a single indenture, differences in the interest rates or maturity dates of various Series thereof shall not be deemed sufficient to constitute such Series different classes, and provided further that, in the case of unsecured evidences of indebtedness, differences in the interest rate or maturity dates thereof shall not be deemed sufficient to constitute them securities of different classes, whether or not they are issued under a single indenture.

(f) Except in the case of a default in the payment of the principal of or interest on any Securities, or in the payment of any sinking or purchase fund installment, the Trustee shall not be required to resign as provided by this Section 7.08 if the Trustee shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that (i) the default under this Indenture may be cured or waived during a reasonable period and under the procedures described in such application, and (ii) a stay of the Trustee's duty to resign will not be inconsistent with the interests of Holders of such Series of Securities. The filing of such an application shall automatically stay the performance of the duty to resign until the Commission orders otherwise. Any resignation of the Trustee shall become effective only upon the appointment of a successor trustee and such successor's acceptance of such appointment.

Section 7.09. Requirements for Eligibility of Trustee. There shall always be at least one Trustee hereunder. The Trustee hereunder shall at all times be a corporation organized and doing business as a commercial bank under the laws of the United States or any state thereof or of the District of Columbia or a corporation or other Person permitted to act as a trustee by the Commission and, in each case, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$100,000,000 and subject to supervision or examination by Federal, State or District of Columbia authority. 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, 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. No obligor on the Securities or Person directly or indirectly controlling, controlled by or under common control with such obligor shall serve as Trustee. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 7.09, the Trustee shall resign immediately in the manner and with the effect specified in this Article Seven.

Section 7.10. Resignation and Removal of Trustee; Appointment of Successor. (a) The Trustee, or any trustee or trustees hereafter appointed, may at any time resign with respect to one or more or all Series of Securities by giving written notice of such resignation to the Company and to the Guarantor and by giving to the Holders of Securities notice thereof in the manner and to the extent provided in subsection (c) of Section 5.04 with respect to reports pursuant to subsection (a) of Section 5.04. Upon receiving such notice of resignation and if the Company or the Guarantor shall deem it appropriate, evidence satisfactory to it of such mailing to the Holders, the Company shall promptly appoint a successor trustee with respect to all Series of Securities or, if appropriate, the applicable Series by written instrument executed by an authorized

officer of the Company, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed with respect to any Series and have accepted appointment within 30 days after the mailing of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Holder who has been a bona fide Holder of a Security or Securities of the applicable Series for at least six months may, subject to the provisions of Section 6.11, on such Holder's behalf and on behalf of all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(1) the Trustee shall fail to comply with the provisions of subsection (a) of Section 7.08 after written request therefor by the Company or by any Securityholder who has been a bona fide Holder of a Security or Securities of the applicable Series for at least six months, or

(2) the Trustee shall cease to be eligible in accordance with the provisions of Section 7.09 and shall fail to resign after written request therefor by the Company or by any such Securityholder, or

(3) the Trustee shall become incapable of acting, 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,

(4) The Company shall determine that the Trustee has failed to perform its obligations under this Indenture in any material respect,

then, in any such case, the Company may remove the Trustee and appoint a successor trustee by written instrument executed by an authorized officer of the Company, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 6.11, any Securityholder who has been a bona fide Holder of a Security or Securities for at least six months may, on such Person's behalf and on behalf of all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The Holders of a majority in principal amount of the Securities Outstanding (determined as provided in Section 8.04) may at any time remove the Trustee and appoint a successor trustee by written instrument or instruments signed by such Holders or their attorneys-in-fact duly authorized, or by the affidavits of the permanent chairman and secretary of a meeting of the Securityholders evidencing the vote upon a resolution or resolutions submitted thereto with respect to such removal and appointment (as provided in Article Nine), and by delivery thereof to the Trustee so removed, to the successor trustee and to the Company and the Guarantor.

(d) Any resignation or removal of the Trustee and any appointment of a successor trustee pursuant to any of the provisions of this Section shall become effective upon acceptance of appointment by the successor trustee as provided in Section 7.11.

Section 7.11. Acceptance of Appointment by Successor Trustee. Any successor trustee appointed as provided in Section 7.10 shall execute, acknowledge and deliver to the Company, the Guarantor and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations

with respect to such Series of its predecessor hereunder, with like effect as if originally named as trustee herein; but, nevertheless, on the written request of the Company or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due it pursuant to the provisions of Section 7.06, execute and deliver an instrument transferring to such successor trustee all the rights and powers with respect to the trustee so ceasing to act. Upon written request of any such successor trustee, the Company and the Guarantor shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 7.06.

No successor trustee shall accept appointment as provided in this Section 7.11 unless at the time of such acceptance such successor trustee shall be qualified under the provisions of Section 7.08 and eligible under the provisions of Section 7.09.

Upon acceptance of appointment by a successor trustee as provided in this Section 7.11, the successor trustee shall at the expense of the Company transmit notice of the succession of such trustee hereunder to the Holders of Securities in the manner and to the extent provided in subsection (c) of Section 5.04 with respect to reports pursuant to subsection (a) of said Section 5.04.

Section 7.12. Successor to Trustee by Merger, Consolidation or Succession to Business. 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 such corporation shall be qualified under the provisions of Section 7.08 and eligible under the provisions of Section 7.09, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor Trustee, and deliver such Securities so authenticated; and in case at that time any of the Securities shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Securities or in this Indenture provided that the certificate of the Trustee shall have; provided, however, that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Securities in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

Section 7.13. Preferential Collection of Claims Against Company or Guarantor. (a) Subject to the provisions of subsection (b) of this Section 7.13, if the Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Company or of the Guarantor or any other obligor on the Securities within three months prior to a default, as defined in subsection (c) of this Section, or subsequent to such a default, then, unless and until such default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually, the Holders of the Securities for which it is acting as Trustee, and the Holders of other indenture securities (as defined in subsection (c) of this Section 7.13):

(1) an amount equal to any and all reductions in the amount due and owing upon any claim as such creditor in respect of principal or interest, effected after the beginning of such three months' period, and valid as against the Company, the Guarantor or such other obligor on the Securities and their respective other creditors, except any such reduction resulting from the receipt or disposition of any property described in paragraph (2) of this subsection, or from the exercise of any right of set-off which the Trustee could have exercised if a petition in bankruptcy had been filed by or against the Company or the

Guarantor or such other obligor on the Securities, as the case may be, upon the date of such default; and

(2) all property received by the Trustee in respect of any claims as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such three months' period, or an amount equal to the proceeds of any such property if disposed of, subject, however, to the rights, if any, of the Company or the Guarantor or such other obligor on the Securities, as the case may be, and their respective other creditors in such property or such proceeds.

Nothing herein contained, however, shall affect the right of the Trustee:

(A) to retain for its own account (i) payments made on account of any such claim by any Person (other than the Company or the Guarantor or such other obligor on the Securities, as the case may be) who is liable thereon, and (ii) the proceeds of the bona fide sale of any claim by the Trustee to a third Person, and (iii) distributions made in cash, securities or other property in respect of claims filed against the Company or the Guarantor or such other obligor on the Securities, as the case may be, in bankruptcy or receivership or in proceedings for reorganization pursuant to Title 11 of the United States Code or applicable State laws;

(B) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such three months' period;

(C) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such three months' period and such property was received as security therefor simultaneously with the creation thereof, and if the Trustee shall sustain the burden of proving that at the time such property was so received, the Trustee had no reasonable cause to believe that a default, as defined in subsection (c) of this Section 7.13 would occur within three months; or

(D) to receive payment on any claim referred to in paragraph (B) or (C), against the release of any property held as security for such claim as provided in such paragraph (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purposes of paragraphs (B), (C) and (D), property substituted after the beginning of such three months' period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and to the extent that any claim referred to in any of such paragraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any preexisting claim of the Trustee as such creditor, such claim shall have the same status as such preexisting claim.

If the Trustee shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned among the Trustee, the Holders of Securities for which it is acting as Trustee, and the Holders of other indenture securities in such manner that the Trustee, such Securityholders and the Holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against the Company or the Guarantor or such other obligor on the Securities, as the case may be, in bankruptcy or receivership or in proceedings for reorganization pursuant to Title 11 of the United States Code or applicable State law, the same percentage of their respective claims, figured before crediting to the claim of the Trustee anything on account of the receipt by it from the Company or the Guarantor or such other obligor on the Securities, as the case may be, of the funds and property in such special account and before crediting to the respective claims of the Trustee,

such Securityholders, and the Holders of other indenture securities dividends on claims filed against the Company or the Guarantor or such other obligor on the Securities, as the case may be, in bankruptcy or receivership or in proceedings for reorganization pursuant to Title 11 of the United States Code or applicable State law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim in bankruptcy or receivership or in proceedings for reorganization pursuant to Title 11 of the United States Code or applicable State law, whether such distribution is made in cash, securities or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership or proceeding for reorganization is pending shall have jurisdiction (i) to apportion among the Trustee, such Securityholders, and the Holders of other indenture securities, in accordance with the provisions of this paragraph, the funds and property held in such special account and the proceeds thereof, or (ii) in lieu of such apportionment in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to the Trustee, such Securityholders and the Holders of other indenture securities with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of such distributions as between the secured and unsecured portions of such claim, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any Trustee who has resigned or been removed after the beginning of such three months' period shall be subject to the provisions of this subsection (a) as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such three months' period, it shall be subject to the provisions of this subsection (a) if and only if the following conditions exist:

(i) the receipt of property or reduction of claim which would have given rise to the obligation to account, if such Trustee had continued, as trustee, occurred after the beginning of such three months' period; and

(ii) such receipt of property or reduction of claim occurred within three months after such resignation or removal.

In every case commenced under the Bankruptcy Act of 1898, or any amendment thereto enacted prior to November 6, 1978, all references to periods of three months shall be deemed to be references to periods of four months.

(b) There shall be excluded from the operation of subsection (a) of this Section 7.13 a creditor relationship arising from:

(1) the ownership or acquisition of securities issued under any indenture, or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee;

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction, or by this Indenture, for the purpose of preserving any property which shall at any time be subject to the lien of this Indenture or of discharging tax liens or other prior liens or encumbrances thereon, if notice of such advance and of the circumstances surrounding the making thereof is given to the Securityholders at the time and in the manner provided in Section 5.04(c) with respect to reports pursuant to subsections (a) and (b) thereof, respectively;

(3) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, paying agent, fiscal agent or depository, or other similar capacity;

(4) an indebtedness created as a result of services rendered or premises rented, or an indebtedness created as a result of goods or securities sold in a cash transaction as defined in subsection (c) of this Section 7.13;

(5) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Company or the Guarantor or any other obligor on the Securities; and

(6) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of self-liquidating paper as defined in subsection (c) of this Section 7.13.

(c) As used in this Section 7.13 the following terms shall be accorded the following definitions:

(1) the term "default" shall mean any failure to make payment in full of the principal of and any premium or interest on any of the Securities or on the other indenture securities when and as such principal or interest becomes due and payable.

(2) the term "other indenture securities" shall mean securities upon which the Company or the Guarantor or any other obligor on the Securities is an "obligor" (as defined in the Trust Indenture Act of 1939, as amended) Outstanding under any other indenture (A) under which the Trustee is also trustee, (B) which contains provisions substantially similar to the provisions of subsection (a) of this Section 7.13, and (C) under which a default exists at the time of the apportionment of the funds and property held in said special account.

(3) the term "cash transaction" shall mean any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand.

(4) the term "self-liquidating paper" shall mean any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company or the Guarantor or any other obligor on the Securities for the purpose of financing the purchase, processing, manufacture, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Company or the Guarantor or any other obligor on the Securities arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

## ARTICLE EIGHT

### CONCERNING THE SECURITYHOLDERS

Section 8.01. Evidence of Action by Securityholders. Whenever in this Indenture it is provided that the Holders of a specified percentage in principal amount of the Securities of any or all Series may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the Holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by such Securityholders in Person or by agent or proxy appointed in writing, or (b) by

the record of such Holders of Securities voting in favor hereof at any meeting of such Securityholders duly called and held in accordance with the provisions of Article Nine, or (c) by a combination of such instrument or instruments and any such record of such a meeting of such Securityholders.

Section 8.02. Proof of Execution of Instruments and of Holding of Securities. Subject to the provisions of Sections 7.01, 7.02 and 9.05, proof of the execution of any instrument by a Securityholder or such Holder's agent or proxy and proof of the holding by any Person of any of the Securities shall be sufficient if made in the following manner:

(a) The fact and date of the execution by any such Person of any instrument may be proved in any reasonable manner acceptable to the Trustee.

(b) The ownership of fully registered Securities of any Series (including Global Securities) shall be proved by the Register of such Securities of such Series, or by certificates of the Security registrar or registrars thereof.

(c) The amount of bearer Securities held by any Person, the numbers of such Securities and the date of such Person's holding the same may be proved by the production of such Securities or by a certificate in form satisfactory to the Trustee, executed by any trust company, bank, banker or member of a national securities exchange, as depository.

The Trustee shall not be bound to recognize any Person as a Securityholder unless and until such Person's title to the Securities held by it is proved in the manner in this Article Eight provided.

The record of any Securityholders' meeting shall be proved in the manner provided in Section 9.06.

The Trustee may accept such other proof or require such additional proof of any matter referred to in this Section 8.02 as it shall deem reasonable.

Section 8.03. Who May be Deemed Owners of Securities. Prior to due presentment for transfer of any fully registered Security, the Company, the Guarantor, the Trustee and any agent of the Company, the Guarantor or the Trustee may deem and treat the Person in whose name such Security shall be registered upon the Register of Securities of the Series of which such Security is a part as the absolute owner of such Security (whether or not such Security shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or on account of the principal of and interest, subject to Section 2.03, on such Security and for all other purposes; and neither the Company, the Guarantor or the Trustee nor any agent of the Company, the Guarantor or the Trustee shall be affected by any notice to the contrary. All such payments so made to any such Holder for the time being, or upon his order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability of moneys payable upon any such Security. Ownership of bearer Securities shall be proved as provided in Section 8.02(c).

If the Securities of any Series are issued in the form of one or more Global Securities, the Depository therefor may grant proxies to Persons having a beneficial ownership in such Global Security or Securities for purposes of voting or otherwise responding to any request for consent, waiver or other action which the Holder of such Security is entitled to grant or take under this Indenture and the Trustee shall accept such proxies for the purposes granted; provided, that the Trustee, the Company and the Guarantor shall not have any obligation with respect to the grant of or solicitation by the Depository of such proxies.

Section 8.04. Securities Owned by the Company, the Guarantor or Controlled or Controlling Persons Disregarded for Certain Purposes. In determining whether the Holders of the requisite principal amount of Securities have concurred in any demand, direction, request, notice, vote, consent, waiver or other action under this Indenture, Securities which are owned by the Company, the Guarantor or any other obligor on the Securities or by any Person directly or indirectly controlling or controlled by or under direct or indirect

common control with the Company, the Guarantor or any other obligor on the Securities shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided that for the purposes of determining whether the Trustee shall be protected in relying on any such demand, direction, request, notice, vote, consent, waiver or other action, only Securities which a Responsible Officer of the Trustee assigned to its principal office knows are so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 8.04, if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Securities and that the pledgee is not a Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company, the Guarantor or any such other obligor.

Upon request of the Trustee, the Company or the Guarantor, as the case may be, shall furnish to the Trustee promptly an Officers' Certificate of the Company or the Guarantor, as the case may be, listing and identifying all Securities, if any, known by the Company or the Guarantor to be owned or held by or for the account of the Company or the Guarantor, as the case may be, or any other obligor on the Securities or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or the Guarantor, as the case may be, or any other obligor on the Securities; and, subject to the provisions of Section 7.01, the Trustee shall be entitled to accept such Officers' Certificate of the Company or the Guarantor, as the case may be, as conclusive evidence of the facts therein set forth and of the fact that all Securities not listed therein are Outstanding for the purpose of any such determination.

Section 8.05. Instruments Executed by Securityholders Bind Future Holders. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01, of the taking of any action by the Holders of the percentage in principal amount of the Securities specified in this Indenture in connection with such action, any Holder of a Security which is shown by the evidence to be included in the Securities the Holders of which have consented to such action may, by filing written notice with the Trustee at its principal office and upon proof of holding as provided in Section 8.02, revoke such action so far as concerns such Security. Except as aforesaid any such action taken by the Holder of any Security and any direction, demand, request, notice, waiver, consent, vote or other action of the Holder of any Security which by any provisions of this Indenture is required or permitted to be given shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Security, and of any Security issued in lieu thereof, irrespective of whether any notation in regard thereto is made upon such Security. Any action taken by the Holders of the percentage in principal amount of the Securities of any or all Series specified in this Indenture in connection with such action shall be conclusively binding upon the Company, the Guarantor, the Trustee and the Holders of all of the Securities of such Series subject, however, to the provisions of Section 7.01.

## ARTICLE NINE

### SECURITYHOLDERS' MEETINGS

Section 9.01. Purposes for Which Meetings May be Called. A meeting of Holders of Securities of any or all Series may be called at any time and from time to time pursuant to the provisions of this Article for any of the following purposes:

(1) to give any notice to the Company, to the Guarantor or to the Trustee, or to give any directions to the Trustee, or to consent to the waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by Holders of Securities of any or all Series, as the case may be, pursuant to any of the provisions of Article Six;

(2) to remove the Trustee and appoint a successor trustee pursuant to the provisions of Article Seven;

(3) to consent to the execution of a Supplemental Indenture pursuant to the provisions of Section 10.02; or



(4) to take any other action authorized to be taken by or on behalf of the Holders of any specified principal amount of the Securities of any or all Series, as the case may be, under any other provision of this Indenture or under applicable law.

Section 9.02. Manner of Calling Meetings. The Trustee may at any time call a meeting of Securityholders to take any action specified in Section 9.01, to be held at such time and at such place in The City of New York, State of New York, as the Trustee shall determine. Notice of every meeting of Securityholders, setting forth the time and place of such meeting and in general terms the action proposed to be taken at such meeting, shall be mailed not less than 20 nor more than 60 days prior to the date fixed for the meeting.

Section 9.03. Call of Meeting by Company, the Guarantor or Securityholders. In case at any time the Company, or the Guarantor, as the case may be, pursuant to a resolution of its Board of Directors, or the Holders of not less than ten percent in principal amount of the Securities of any or all Series, as the case may be, then Outstanding, shall have requested the Trustee to call a meeting of Holders of Securities of any or all Series, as the case may be, to take any action authorized in Section 9.01 by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed notice of such meeting within 20 days after receipt of such request, then the Company or the Guarantor or such Holders of Securities in the amount above specified may determine the time and place in the City and County of San Francisco, California or The City of New York, New York for such meeting and may call such meeting to take any action authorized in Section 9.01, by mailing notice thereof as provided in Section 9.02.

Section 9.04. Who May Attend and Vote at Meetings. To be entitled to vote at any meeting of Securityholders a Person shall (a) be a Holder of one or more Securities with respect to which the meeting is being held; or (b) be a Person appointed by an instrument in writing as proxy by such Holder of one or more Securities. The only Persons who shall be entitled to be present or to speak at any meeting of Securityholders shall be the Persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company or the Guarantor and their counsel.

Section 9.05. Regulations May be Made by Trustee; Conduct of the Meeting; Voting Rights; Adjournment. Notwithstanding any other provision of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Securityholders, in regard to proof of the holding of Securities 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 think fit. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 8.02 and the appointment of any proxy shall be proved in the manner specified in said Section 8.02; provided, however, that such regulations may provide that written instruments appointing proxies regular on their face, may be presumed valid and genuine without the proof hereinabove or in said Section 8.02 specified.

The Trustee shall by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company, the Guarantor or by Securityholders as provided in Section 9.03, in which case the Company, the Guarantor or the Securityholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by majority vote of the meeting.

Subject to the provisions of Section 8.04, at any meeting each Securityholder or proxy shall be entitled to one vote for each \$1,000 principal amount (in the case of Original Issue Discount Securities, such principal amount shall be equal to such portion of the principal amount as may be specified in the terms of such Series) of Securities held or represented by such Holder; 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 chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote other than by virtue

of Securities held by such Person or instruments in writing as aforesaid duly designating such Person as the Person to vote on behalf of other Securityholders. Any meeting of Securityholders duly called pursuant to the provisions of Section 9.02 or 9.03 may be adjourned from time to time and the meeting may be held so adjourned without further notice.

At any meeting of Securityholders, the presence of Persons holding or representing Securities in principal amount sufficient to take action on the business for the transaction of which such meeting was called shall constitute a quorum, but, if less than a quorum is present, the Persons holding or representing a majority in principal amount of the Securities represented at the meeting may adjourn such meeting with the same effect for all intents and purposes, as though a quorum had been present.

Section 9.06. Manner of Voting at Meetings and Record to be Kept. The vote upon any resolution submitted to any meeting of Securityholders shall be by written ballots on which shall be subscribed the signatures of the Holders of Securities or of their representatives by proxy and the principal amount or principal amounts of the Securities held or represented by them. The permanent chairman 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 in triplicate of the proceedings of each meeting of Securityholders 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 mailed as provided in Section 9.02. The record shall show the principal amount or principal amounts of the Securities voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the triplicates shall be delivered to the Company, one to the Guarantor, and the other to the Trustee to be preserved by the Trustee.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 9.07. Exercise of Rights to Trustee and Securityholders Not to be Hindered or Delayed. Nothing in this Article contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Securityholders or any rights expressly or impliedly conferred hereunder to make such call, any hindrances or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Securityholders under any of the provisions of this Indenture or of the Securities.

## ARTICLE TEN

### SUPPLEMENTAL INDENTURES

Section 10.01. Purposes for Which Supplemental Indentures May be Entered Into Without Consent of Securityholders. Without the consent of the Holders of any Securities, the Company, the Guarantor and the Trustee may from time to time and at any time enter into one or more Supplemental Indentures (which shall comply with the provisions of the Trust Indenture Act of 1939 as then in effect) for one or more of the following purposes:

(a) if deemed appropriate by the Company or the Guarantor, as the case may be, or required by law, to evidence the succession of another corporation to the Company or to the Guarantor or respective successive successions and the assumption by the successor corporation of the covenants, agreements and obligations of the Company or the Guarantor pursuant to Articles Four and Eleven hereof,

(b) to add to the covenants of the Company or the Guarantor such further covenants, restrictions or conditions as their Boards of Directors, respectively, and the Trustee shall consider to be for the protection of the Holders of all or any Series of Securities (and if such covenants, restrictions or conditions are to be for the benefit of less than all Series of Securities, stating that such covenants, restrictions or conditions are

expressly being included solely for the benefit of such Series), and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions or conditions a default or an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; provided, however, that in respect to any such additional covenant, restriction or condition such Supplemental Indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available to the Trustee upon such default,

(c) to add or change any of the provisions of this Indenture to such extent as shall be necessary to facilitate the issuance of Securities in (i) global form or (ii) bearer form, registerable or not registerable as to principal or principal and interest, and with or without coupons,

(d) to change or eliminate any of the provisions of this Indenture; provided, however, that any such change or elimination shall become effective only when there is no Security of any Series Outstanding created prior to the execution of such Supplemental Indenture which is entitled to the benefit of such provision,

(e) to establish the form or terms of Securities of any Series as permitted by Sections 2.01 and 2.02,

(f) to appoint, at the request of the Trustee, a successor Trustee for a particular Series of Securities to act as such pursuant to the provisions of this Indenture and to add to or change the provisions of this Indenture to such extent as shall be necessary to facilitate the performance of the duties of such successor Trustee and

(g) to cure any ambiguity or to correct or supplement any provisions contained herein or in any Supplemental Indenture which may be defective or inconsistent with any other provision contained herein or in any Supplemental Indenture, or to make such other provisions in regard to matters or questions arising under this Indenture or any Supplemental Indenture which shall not adversely affect the interests of the Holders of the Securities at the time Outstanding.

Section 10.02. Modification of Indenture with Consent of Holders of Securities. With the consent (evidenced as provided in Section 8.01) of the Holders of not less than a majority in principal amount of the Securities of all Series at the time Outstanding (determined as provided in Section 8.04) affected by such Supplemental Indenture (voting as one class), the Company, the Guarantor and the Trustee may from time to time and at any time enter into one or more Supplemental Indentures (which shall comply with the provisions of the Trust Indenture Act of 1939 as then in effect) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any Supplemental Indenture or of modifying in any manner the rights of the Holders of the Securities of each such Series; provided, however, that no such Supplemental Indenture shall, without the consent of the Holders of each Outstanding Security affected thereby:

(a) Change the fixed maturity or Redemption Date of any Security or reduce the rate of interest thereon or the method of determining such rate of interest or extend the time of payment of interest or reduce the principal amount (including the amount of principal of an Original Issue Discount Security that would be due upon declaration of acceleration of the maturity thereof pursuant to Section 6.01 hereof) thereof or reduce any premium payable upon the redemption thereof, or change the coin or currency in which any Security or the interest thereon is payable or impair the right to institute suit for the enforcement of any such payment on or after the maturity thereof (or, in the case of redemption, on or after the Redemption Date), or deprive the Holders of any Security of any of the benefits of the Guarantee or

(b) Reduce the percentage in principal amount of the Outstanding Securities the consent of the Holders of which is required for any such Supplemental Indenture, or the consent of the Holders of which is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture or

(c) Change the time of payment or reduce the amount of any minimum sinking account or fund payment or

(d) Modify any of the provisions of this Section 10.02 of this Indenture, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Security affected thereby.

A Supplemental Indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular Series of Securities, or which modifies the rights of 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.

It shall not be necessary for the consent of the Securityholders under this Section 10.02 to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Company, the Guarantor and the Trustee of any Supplemental Indenture pursuant to the provisions of this Section 10.02, the Company shall mail a notice to the Holders of Securities of each Series so affected, setting forth in general terms the substance of such Supplemental Indenture. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

Section 10.03. Effect of Supplemental Indentures. Upon the execution of any Supplemental Indenture pursuant to the provisions of this Article Ten, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company, the Guarantor and the Holders of Securities shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

The Trustee shall be entitled to receive, and subject to the provisions of Section 7.01 shall be entitled to rely upon, an Opinion of Counsel as conclusive evidence that any such Supplemental Indenture complies with the provisions of this Article Ten and stating that the Securities affected by the Supplemental Indenture, when such Securities are authenticated and delivered by the Trustee and executed and issued by the Company and the Guarantor in the manner and subject to any conditions specified in such Opinion of Counsel, will be valid and binding obligations of the Company and the Guarantor, except as any rights thereunder may be limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and by general equity principles.

Section 10.04. Securities May Bear Notation of Changes by Supplemental Indentures. Securities authenticated and delivered after the execution of any Supplemental Indenture pursuant to the provisions of this Article Ten, or after any action taken at a Securityholders' meeting pursuant to Article Nine, may bear a notation in form approved by the Trustee as to any matter provided for in such Supplemental Indenture or as to any action taken at any such meeting. If the Company, the Guarantor or the Trustee shall so determine, new Securities so modified as to conform, in the opinion of the Trustee and the Boards of Directors of the Company and the Guarantor, respectively, to any modification of this Indenture contained in any such Supplemental Indenture may be prepared by the Company and the Guarantor, authenticated by the Trustee and delivered in exchange for the Securities then Outstanding.

ARTICLE ELEVEN

PARTICULAR COVENANTS OF THE COMPANY

Section 11.01. Payment of Principal of and Interest on Securities. The Company covenants that it will duly and punctually pay or cause to be paid the principal of and any interest and premium on each of the Securities in accordance with the terms of the Securities and this Indenture. Except with respect to any Global Securities, if the fully registered Securities of any Series bear interest, each installment of interest on the Securities of such Series may at the option of the Company be paid by mailing a check or checks for such interest payable to the Person entitled thereto pursuant to Section 2.03 to the address of such Person as it appears on the Register of the Securities of such Series on the applicable Record Date for such interest payment.

Section 11.02. Maintenance of Offices or Agencies for Transfer, Registration, Exchange and Payment of Securities. So long as any of the Securities shall remain Outstanding, the Company covenants that it will maintain an office or agency in either The City of New York, State of New York, or the City and County of San Francisco, State of California, where the Securities may be presented for registration, exchange and transfer as in this Indenture provided, and where notices and demand to or upon the Company in respect of the Securities or of this Indenture may be served, and where the Securities may be presented for payment. In case the Company shall designate and maintain some office or agency other than a previously designated office or agency, it shall give the Trustee notice thereof. In case the Company shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof to the Trustee, presentations and demands may be made and notices may be served at the principal office of the Trustee.

In addition to such office or agency, the Company may from time to time constitute and appoint one or more other offices or agencies for such purposes with respect to Securities of any Series, and one or more paying agents for the payment of Securities of any Series, in such cities or in one or more other cities, and may from time to time rescind such appointments, as the Company may deem desirable or expedient, and as to which the Company has notified the Trustee.

Section 11.03. Assignment; Substitution. The rights and obligations of the Company under this Indenture and under the Outstanding Securities may be assigned or transferred to another Person with which the Company is consolidated or merged or which acquires by conveyance or transfer any of the properties or assets of the Company or to the Guarantor or to a corporation, all of the outstanding shares of which (other than directors' qualifying shares) are owned directly or indirectly by the Guarantor and, provided that the requirements of this Section 11.03 for such assignment or transfer shall have been met, upon any such assignment or transfer, all of the obligations of the Company under this Indenture and the Securities shall cease and the Company shall be released from its liability as obligor on the Securities and from all other obligations under this Indenture. In connection with any assignment other than to the Guarantor, the provisions of Sections 4.01 through 4.08 of Article Four relating to the guarantee by the Guarantor, shall remain in full force and effect or a new guaranty agreement of the Guarantor containing provisions substantially the same as those set forth in Sections 4.01 through 4.08 of Article Four hereof shall have been executed. Any successor to the Company shall be incorporated or organized and, in either case, existing under the laws of the United States of America or one of the States of the United States of America or Canada or one of the Provinces of Canada and such successor shall assume in a Supplemental Indenture all of the obligations of the Company. In the event the Company assigns all of its rights and obligations in respect of this Indenture and all Outstanding Securities to the Guarantor, the covenants set forth in Sections 4.04, 4.05, 4.06, 4.07 and 4.08 of this Indenture and any other covenants of the Guarantor included in any Supplemental Indenture relating to any series of Securities shall remain in full force and effect and the Guarantor shall assume in a Supplemental Indenture all of the obligations of the Company.

Section 11.04. Appointment to Fill a Vacancy in the Office of Trustee. The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, covenants that it will appoint, in the manner

provided in Section 7.10, a Trustee, so that there shall at all times be a Trustee with respect to the Outstanding Securities.

Section 11.05. Duties of Paying Agent.

(a) If the Company shall appoint a Paying Agent other than the Trustee with respect to Securities of any Series, it will cause such Paying Agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 11.05 and Section 12.05,

(1) that it will hold all sums held by it as such agent for the payment of the principal of or premium, if any or interest, if any, on the Securities of such Series (whether such sums have been paid to it by the Company or by any other obligor on the Securities of such Series) in trust for the benefit of the Holders of the Securities entitled to such principal or interest and will notify the Trustee of the receipt of sums to be so held,

(2) that it will give the Trustee notice of any failure by the Company (or by any other obligor on the Securities of such Series) to make any payment of the principal of or interest on the Securities of such Series when the same shall be due and payable, and

(3) that it will at any time during the continuance of any Event of Default, upon the written request of the Trustee, deliver to the Trustee all sums so held in trust by it.

(b) Whenever the Company shall have one or more Paying Agents with respect to the Securities of any Series, it will, prior to each due date of the principal of or any interest on the Securities of such Series, deposit with a Paying Agent of such Series a sum sufficient to pay the principal or interest so becoming due, such sum to be held in trust for the benefit of the Holders of Securities entitled to such principal 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.

(c) If the Company shall act as its own Paying Agent with respect to the Securities of any Series, it will, on or before each Stated Maturity of the principal of or any interest on the Securities of such Series, set aside, segregate and hold in trust for the benefit of the Holders of the Securities of such Series, a sum sufficient to pay such principal or interest so becoming due and will notify the Trustee of such action, or any failure by it or any other obligor on the Securities of such Series to take such action and will at any time during the continuance of any Event of Default, upon the written request of the Trustee, deliver to the Trustee all sums so held in trust by it.

(d) Anything in this Section 11.05 to the contrary notwithstanding, the Company may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture with respect to one or more or all Series of Securities hereunder, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust for such Series by it, or any Paying Agent hereunder, as required by this Section 11.05, and such sums are to be held by the Trustee upon the trust herein contained.

ARTICLE TWELVE

DISCHARGE; DEFEASANCE

Section 12.01. Discharge of Indenture. If the Company or the Guarantor shall pay and discharge or cause to be paid or discharged the entire indebtedness on all Outstanding Securities by paying or causing to be paid the principal of (including redemption premium, if any) and interest on the Outstanding Securities, as and when the same become due and payable or by delivering to the Trustee, for cancellation by it, all Outstanding Securities, and if the Company or the Guarantor shall also pay or cause to be paid all other sums payable hereunder by the Company or the Guarantor, thereupon, upon written request of the Company or the Guarantor, and upon receipt by the Trustee of such certificates, if any, as the Trustee shall reasonably require, to the effect that all conditions precedent to the satisfaction and discharge of the Company's or the Guarantor's, as the case may be, obligations under this Indenture have been complied with, this Indenture shall be discharged and terminated and the Trustee shall forthwith execute proper instruments acknowledging satisfaction of and discharging and terminating this Indenture with respect to the Company's and the Guarantor's obligations hereunder and any such other interests.

The Company or the Guarantor may at any time surrender to the Trustee for cancellation by it any Securities previously authenticated and delivered which the Company or the Guarantor may have acquired in any manner whatsoever, and such Securities, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 12.02. Discharge of Liability on Securities. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities of the kind and in the necessary amount (as provided in Section 12.04 of this Indenture) to pay or redeem Outstanding Securities (whether upon or prior to their maturity or the Redemption Date of such Securities, provided that, if such Securities are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article Three hereof provided or provision satisfactory to the Trustee shall have been made for the giving of such notice), the obligation of the Company duly and punctually to pay or cause to be paid the principal of and any interest and premium in respect of such Securities and all liability of the Company and the Guarantor in respect of such payment shall cease, terminate and be completely discharged and the Holders thereof shall thereafter be entitled only to payment out of the money or securities deposited with the Trustee as aforesaid for their payment; provided, however, that this discharge of the Company's obligation so to pay and of the liability of the Company and the Guarantor in respect of such payment shall not occur unless the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that Holders of the Securities of such Series will not recognize income, gain or loss for Federal income tax purposes as a result of such discharge.

Section 12.03. Discharge of Certain Covenants and Other Obligations. Upon the deposit with the Trustee, in trust, prior to maturity of money or securities of the kind and in the necessary amount (as provided in Section 12.04 of this Indenture) to pay or redeem Outstanding Securities of one or more Series (whether upon or prior to their maturity or the Redemption Date of such Securities, provided that, if such Securities are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article Three hereof provided or provision satisfactory to the Trustee shall have been made for the giving of such notice), all of the obligations, covenants and agreements of the Guarantor with respect to such Securities under Sections 4.04, 4.05, 4.06 and 4.07 hereof shall cease, terminate and be completely discharged. In addition, upon such deposit any additional covenants and agreement of the Guarantor which may be set forth in any Supplemental Indenture and applicable to such Securities shall also cease, terminate and be completely discharged, unless the Guarantor shall deliver to the Trustee a written election to have any such covenants continue.

Section 12.04. Discharge of Certain Obligations Upon Deposit of Money or Securities with Trustee. The conditions for deposit of money or securities contained in Sections 12.02 and 12.03 shall have been satisfied whenever with respect to any Securities denominated in United States Dollars, the Company

or the Guarantor shall have deposited or caused to be deposited irrevocably in trust with the Trustee dedicated solely to the benefit of the Holders of such Securities:

(a) Lawful money of the United States of America in an amount equal to the principal amount of such Securities and all unpaid interest thereon to maturity, except that, in the case of Securities which are to be redeemed prior to maturity, the amount so to be deposited or held shall be the principal amount of such Securities and interest thereon to the Redemption Date, together with the redemption premium, if any; or

(b) Direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America (which obligations are not subject to redemption prior to maturity at the option of the issuer), in such amounts and maturing at such times that the proceeds of said obligations to be received upon their respective maturities and interest payment dates will provide funds sufficient to pay the principal, premium, if any, and interest to maturity, or to the Redemption Date, as the case may be, with respect to all of the Securities to be paid or redeemed, as such principal, premium and interest become due, provided that the Trustee shall have been irrevocably instructed to apply the proceeds of said obligations to the payment of said principal, premium, if any, and interest with respect to said Securities.

The conditions for deposit of money or securities contained in Sections 12.02 and 12.03 shall have been satisfied whenever with respect to any Securities denominated in one or more currencies or composite currency other than United States Dollars, the Company or the Guarantor shall have deposited or caused to be deposited irrevocably in trust with the Trustee dedicated solely to the benefit of the Holders of such Securities:

(i) Lawful money in such currency, currencies or composite currency in which such Securities are payable and in an amount equal to the principal amount of such Securities and all unpaid interest thereon to maturity, except that, in the case of Securities which are to be redeemed prior to maturity, the amount so to be deposited or held shall be the principal amount of such Securities and interest thereon to the Redemption Date, together with the redemption premium, if any; or

(ii) Either (1) direct obligations of the government that issued or caused to be issued the currency in which such Securities are payable, for which obligations the full faith and credit of the government is pledged (which obligations are not subject to redemption prior to maturity at the option of the issuer) or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of such government the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by such government (which obligations are not subject to redemption prior to maturity at the option of the issuer), in either case, in such amounts and maturing at such times that the proceeds of said obligations to be received upon their respective maturities and interest payment dates will provide funds sufficient to pay the principal, premium, if any, and interest to maturity, or to the Redemption Date, as the case may be, with respect to all of the Securities to be paid or redeemed, as such principal, premium and interest become due, provided that the Trustee shall have been irrevocably instructed to apply the proceeds of said obligations to the payment of said principal, premium, if any, and interest with respect to said Securities.

Section 12.05. Unclaimed Moneys. Any moneys deposited with or paid to the Trustee or any Paying Agent for the payment of the principal of and any premium and interest on any Security and not so applied but remaining unclaimed under applicable law shall be transferred by the Trustee to the appropriate Persons in accordance with applicable laws, and the Holder of such Security shall thereafter look only to such Persons for any payment which such Holder may be entitled to collect and all liability of the Trustee and such Paying Agent with respect to such moneys shall thereupon cease.



ARTICLE THIRTEEN

IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS  
AND DIRECTORS

Section 13.01. Incorporators, Stockholders, Officers and Directors of Company and Guarantor Exempt 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 the Guarantor, either directly or through the Company or the Guarantor, 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, and that no 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 the Guarantor 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 of every name and nature, 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 issue of such Securities.

ARTICLE FOURTEEN

MISCELLANEOUS PROVISIONS

Section 14.01. Successors and Assigns of the Company or the Guarantor Bound by Indenture. All the covenants, stipulations, promises and agreements in this Indenture contained by or on behalf of the Company or the Guarantor shall bind their successors and assigns, whether so expressed or not.

Section 14.02. Notices; Effectiveness. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Holders of Securities to or on the Company or the Guarantor, or by the Company, the Guarantor or by the Holders of Securities to the Trustee or upon the Depository by the Company or the Guarantor or the Trustee may be electronically communicated or hand delivered or sent by overnight courier, addressed to the relevant party as provided in this Section 14.02.

All communications intended for the Company shall be sent to:

Chevron Capital Corporation  
6001 Bollinger Canyon Road  
Building E  
San Ramon, CA 94583  
Attention: Treasurer

Fax Number: (925) 842-8090

Copies of all communications intended for the Company shall be sent to the Guarantor.

All communications intended for the Guarantor shall be sent to:

Chevron Corporation  
6001 Bollinger Canyon Road  
Building E  
San Ramon, CA 94583  
Attention: Treasurer

Fax Number: (925) 842-8090

All communications intended for the Trustee shall be sent to:

The Chase Manhattan Bank  
450 West 33rd Street  
15th Floor  
New York, New York 10001  
Attention: Corporate Trust Department

Fax Number: (212) 946-8158

or at any other address of which any of the foregoing shall have notified the others in any manner prescribed in this Section 14.02.

For all purposes of this Indenture, a notice or communication will be deemed effective:

(a) if delivered by hand or sent by overnight courier, on the day it is delivered unless (i) that day is not a Business Day in the city specified (a "Local Business Day") in the address for notice provided by the recipient or (ii) if delivered after the close of business on a Local Business Day, then on the next succeeding Local Business Day,

(b) if sent by telex, on the day the recipient's answerback is received unless that day is not a Local Business Day, in which case on the next succeeding Local Business Day,

(c) if sent by facsimile transmission, on the date transmitted, provided that oral or written confirmation of receipt is obtained by the sender unless the date of transmission and confirmation is not a Local Business Day, in which case, on the next succeeding Local Business Day.

Any notice, direction, request, demand, consent or waiver by the Company, the Guarantor, any Securityholder to or upon the Trustee shall be deemed to have been sufficiently given, made or filed, for all

purposes, if given, made or filed in writing with the Trustee in accordance with the provisions of this Section 14.02.

Any notice, request, consent or waiver by the Company, the Guarantor or the Trustee upon the Depository shall have been sufficiently given, made or filed, for all purposes, if given or made in accordance with the provisions of this Section 14.02 at the address shown for such Depository in the Register or at such other address as the Depository shall have provided for purposes of notice.

Section 14.03. Compliance Certificates and Opinions. Upon any request or application by the Company to the Trustee to take any action under any of the provisions of this Indenture, the Company or the Guarantor 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 have been complied with, except that in the case of any such application or demand as to which the furnishing of such document is specifically required by any provision of this Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture (other than certificates provided pursuant to Section 5.03(d) of this Indenture) shall include (1) a statement that the Person making such certificate or opinion has read such covenant or condition; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (3) a statement that, in the opinion of such Person, he had made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

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

Any certificate, statement or opinion of an officer of the Company, the Guarantor or of counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an accountant or firm of accountants, unless such officer or counsel, as the case may be, knows that the certificate or opinion or representations with respect to the accounting matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous. Any certificate or opinion of any firm of independent public accountants filed with the Trustee shall contain a statement that such firm is independent.

Section 14.04. Days on Which Payment to be Made, Notice Given or Other Action Taken. If any date on which a payment is to be made, notice given or other action taken hereunder is a Saturday, Sunday or legal holiday in the state in which or from which the payment, notice or other action is to be made, given or taken, then such payment, notice or other action shall be made, given or taken on the next succeeding business day in such state, and in the case of any payment, no interest shall accrue for the delay.

Section 14.05. Provisions Required by Trust Indenture Act of 1939 to Control. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with another provision included in this Indenture which is required to be included in this Indenture by any of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939, as amended, such required provision shall control.

Section 14.06. Governing Law. This Indenture and each Security shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said State.

Section 14.07. Provisions of the Indenture and Securities for the Sole Benefit of the Parties and the Securityholders. Nothing in this Indenture or in the Securities, expressed or implied, shall give or be construed to give any Person, firm or corporation, other than the parties hereto and the Holders of the Securities, any legal or equitable right, remedy or claim under or in respect of this Indenture, or under any covenant, condition and provision herein contained; all its covenants, conditions and provisions being for the sole benefit of the parties hereto and of the Holders of the Securities.

Section 14.08. Indenture May be Executed in Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

THE CHASE MANHATTAN BANK hereby accepts the trusts in this Indenture declared and provided, upon the terms and conditions hereinabove set forth.

IN WITNESS WHEREOF, CHEVRON CAPITAL CORPORATION and CHEVRON CORPORATION and THE CHASE MANHATTAN BANK have each caused this Indenture to be duly executed, all as of the day and year first written above.

CHEVRON CAPITAL CORPORATION

By \_\_\_\_\_

CHEVRON CORPORATION

By \_\_\_\_\_

THE CHASE MANHATTAN BANK, as Trustee

By \_\_\_\_\_

=====

INDENTURE

AMONG

CHEVRON CANADA CAPITAL COMPANY, As Issuer

CHEVRON CORPORATION, As Guarantor

and

\_\_\_\_\_, As Trustee

Dated as of \_\_\_\_\_, 1999

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INDENTURE

THIS INDENTURE, dated as of \_\_\_\_\_, 1999, among CHEVRON CANADA CAPITAL COMPANY, a Delaware corporation (the "Company"), CHEVRON CORPORATION, a Delaware corporation (the "Guarantor") and \_\_\_\_\_, a \_\_\_\_\_, as Trustee (the "Trustee"),

WITNESSETH:

WHEREAS, the Company has duly authorized the issuance, execution and delivery, from time to time, of its unsecured evidences of indebtedness (hereinafter referred to as the "Securities"), without limit as to principal amount, issuable in one or more Series, the amount and terms of each such Series to be determined as hereinafter provided; and, to provide the terms and conditions upon which the Securities are to be authenticated, issued and delivered, the Company has duly authorized the execution of this Indenture;

WHEREAS, the Guarantor has duly authorized the execution and delivery of this Indenture and its guarantee of the Securities as provided herein;

WHEREAS, all acts and things necessary to make the Securities, when executed by the Company and authenticated and delivered by the Trustee as in this Indenture provided, the valid, binding and legal obligations of the Company, and to constitute this Indenture a valid indenture and agreement according to its terms, have been done and performed, and the execution of this Indenture and the issuance hereunder of the Securities have in all respects been duly authorized; and

WHEREAS, all acts and things necessary to make the guarantee of the Securities, as in this Indenture provided, the valid, binding and legal obligations of the Guarantor, and to constitute each such guarantee a valid guarantee and agreement according to its terms, have been done and performed, and the execution by the Guarantor of this Indenture has in all respects been duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Securities are to be issued, authenticated and delivered, and in consideration of the premises and of the purchase and acceptance of the Securities by the Holders thereof, the Company and the Guarantor covenant and agree with each other and with the Trustee, for the equal and proportionate benefit of the respective Holders from time to time of the Securities or of any Series thereof, as follows:

ARTICLE ONE

DEFINITIONS

Section 1.01. Certain Terms Defined. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

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

(b) all other terms used herein which are defined in the Trust Indenture Act of 1939, either directly or by reference therein, have the meanings assigned to them therein;

(c) all accounting terms not otherwise defined herein shall have the meanings assigned to them and all computations herein provided for shall be made, in accordance with generally accepted accounting principles, and the term "generally accepted accounting principles" shall mean such principles as they exist at the date of applicability thereof; and

(d) 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.

Attributable Debt

The term "Attributable Debt" for a sale-leaseback transaction means the lesser of (a) the fair value of the property subject to the transaction (as determined by the Board of Directors of the Guarantor) or (b) the present value of rent for the remaining term of the lease. Rent shall be discounted to present value at the actual percentage rate inherent in such lease as determined in good faith by the Guarantor, compounded semiannually. Rent is the lesser of (a) rent for the remaining term of the lease assuming it is not terminated or (b) rent from the date of determination until the first possible termination date plus the termination payment then due, if any. The remaining term of a lease includes any period for which the lease has been extended. Rent does not include (i) amounts for maintenance, repairs, insurance, taxes, assessments and similar charges or (ii) contingent rent, such as that based on sales. Rent may be reduced by rent that any sublessee must pay from the date of determination for all or part of the same property. For the purpose of any limitation contained in this Indenture, there shall not be deemed to be any Attributable Debt with respect to a sale-leaseback arrangement if the Guarantor or a Restricted Subsidiary would be entitled pursuant to the provisions contained in Section 4.06 to issue, assume or guarantee "Debt" (as defined in Section 4.06) secured by a lien on the property involved in such arrangement without equally and ratably securing the Securities or the Guarantees.

Board of Directors

The term "Board of Directors" when used with reference to the Company or the Guarantor shall mean the Board of Directors of the Company or the Guarantor, as the case may be, or any duly authorized committee of such Board of Directors.

Business Day

The term "Business Day" shall mean any day which is not a Saturday or Sunday or which in the City of San Francisco and The City of New York is neither a legal holiday nor a day on which banking institutions are authorized by law or regulation to close.

#### Certified Resolution

The term "Certified Resolution" shall mean a copy of a resolution of the Board of Directors of the Company certified by the Secretary or by an Assistant Secretary of the Company to have been duly adopted by the Board of Directors of the Company and to be in full force and effect on the date of such certification.

#### Commission

The term "Commission" shall mean the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, as amended, or if at any time after the execution of this Indenture such Commission is not existing and performing the duties theretofore assigned to it under the Trust Indenture Act of 1939, then the body performing such duties at such time.

#### Company

The term "Company" shall mean Chevron Canada Capital Company, an unlimited liability corporation organized under the laws of Nova Scotia, Canada, until a successor corporation shall have become such pursuant to the applicable provisions hereof, and thereafter "Company" shall mean such successor corporation.

#### Consolidated Adjusted Tangible Assets

The term "Consolidated Adjusted Tangible Assets" shall mean the consolidated total assets of the Guarantor and its subsidiaries as reflected in the Guarantor's most recent consolidated balance sheet prepared in accordance with the Guarantor's accounting policies and generally accepted accounting principles, less (i) goodwill, trademarks, trade names, patents, unamortized debt discount and expense, and other deferred charges, (ii) total current liabilities except for (1) notes and loans payable, (2) current maturities of long-term debt and (3) current maturities of obligations under capital leases, (iii) deferred credits and other noncurrent obligations (including minority interests in consolidated subsidiaries and reserves -- employee annuity plans and other reserves which may hereafter be defined in the Guarantor's accounting policies).

#### Depository

The term "Depository" shall mean, with respect to the Securities of any Series issuable or issued in whole or in part in the form of one or more Global Securities, the Person designated as Depository by the Company pursuant to Section 2.01 of this Indenture until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter the term "Depository" shall mean or include each Person who is then a Depository hereunder, and if at any time there is more than one such Person, "Depository" as used with respect to the Securities of any such Series shall mean the Depository with respect to the Securities of that Series.

#### Event of Default

The term "Event of Default" with respect to Securities of any Series shall mean any event specified as such in Section 6.01 and any other event as may be established with respect to the securities of such Series as permitted by Section 2.01. An Event of Default shall "exist" if an Event of Default shall have occurred and be continuing.

#### Executive Committee

The term "Executive Committee" shall mean the Executive Committee of the Guarantor as such committee may from time to time be established and constituted pursuant to the provisions of the By-Laws of the Guarantor.

## Global Security

The term "Global Security" shall mean a Security evidencing all or a portion of a Series of Securities, issued under this Indenture and delivered to the Depository for such Series in accordance with Section 2.09 of this Indenture, and bearing the legend prescribed in such Section 2.09.

## Guarantee

The term "Guarantee" shall mean the guarantee of the Company's obligations under the Securities by the Guarantor as provided in Article Four of this Indenture.

## Guarantor

The term "Guarantor" shall mean Chevron Corporation, a Delaware corporation, until a successor corporation shall have become such pursuant to the applicable provisions hereof, and thereafter "Guarantor" shall mean such successor corporation.

## Indenture

The term "Indenture" shall mean this instrument as originally executed, or as it may from time to time be supplemented, modified or amended, as provided herein, and shall include the form and terms of particular Series of Securities established as contemplated by Section 2.01 and 2.02.

## Interest Payment Date

The term "Interest Payment Date" when used with respect to any Security means the Stated Maturity of an installment of interest on such Security.

## Officers' Certificate

The term "Officers' Certificate" shall mean a certificate, in the case of the Company, signed by the President, any Vice-President, the Treasurer, any Deputy Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Company and, in the case of the Guarantor, by the Chairman of the Board of Directors, any Vice-Chairman of the Board of Directors or any Vice-President, the Treasurer, any Deputy Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Guarantor, and delivered to the Trustee. Each such certificate shall include the statements provided for in Section 14.03, if and to the extent required by the provisions of such Section.

## Opinion of Counsel

The term "Opinion of Counsel" shall mean a written opinion of counsel who may be counsel to the Company or to the Guarantor. Each such opinion shall include the statements provided for in Section 14.03, if and to the extent required by the provisions of such Section.

## Original Issue Discount Security

The term "Original Issue Discount Security" shall mean (a) any Security which provides for an amount less than the principal amount thereof to be due and payable upon declaration of acceleration of the maturity thereof pursuant to Section 6.01 or (b) any other Security which for United States Federal income tax purposes would be considered an original issue discount security.



## Outstanding

The term "Outstanding" when used with reference to Securities shall, subject to the provisions of Section 8.04, mean, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

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

(b) Securities for the payment or redemption of which moneys in the necessary amount have been theretofore deposited with the Trustee or with any Paying Agent (other than the Company or Guarantor) in trust for the Holders of such Securities, provided that if such Securities are to be redeemed, notice of such redemption has been duly given as provided in Article Three hereof, or provision therefor satisfactory to the Trustee has been made;

(c) Securities in exchange for or in lieu of which other Securities shall have been authenticated and delivered under this Indenture; and

(d) Securities alleged to have been destroyed, lost or stolen which have been paid as provided in Section 2.07 hereof.

In determining whether the Holders of the requisite principal amount of Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, the principal amount of an Original Issue Discount Security 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 as if a declaration of acceleration of the maturity thereof pursuant to Section 6.01 had been made.

## Paying Agent

The term "Paying Agent" means any Person authorized by the Company to pay the principal of and any interest and premium on any Securities on behalf of the Company.

## Periodic Offering

The term "Periodic Offering" means an offering of Securities of a Series, from time to time, the specific terms of which (including without limitation, the rate or rates of interest, if any, thereon or any methods of calculating such, the maturity date or dates thereof and any redemption provisions with respect thereto) are to be determined by the Company or its agents upon the issuance of such Series of Securities.

## Person

The term "Person" shall mean an individual, a corporation, a partnership, a joint venture, an association, a joint stock company, a trust, an unincorporated organization, or a government or any agency, authority or political subdivision thereof.

## Principal Property

The term "Principal Property" means any oil or gas producing property located in the United States, onshore or offshore, or any refinery or manufacturing plant located in the United States in each case now owned or hereafter acquired by the Guarantor or a Restricted Subsidiary, except any oil or gas producing property, refinery or plant that in the opinion of the Board of Directors of the Guarantor is not of material importance to the total business conducted by the Guarantor and its consolidated Subsidiaries.

#### Record Date

The term "Record Date" for the interest payable on any Interest Payment Date on any Series of Securities shall mean the date specified as such in the Securities of such Series.

#### Redemption Date

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

#### Redemption Price

The term "Redemption Price" when used with respect to any Security to be redeemed means the price at which it is to be redeemed pursuant to this Indenture. It includes any applicable premium but does not include installments of interest whose Stated Maturity is on or before the Redemption Date.

#### Register

The term "Register" shall mean the books for the registration and transfer of Securities which books are kept by the Trustee pursuant to Section 2.05.

#### Responsible Officer

The term "Responsible Officer" when used with respect to the Trustee shall mean the chairman and vice-chairman of the board of directors, the chairman and vice-chairman of the executive committee of said board, the president, any vice-president or second vice-president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any corporate trust officer, the controller, any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers 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 such person's knowledge of and familiarity with the particular subject.

#### Restricted Subsidiary

The term "Restricted Subsidiary" means any Subsidiary that has substantially all of its assets located in the United States of America and which owns a Principal Property and in which the Guarantor's direct or indirect capital investment together with the outstanding balance of (a) any loans and advances made to such Subsidiary by the Guarantor or any other Subsidiary and (b) any debt of such Subsidiary guaranteed by the Guarantor or any other Subsidiary exceed \$100,000,000.

#### Security or Securities

The terms "Security" or "Securities" shall mean any security or securities of the Company without regard to Series, authenticated and delivered under this Indenture.

#### Securityholder; Holder

The terms "Securityholder" or "Holder", whenever employed herein with respect to a Security, shall mean the Person in whose name such Security shall be registered on the Register.

#### Series

The term "Series" shall mean an issue of Securities under this Indenture.

## Stated Maturity

The term "Stated Maturity" when used with respect to any Security or any installment of interest thereon means the date specified in such as the fixed date on which the principal of such Security or such installment of interest is due and payable.

## Subsidiary

The term "Subsidiary" means at any given time any corporation at least a majority of the outstanding securities of which having ordinary voting power (other than securities having such power only by reason of the happening of a contingency) shall at such time be owned by the Guarantor or by one or more Subsidiaries or by the Guarantor and one or more Subsidiaries.

## Supplemental Indenture

The term "Supplemental Indenture" shall mean an indenture supplemental hereto as such supplemental indenture may be originally executed, or as it may from time to time be supplemented, modified or amended, as provided herein and therein.

## Trustee

The term "Trustee" shall mean \_\_\_\_\_, a \_\_\_\_\_, until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

## Trust Indenture Act of 1939

The term "Trust Indenture Act of 1939" shall mean the Trust Indenture Act of 1939, as amended as of the date of this Indenture.

## United States Dollars

The term "United States Dollars" shall mean the lawful currency of the United States of America.

## ARTICLE TWO

### ISSUE, DESCRIPTION, EXECUTION, REGISTRATION, TRANSFER AND EXCHANGE OF SECURITIES

Section 2.01. Amount, Series, Execution, Authentication and Delivery of Securities. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is not limited. The Securities may be issued in one or more Series.

(A) The following terms and provisions of each Series of Securities shall be established by or pursuant to a resolution of the Board of Directors of the Company and set forth in either a Certified Resolution or a Supplemental Indenture:

(1) the designation of the Series of Securities (which shall distinguish the Securities of such Series from all other Series of Securities),

(2) any limit upon the aggregate principal amount of the particular Series of Securities which may be executed, authenticated and delivered under this Indenture; provided, however, that nothing contained in this Section or elsewhere in this Indenture or

in the Securities or in such Certified Resolution or in a Supplemental Indenture is intended to or shall limit execution by the Company or authentication and delivery by the Trustee of Securities under the circumstances contemplated by Sections 2.05, 2.06, 2.07, 3.02, 3.04 and 10.04,

(3) the currency or currencies in which principal of and interest and any premium on such Series of Securities shall be payable (if other than in United States Dollars),

(4) the Stated Maturity for payment of principal of such Series of Securities and any sinking fund or analogous provisions,

(5) the rate or rates at which such Series of Securities shall bear interest or the method of calculating such rate or rates of interest and the Interest Payment Dates for such Series of Securities,

(6) the place or places where such Series of Securities may be presented for payment and for the other purposes provided in Section 11.02,

(7) any Redemption Price or Prices, the Redemption Date or Dates and other applicable redemption or repurchase provisions for such Series of Securities,

(8) whether such Series of Securities shall be issuable as one or more Global Securities and the form of such Series of Securities,

(9) if the Securities of such Series shall be issued in whole or in part as one or more Global Securities, the Depository for such Global Security or Securities and any additional terms and conditions relating to such Global Securities not set forth in this Indenture,

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

(11) the date from which interest on such Series of Securities shall accrue,

(12) the basis upon which interest on such Series of Securities shall be computed (if other than on the basis of a 360-day year of twelve 30-day months),

(13) if other than the principal amount thereof, the portion of the principal amount of such Series of Securities which shall be payable upon declaration of acceleration of the maturity thereof pursuant to Section 6.01,

(14) the Person or Persons who shall be registrar for such Series of Securities, and the place or places where the Register of such Series of Securities shall be kept,

(15) any additional events of default with respect to the Securities of a particular Series not set forth herein,

(16) any additional covenants of the Guarantor or the Company with respect to the Securities of a particular Series not set forth herein,

(17) the terms and conditions, if any, upon which any Securities of such Series may or shall be converted into other instruments or other forms of property and

(18) any other terms of such Series of Securities (which terms shall not be inconsistent with the provisions of this Indenture).

All Securities of any one Series shall be substantially identical except that any Series may have serial maturities and different interest rates for different maturities and except as to denomination and the differences herein specified between Global Securities and Securities issued in definitive form and except as may otherwise be provided in or pursuant to the Certified Resolution or Supplemental Indenture relating to such Series of Securities. All Securities of any one Series need not be issued at the same time, and, unless otherwise provided in or pursuant to the Certified Resolution or Supplemental Indenture relating to such Series, a Series may be reopened for issuances of additional Securities of such Series.

(B) At any time and from time to time after the execution and delivery of this Indenture, the Company and the Guarantor may deliver any Series of Securities executed by the Company to the Trustee for authentication by it, and the Trustee shall thereupon authenticate and deliver said Securities (or if only a single Global Security, such Global Security) to or upon the written order of the Company, signed by an officer of the Company and an officer of the Guarantor, without any further corporate action by the Company or the Guarantor. In authenticating such Securities and accepting the additional responsibilities under this Indenture in relation to such Securities and except as hereinafter provided with respect to a Series of Securities subject to a Periodic Offering, the Trustee shall be entitled to receive, and (subject to Section 7.01) shall be fully protected in relying upon:

- (1) each Certified Resolution relating to such Series of Securities,
- (2) an executed Supplemental Indenture, if any, relating to such Series of Securities,
- (3) an Opinion of Counsel to the effect that:

(a) the terms and form of such Securities have been established as permitted by Sections 2.01 and 2.02 in conformity with the provisions of this Indenture;

(b) such Securities, when executed and issued by the Company and authenticated and delivered by the Trustee in accordance with the provisions of this Indenture and subject to any conditions specified in such Opinion of Counsel, will constitute valid and binding obligations of the Company, except as any rights thereunder may be limited by the effect of bankruptcy, insolvency, reorganization, receivership, conservatorship, arrangement, moratorium or other laws affecting or relating to the rights of creditors generally; the rules governing the availability of specific performance, injunctive relief or other equitable remedies and general principles of equity, regardless of whether considered in a proceeding in equity or at law; the effect of applicable court decisions invoking statutes or principles of equity, which have held that certain covenants and provisions of agreements are unenforceable where the breach of such covenants or provisions imposes restrictions or burdens upon a borrower, and it cannot be demonstrated that the enforcement of such restrictions or burdens is necessary for the protection of the creditor, or which have held that the creditor's enforcement of such covenants or provisions under the circumstances would have violated the creditor's covenants of good faith and fair dealing implied under California law; and the effect of California statutes and rules of law which cannot be waived prospectively by a borrower, and

(c) the Company has complied with all applicable Federal laws and requirements in respect of the execution and delivery of such Securities.

With respect to a Series of Securities subject to a Periodic Offering, the Trustee shall be entitled to receive, and, subject to Section 7.01, shall be fully protected in relying upon the documents described in the foregoing

subsections (1), (2) and (3) of this Section 2.01(B); provided, that (i) the Certified Resolution may be delivered to the Trustee prior to the delivery to the Trustee of such Securities for authentication and delivery, (ii) the Trustee shall authenticate and deliver Securities of such Series for original issue from time to time, in an aggregate principal amount not exceeding the aggregate principal amount, if any, established for such Series, pursuant to such Certified Resolution or pursuant to such procedures as may be specified from time to time by a Certified Resolution, (iii) the maturity date or dates, original issue date or dates, interest rate or rates or the method or methods of calculating such and any other terms of the Securities of such Series shall be determined by the Certified Resolution or pursuant to such procedures, (iv) if provided for in such procedures, such Certified Resolution may authorize authentication and delivery pursuant to oral or electronic instructions from the Company or its duly authorized agent or agents, which oral instructions shall be promptly confirmed in writing and (v) the Trustee shall be entitled to receive an Opinion of Counsel only once at or prior to the time of the first authentication of Securities of such Series and that the opinions described in the foregoing subsections (a) and (b) of this Section 2.01 may be to the effect that:

(x) the form of the Securities of such Series has been duly authorized by the Company and has been established in conformity with the provisions of this Indenture and that, when the terms of such Securities shall have been established pursuant to a Certified Resolution or pursuant to such procedures as may be specified from time to time by a Certified Resolution, such terms will have been duly authorized by the Company and will have been established in conformity with the provisions of this Indenture and

(y) Securities of such Series, when executed and issued by the Company and completed, authenticated and delivered by the Trustee in accordance with the provisions of this Indenture and subject to any conditions specified in such Opinion of Counsel and when paid for, all as contemplated by and in accordance with the Certified Resolution or specified procedures, as the case may be, will constitute valid and binding obligations of the Company, except as any rights thereunder may be limited by the effect of bankruptcy, insolvency, reorganization, receivership, conservatorship, arrangement, moratorium or other laws affecting or relating to the rights of creditors generally; the rules governing the availability of specific performance, injunctive relief or other equitable remedies and general principles of equity, regardless of whether considered in a proceeding in equity or at law; the effect of applicable court decisions invoking statutes or principles of equity, which have held that certain covenants and provisions of agreements are unenforceable where the breach of such covenants or provisions imposes restrictions or burdens upon a borrower, and it cannot be demonstrated that the enforcement of such restrictions or burdens is necessary for the protection of the creditor, or which have held that the creditor's enforcement of such covenants or provisions under the circumstances would have violated the creditor's covenants of good faith and fair dealing implied under California law; and the effect of California statutes and rules of law which cannot be waived prospectively by a borrower.

With respect to Securities of a Series offered in a Periodic Offering, the Trustee may rely, as to the authorization by the Company of any such Securities, the form and terms thereof and the valid and binding effect thereof, upon the Opinion of Counsel and other documents delivered pursuant to this Section 2.01 in connection with the first authentication of Securities of such Series unless and until such Opinion of Counsel or other documents shall have been superseded or revoked. In connection with the authentication and delivery of Securities of a Series subject to a Periodic Offering, the Trustee shall be entitled to assume that the instructions of the Company to authenticate and deliver such Securities do not violate any rules, regulations or orders of any governmental agency having jurisdiction over the Company.

Each Security shall be dated the date of its authentication.

Section 2.02. Form of Securities and Trustee's Certificate of Authentication. The Securities of each Series shall be substantially of the tenor and purport as shall be authorized by the related Certified Resolution or Supplemental Indenture, in each case with such appropriate 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 or designation and such legends or endorsements thereon as the Board of Directors of the Company may deem appropriate and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Securities of such Series may be listed, or to conform to usage.

The definitive Securities and each Global Security may be printed, lithographed or fully or partly engraved or produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their executions thereof.

The Trustee's certificate of authentication 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.

\_\_\_\_\_, as Trustee

By \_\_\_\_\_  
Authorized Officer

Section 2.03. Denominations; Payment of Interest on Securities. The Securities of each Series shall be issued as fully registered Securities without coupons (including as one or more Global Securities) and in denominations all as shall be specified as contemplated by Section 2.01. In the absence of such provisions with respect to the Securities of any Series, the Securities of such Series (other than any Global Securities) shall be issued in denominations of \$1,000 and any integral multiple thereof.

If the Securities of any Series shall bear interest, each Security of such Series shall bear interest from the applicable date at the rate per annum specified in the Certified Resolution or Supplemental Indenture with respect to such Series of Securities. Unless otherwise specified in the Certified Resolution or Supplemental Indenture with respect to the Securities of any Series, interest on the Securities of such Series shall be computed on the basis of a 360-day year of twelve 30-day months. Such interest shall be payable on the Interest Payment Dates, specified in the Certified Resolution or Supplemental Indenture with respect to such Series of Securities. The Person in whose name any Security is registered at the close of business on any applicable Record Date for the Series of which such Security is a part shall be entitled to receive the interest payable thereon on such Interest Payment Date notwithstanding the cancellation of such Security upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date unless such Security shall have been called for redemption on a Redemption Date which is subsequent to such Record Date and prior to such Interest Payment Date or unless the Company shall default in the payment of interest due on such Interest Payment Date on any Security of such Series.

Any interest on any Security of any Series which 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 registered Holder on the relevant Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in subsection A or B below:

A. The Company may elect to make payment of any Defaulted Interest on the Securities of any Series to the Persons in whose names such Securities are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), 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 subsection provided. Thereupon the Trustee shall fix a special record date (the "Special Record Date") for the payment of such Defaulted Interest which 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 of a Security of such Series at such Holder's address as it appears in the Security 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 the Securities of such Series are registered on such Special Record Date and shall no longer be payable pursuant to the following Subsection B.

B. The Company may make payment of any Defaulted Interest on the Securities of any Series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities 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 Subsection, such payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section 2.03, each Security delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Security shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security and each such Security shall bear interest from such date, such that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

Section 2.04. Execution of Securities. The Securities shall be executed manually or in facsimile, by an officer and the Secretary or an Assistant Secretary of the Company under its corporate seal, which may be affixed thereto or printed, engraved or otherwise reproduced thereon, by facsimile or otherwise. Only such Securities as shall bear thereon a certificate of authentication substantially in the form recited herein, executed by the Trustee manually by an authorized officer, shall be entitled to the benefits of this Indenture or of the Guarantee or be valid or obligatory for any purpose. Such certificate of authentication of the Trustee upon any Security executed by the Company shall be conclusive evidence that the Security so authenticated has been duly authenticated and delivered hereunder and that the Holder is entitled to the benefits of this Indenture. Typographical or other errors or defects in the seal or facsimile signature on any Security or in the text thereof shall not affect the validity or enforceability of such Security if it has been duly authenticated and delivered by the Trustee.

In case any officer of the Company who shall have signed any of the Securities (manually or in facsimile), shall cease to be such officer before the Securities so signed shall have been authenticated and delivered by the Trustee, or disposed of by the Company or the Guarantor, such Securities nevertheless may be authenticated and delivered or disposed of as though the Person who signed such Securities had not



ceased to be such officer of the Company. Also, any Security may be signed on behalf of the Company by such Persons as on the actual date of execution of such Security shall be the proper officers of the Company, although at the date of the execution of this Indenture any such Person was not such officer.

Section 2.05. Registration, Transfer and Exchange of Securities. Except as specifically otherwise provided herein with respect to Global Securities, Securities of any Series may be exchanged for a like aggregate principal amount of Securities of the same Series of other authorized denominations. Securities to be exchanged shall be surrendered at the offices or agencies to be maintained in accordance with the provisions of Section 11.02 and the Company shall execute the Security or Securities, and the Trustee shall authenticate and deliver in exchange therefor the Security or Securities which the Securityholder making the exchange shall be entitled to receive.

The Company shall keep or cause to be kept, at one or more of the offices or agencies to be maintained by the Company in accordance with the provisions of Section 11.02 with respect to the Securities of each Series, the Register in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of the Securities of such Series and the transfer of Securities of such Series as in this Article provided. The Register shall be in written form or in any other form capable of being converted into written form within a reasonable time. At all reasonable times the Register shall be open for inspection by the Trustee and any registrar of the Securities of such Series other than the Trustee. Upon due presentment for transfer of any Security of any Series at the offices or agencies of the Company to be maintained in accordance with Section 11.02 with respect to the Securities of such Series, the Company shall execute a new Security and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Security or Securities of the same Series for a like aggregate principal amount of authorized denominations.

Notwithstanding any other provisions of this Section 2.05, unless and until it is exchanged in whole or in part for Securities in definitive form, 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.

All Securities of any Series presented or surrendered for exchange, transfer, redemption, conversion or payment shall, if so required by the Company or any registrar of the Securities of such Series, be accompanied by a written instrument or instruments of transfer, in form satisfactory to the Company and such registrar, duly executed by the registered Holder or by such Person's attorney duly authorized in writing.

No service charge shall be made for any exchange or registration of transfer of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

The Company shall not be required to exchange or transfer (a) any Securities of any Series during a period beginning at the opening of business 15 days before the day of the first publication or the mailing (if there is no publication) of a notice of redemption of Securities of such Series and ending at the close of business on the day of such publication or mailing or (b) any Securities called or selected for redemption in whole or in part, except, in the case of Securities called for redemption in part, the portion thereof not so called for redemption in whole or in part, during a period beginning at the opening of business on any Record Date for such Series and ending at the close of business on the relevant Interest Payment Date therefor.

Section 2.06. Temporary Securities. Pending the preparation of definitive Securities of any Series, the Company may execute and the Trustee shall authenticate and deliver temporary Securities of such Series which are printed, lithographed, typewritten or otherwise produced, in any denomination substantially of the tenor of the definitive Securities in lieu of which they are issued, in registered form and with such appropriate omissions, insertions, substitutions and other variations as the officers executing such Securities may

determine, as evidenced by their execution of such Securities. Every such temporary Security shall be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with the same effect, as the definitive Securities. If temporary Securities are issued, the Company will cause definitive Securities to be prepared without unreasonable delay. After the preparation of definitive Securities, the temporary Securities of such Series shall be exchangeable for definitive Securities upon surrender of the temporary Securities without charge to the Holder at the offices or agencies to be maintained by the Company as provided in Section 11.02 with respect to the Securities of such Series. Upon surrender for cancellation of any one or more temporary Securities the Company shall execute and the Trustee shall authenticate and deliver in exchange for such temporary Securities an equal aggregate principal amount of definitive Securities of such Series. Until so exchanged, the temporary Securities of any Series shall in all respects be entitled to the benefits of this Indenture and interest thereon, when and as payable, shall be paid to the owners of the temporary Securities upon presentation thereof for notation of such payment thereon.

Section 2.07. Mutilated, Destroyed, Lost or Stolen Securities. If (i) any mutilated Security is surrendered to the Trustee, or the Company and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Security, and (ii) there is delivered to the Company, the Guarantor and the Trustee 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 or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and upon its request the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Security, a new Security of the same Series 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 2.07, 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 connected therewith.

Every new Security issued pursuant to this Section 2.07 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 security and benefits of this Indenture equally and ratably with all other Outstanding Securities of such Series.

The provisions of this Section 2.07 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

Section 2.08. Cancellation and Destruction of Surrendered Securities. All Securities surrendered for payment, redemption, transfer, conversion or exchange shall, if surrendered to the Company, the Guarantor, the Trustee or any agent of the Company, the Guarantor or of the Trustee, be delivered to the Trustee, and the same, together with Securities surrendered to the Trustee for cancellation, shall be canceled by it, and thereafter disposed of by it as directed by the Company and no Securities shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall destroy canceled Securities and deliver a certificate of destruction thereof to the Company and the Guarantor unless by an Officer's Certificate of the Company, the Company shall direct that canceled Securities be returned to it. If the Company shall purchase or otherwise acquire any of the Securities, however, such purchase or acquisition shall not operate as a payment, redemption or satisfaction of the indebtedness represented by such Securities unless and until the Company, or the Guarantor, at their respective options, shall deliver or surrender the same to the Trustee for cancellation.

Section 2.09. Securities in Global Form; Depositories. (a) Each Global Security shall: (i) represent and be denominated in an aggregate amount equal to the aggregate principal amount of the Securities of the Series to be represented by such Global Security, (ii) be registered in the name of either the

Depository for such Global Security or the nominee of such Depository, (iii) be delivered by the Trustee to such Depository or pursuant to such Depository's written instruction and (iv) bear a legend substantially to the following effect: "Unless and until it is exchanged in whole or in part for Securities in definitive form, this Global Security may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any nominee to a successor Depository or a nominee of any successor Depository." The notation of the record owner's interest in such Global Security upon the original issuance thereof shall be deemed to be delivered in connection with the original issuance of each beneficial owner's interest in such Global Security. Without limiting the foregoing, the Company, the Guarantor and the Trustee shall have no responsibility, obligation or liability with respect to: (x) the maintenance, review or accuracy of the records of the Depository or of any of its participating organizations with respect to any ownership interest in or payments with respect to such Global Security, (y) any communication with or delivery of any notice (including notices of redemption) with respect to the Series of Securities represented by the Global Security to any Person having any ownership interest in such Global Security or to any of the Depository's participating organizations or (z) any payment made on account of any beneficial ownership interest in such Global Security.

(b) If any Security of a Series is issuable in the form of a Global Security or Securities, each such Global Security may provide that it shall represent the aggregate amount of Outstanding Securities of such Series from time to time endorsed thereon and may also provide that the aggregate amount of Outstanding Securities of such Series represented thereby may from time to time be reduced to reflect exchanges. Any endorsement of a Global Security to reflect the amount of Outstanding Securities of a Series represented thereby shall be made by the Trustee and in such manner as shall be specified on such Global Security. Any instructions by the Company with respect to a Global Security, after its initial issuance, shall be in writing but need not comply with Section 14.03 of this Indenture.

(c) Each Depository designated pursuant to the provisions of Section 2.01 of this Indenture for a Global Security must, at the time of its designation and at all times while it serves as a depository, be a clearing agency registered under the Securities Exchange Act of 1934, as amended, and any other applicable statute or regulation. 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 this Section 2.09, the Company shall appoint a successor Depository with respect to the Securities of such Series. If a successor Depository for the Securities of such Series is not appointed by the Company within 90 days after the Company receives such notice or learns of such ineligibility, the Company shall execute and the Company shall direct the Trustee to authenticate and deliver definitive Securities of such Series in authorized denominations in exchange for the Global Security or Securities. Upon receipt of such direction, the Trustee shall thereupon authenticate and deliver the definitive Securities of such Series in the same aggregate principal amount as the Global Security or Securities representing such Series in exchange for such Global Security or Securities, in accordance with the provisions of subsection (e) of this Section 2.09, without any further corporate action by the Company or the Guarantor.

(d) The Company may at any time and in its sole discretion determine that the Securities of any Series issued in the form of one or more Global Securities shall no longer be represented by such Global Security or Securities. In such event, the Company will execute and upon receipt of a written order from the Company, the Trustee shall thereupon authenticate and deliver Securities of such Series in definitive form and in authorized denominations in an aggregate principal amount equal to the principal amount of the Global Security or Securities representing such Series in exchange for such Global Security or Securities, in accordance with the provisions of subsection (e) of this Section 2.09 without any further corporate action by the Company or the Guarantor.

(e) Upon any exchange hereunder of the Global Security or Securities for Securities in definitive form, such Global Security or Securities shall be canceled by the Trustee. Securities issued hereunder in exchange for the Global Security or Securities 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 definitive Securities in exchange for the Global Security or Securities to the Persons in whose name such definitive Securities have been registered in accordance with the directions of the Depository.

### ARTICLE THREE

#### REDEMPTION OF SECURITIES

Section 3.01. Redemption of Securities. Securities of any Series may be made subject to redemption prior to their Stated Maturity, as a whole or in part, at such time or times, upon payment of the principal amount thereof plus such premium or premiums, if any, as shall be set forth in the Certified Resolution or the Supplemental Indenture relating to such Series.

Section 3.02. Notice of Redemption. In all cases other than redemption at the option of the Holders of Securities, notice of redemption shall be mailed, not less than 30 nor more than 60 days prior to the Redemption Date, to each Person in whose name any Security called for redemption is registered on the Register as of the date of such notice, but neither a failure to give notice by mail nor any defect in any notice so mailed shall affect the validity of the proceedings for such redemption. Each notice of redemption shall state the Redemption Date, the Redemption Price, the place of redemption, the principal amount and, if less than all, the distinctive numbers of the Securities to be redeemed and shall also state that the interest on the Securities in such notice designated for redemption shall cease to accrue from and after such Redemption Date.

Notice of redemption of Securities may be given by the Company, or at the option of the Company, by the Trustee on behalf of the Company. Upon receipt of any direction to give notice, the Trustee shall immediately give such notice. The Trustee may rely upon such direction that all conditions precedent to the giving of such direction have been complied with or done.

Section 3.03. Selection of Securities for Redemption. Whenever provision is made for the redemption of any Series of Securities or portion thereof and less than all of the Securities of such Series or portion thereof are called for redemption, the Trustee shall select the Securities to be redeemed, from the Outstanding Securities of such Series or portion thereof not previously called for redemption, in any manner which the Trustee deems fair and appropriate. For the purpose of any such selection, the Trustee shall assign a separate number for each \$1,000 principal amount of each Security of a denomination of more than \$1,000, except that if the Securities of any Series are denominated in a currency other than United States Dollars, the Trustee shall assign a separate number for each amount equal to the minimum denomination of each Security of such Series of a denomination greater than such minimum denomination.

Section 3.04. Partial Redemption of Registered Security. Upon surrender of any registered Security (including any Global Security) to be redeemed in part only, the Company shall execute and the Trustee shall authenticate and deliver to the registered owner thereof, without service charge, a new Security or Securities (or in the case of a Global Security, a new Global Security) of the same Series and maturity and of authorized denomination or denominations as requested by such registered owners, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

Section 3.05. Effect of Redemption. If notice of redemption shall have been duly given as provided in Section 3.02, the Securities or portions of Securities specified in such notice shall become due and payable on the Redemption Date and at the place or places stated in such notice at the Redemption Price specified in such notice, and on and after such Redemption Date (unless the Company and the Guarantor shall default in the payment of such Securities at the applicable Redemption Price) such Securities or portions of Securities shall cease to bear interest, and such Securities shall cease from and after the Redemption Date to be entitled to any benefit or security under this Indenture, and the Holders thereof shall have no right in respect of such

Securities except the right to receive the Redemption Price thereof and any unpaid interest accrued to the Redemption Date. Upon presentation and surrender of such Securities at said place of payment in said notice specified, the said Securities or portions thereof shall be paid and redeemed by the Company or the Guarantor at the applicable Redemption Price, together with any interest accrued to the Redemption Date; provided, however, that any regular payment of interest becoming due on any Securities on the Redemption Date shall be payable to the registered owners of such Securities as of the relevant Record Date as provided in Article Two hereof. Upon presentation of any Security which is redeemed in part only, the Company shall execute a new Security and the Trustee shall authenticate and deliver at the expense of the Company a new Security of the same Series of authorized denomination in principal amount equal to the unredeemed portion of the Security so presented.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, to the extent permitted by law, bear interest from the date fixed for redemption at the rate borne by the Security, or, in the case of a Security which does not bear interest, at the rate of interest set forth therefor in the Security, in either case, until paid.

#### ARTICLE FOUR

##### THE GUARANTEE BY AND COVENANTS OF THE GUARANTOR

Section 4.01. Guarantee. The Guarantor hereby unconditionally guarantees to the Holders from time to time of the Securities (a) the full and prompt payment of the principal of and any premium on any Security when and as the same shall become due, whether at the stated maturity thereof, by acceleration, redemption or otherwise and (b) the full and prompt payment of any interest on any Security when and as the same shall become due. Each payment by the Guarantor with respect to any Security shall be paid in the currency specified in this Indenture or in the related Certified Resolution or Supplemental Indenture for payments on such Security. Each and every default in the payment of the principal of or interest or any premium on any Security shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises.

The obligations of the Guarantor hereunder shall be absolute and unconditional and shall remain in full force and effect until the entire principal of and interest and any premium on the Securities shall have been paid or provided for in accordance with the provisions of this Indenture, and such payment shall not be affected, modified or impaired upon the happening from time to time of any event, including without limitation any of the following, whether or not with notice to, or the consent of, the Guarantor:

(a) the waiver, surrender, compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of the Company under this Indenture or the Securities;

(b) the failure to give notice to the Guarantor of the occurrence of an Event of Default;

(c) the waiver, compromise or release of the payment, performance or observance by the Company or the Guarantor of any or all of the obligations, covenants or agreements of either of them contained in this Indenture;

(d) the extension of the time for payment of any principal of or interest or any premium on any Security or for any other payment under this Indenture or of the time for performance of any other obligations, covenants or agreements under or arising out of this Indenture;

(e) the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in this Indenture or the Securities;

(f) the taking or the omission of any of the actions referred to in this Indenture and any of the actions under the Securities;

(g) any failure, omission, delay or lack on the part of the Trustee to enforce, assert or exercise any right, power or remedy conferred on the Trustee in this Indenture, or any other act or acts on the part of the Trustee or any of the Holders from time to time of the Securities;

(h) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment of, or other similar proceedings affecting the Guarantor, or the Company or any of the assets of any of them, or any allegation or contest of the validity of the Guarantee in any such proceeding;

(i) to the extent permitted by law, the release or discharge by operation of law of the Guarantor from the performance or observance of any obligation, covenant or agreement contained in this Indenture;

(j) to the extent permitted by law, the release or discharge by operation of law of the Company from the performance or observance of any obligation, covenant or agreement contained in this Indenture;

(k) the default or failure of the Guarantor or the Trustee fully to perform any of its obligations set forth in this Indenture or the Securities; or

(l) the invalidity of this Indenture or the Securities or any part of any thereof.

No set-off, counterclaim, reduction, or diminution of any obligation, or any defense of any kind or nature which the Guarantor has or may have against the Trustee shall be available hereunder to the Guarantor against the Trustee to reduce the payments of the Guarantor under this Section 4.01.

The Guarantor assumes responsibility for being and remaining informed of the financial condition of the Company and of all other circumstances bearing upon the risk of nonpayment of amounts owing under the Securities which diligent inquiry would reveal and agrees that the Holders of the Securities shall have no duty to advise the Guarantor of information known to any of them regarding such condition or any such circumstances.

Section 4.02. Proceedings Against the Guarantor. In the event of a default in the payment of principal of or any premium on any Security when and as the same shall become due, whether at the stated maturity thereof, by acceleration, call for redemption or otherwise, or in the event of a default in any sinking fund payment, or in the event of a default in the payment of any interest on any Security when and as the same shall become due, the Trustee shall have the right to proceed first and directly against the Guarantor under this Indenture without first proceeding against the Company or exhausting any other remedies which it may have and without resorting to any other security held by the Trustee.

The Trustee shall have the right, power and authority to do all things it deems necessary or advisable to enforce the provisions of this Indenture relating to the Guarantee and protect the interests of the Holders of the Securities and, in the event of a default in payment of the principal of or any premium on any Security when and as the same shall become due, whether at the stated maturity thereof, by acceleration, call for redemption or otherwise, or in the event of a default in the payment of any interest on any Security when and

as the same shall become due, the Trustee may institute or appear in such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of its rights and the rights of the Securityholders, whether for the specific enforcement of any covenant or agreement in this Indenture relating to the Guarantee or in aid of the exercise of any power granted herein, or to enforce any other proper remedy. Without limiting the generality of the foregoing, in the event of a default in payment of the principal of or interest or any premium on any Security when due, the Trustee 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 Guarantor and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Guarantor, wherever situated.

Section 4.03. Guarantee for Benefit of Securityholders. The Guarantee contained in this Indenture is entered into by the Guarantor for the benefit of the Holders from time to time of the Securities. Such provisions shall not be deemed to create any right in, or to be in whole or in part for the benefit of any Person other than the Trustee, the Guarantor, the Holders from time to time of the Securities and their permitted successors and assigns.

Section 4.04. Corporate Existence of Guarantor; Consolidation, Merger, Sale or Transfer. The Guarantor covenants that so long as any of the Securities are Outstanding, it will maintain its corporate existence, will not dissolve, sell or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it; provided that the Guarantor may, without violating the covenants in this Section 4.04 contained, consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve, if the surviving, resulting or transferee corporation, as the case may be, (i) shall be incorporated and existing under the laws of one of the States of the United States of America, (ii) assumes, if such corporation is not the Guarantor, all of the obligations of the Guarantor hereunder and (iii) is not, after such transaction, otherwise in default under any provisions hereof.

Section 4.05. Securities to Be Secured in Certain Events. If, upon any consolidation or merger of the Guarantor, any Principal Property would thereupon become subject to any mortgage, security interest, pledge, lien or other encumbrance (the "Attaching Lien"), the Guarantor, prior to any such consolidation or merger, will secure the Outstanding Securities (together with, if the Guarantor shall so determine, any other indebtedness of or guaranteed by the Guarantor ranking equally with the Securities and then existing or thereafter created) equally and ratably with the debt or other obligation secured by the Attaching Lien unless such debt or other obligation secured by the Attaching Lien could have been incurred by the Guarantor or a Restricted Subsidiary without being required by the provisions of Section 4.06 (whether or not such Section may be applicable to any Series of Securities) to secure the Securities equally and ratably therewith.

Section 4.06. Limitations on Liens. Nothing in this Indenture or (except as expressly provided with respect to a Series in the establishment of the terms thereof) in the Securities contained shall in any way restrict or prevent the Guarantor or any Subsidiary from incurring any indebtedness; provided that the Guarantor covenants and agrees that it will not itself and will not permit any Restricted Subsidiary to issue, assume or guarantee any notes, bonds, debentures or other similar evidences of indebtedness for money borrowed (notes, bonds, debentures or other similar evidences of indebtedness for money borrowed being hereinafter in this Article Four called "Debt") secured by a pledge of, or mortgage or lien on (mortgages, pledges and liens being hereinafter in this Article Four called "liens"), any of the Guarantor's or any Restricted Subsidiary's Principal Properties or any shares of stock of or indebtedness of any Restricted Subsidiary (such Principal Properties, stock and indebtedness being hereinafter collectively referred to as "Property"), without effectively providing that the Securities (together with, if the Guarantor shall so determine, any other Debt of the Guarantor or such Restricted Subsidiary then existing or thereafter created ranking equally with the Securities, including guarantees of indebtedness of others) shall be secured equally and ratably with (or prior to) such Debt, so long as such Debt shall be so secured, except that this Section 4.06 shall not apply to Debt secured by:

(1) liens on Property of any corporation existing at the time such corporation becomes a Restricted Subsidiary;

(2) liens on Property existing at the time of acquisition thereof or to secure the payment of all or any part of the purchase price thereof or to secure any Debt incurred prior to, at the time of or within 24 months after the acquisition of such Property for the purpose of financing all or any part of the purchase price thereof;

(3) liens on particular Property to secure any Debt incurred to provide funds for all or any part of the cost of exploration, drilling or development of such Property or the cost of improvements to such Property;

(4) liens which secure Debt owing by a Restricted Subsidiary to the Guarantor or any Subsidiary;

(5) liens on personal property, other than shares of stock or indebtedness of any Restricted Subsidiary, to secure loans maturing not more than one year from the date of the creation thereof;

(6) liens on Property to secure Debt or other indebtedness incurred in connection with any financings done in accordance with the provisions of Section 103 of the Internal Revenue Code of 1986, as amended; and

(7) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any lien referred to in the foregoing subparagraphs (1) to (6), inclusive, or of any Debt secured thereby; provided that such extension, renewal or replacement mortgage shall be limited to all or any part of the same Property that secured the lien extended, renewed or replaced (plus improvements on such Property).

Notwithstanding the restrictions contained in this Section 4.06, the Guarantor may, and may permit any Restricted Subsidiary to, issue, assume or guarantee Debt secured by liens on property of the types to which this Section applies and which are not excepted by Subsections (1) through (7) of this Section without equally and ratably securing the Securities, provided that the sum of all such Debt then being issued, assumed or guaranteed and the aggregate of Attributable Debt with respect to sale and leaseback arrangements of the Guarantor and any Restricted Subsidiary permitted by Section 4.07 (whether or not such Section may be applicable to any Series of Securities) does not exceed ten percent of the Consolidated Adjusted Tangible Assets prior to the time such Debt was issued, assumed or guaranteed.

The following types of transactions, among others, shall not be deemed to create "Debt" secured by "liens" within the meaning of those terms as defined above:

(a) the sale or other transfer of (i) oil, gas or other minerals in place for a period of time until, or in an amount such that, the purchaser will realize therefrom a specified amount of money (however determined) or a specified amount of such minerals, or (ii) any other interest in property of the character commonly referred to as a "production payment"; and

(b) the mortgage or pledge of any property of the Guarantor or any Subsidiary in favor of the United States, or any State, or any department, agency or instrumentality of either, to secure partial, progress, advance or other payments to the Guarantor or any Subsidiary pursuant to the provisions of any contract or statute.

Section 4.07. Limitation on Sale and Leaseback. The Guarantor will not itself, and will not permit any Restricted Subsidiary to, enter into any arrangement (except for temporary leases for a term of not more



than three years, or except for sale or transfer and leaseback transactions involving the acquisition or improvement of Principal Properties provided that the amount of consideration received at the time of sale or transfer by the Guarantor or such Restricted Subsidiary for the property so sold or transferred shall be applied as set forth in subparagraph (2) below) with any bank, insurance company or other lender or investor, or to which any such lender or investor is a party, providing for the leasing to the Guarantor or any Restricted Subsidiary of any Principal Property which has been or is to be sold or transferred by the Guarantor or any Restricted Subsidiary to such lender or investor or to any Person to whom funds have been or are to be advanced by such lender or investor on the security of such property unless, either:

(1) the Guarantor or any Restricted Subsidiary could create Debt secured by a mortgage pursuant to Section 4.06 on the property to be leased without equally and ratably securing the Securities or

(2) The Guarantor within the 12 months preceding such sale or transfer or the 12 months following such sale or transfer, regardless of whether such sale or transfer may have been made by the Guarantor or by a Restricted Subsidiary, has applied or applies an amount equal to the greater of (a) the net proceeds of the sale of the property leased pursuant to such arrangement or (b) the fair value of the property so leased at the time of entering into such arrangement:

(i) to the voluntary retirement of debt of the Guarantor or of a Restricted Subsidiary or debt of a Subsidiary guaranteed by the Guarantor which debt matures by its terms more than one year after the date on which it was originally incurred (collectively herein called "funded debt"); provided that there shall be credited against the amount required by subparagraph (2) to be applied to the retirement of funded debt an amount equal to:

(A) the principal amount of any Securities delivered within the 12 months preceding such sale or transfer or the 12 months following such sale or transfer to the Trustee for voluntary retirement and cancellation, and

(B) the principal amount of funded debt, other than Securities, voluntarily retired by the Guarantor within 12 months before or after such sale; or

(ii) to the acquisition, development or improvement of a Principal Property or Principal Properties.

Section 4.08. Notice of Default. The Guarantor covenants that, as soon as is practicable, the Guarantor will furnish the Trustee notice of any event which is an Event of Default or which with the giving of notice or the passage of time or both would constitute an Event of Default which has occurred and is continuing on the date of such notice, which notice shall set forth the nature of such event and the action which the Guarantor proposes to take with respect thereto.

Section 4.09. Waiver of Certain Covenants of Guarantor. The Guarantor may omit in any particular instance to comply with any covenant, term, provision or condition set forth in this Article Four with respect to the Securities of any series if before the time for such compliance, the Holders of at least a majority in principal amount of the Securities of such Series at the time Outstanding shall either waive such compliance in such instance or generally waive compliance with such covenant, term, provision or condition, but no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Guarantor in respect of any such covenant, term, provision or condition shall remain in full force and effect.

ARTICLE FIVE

SECURITYHOLDERS' LISTS

Section 5.01. Company to Furnish Trustee Information As to the Names and Addresses of Securityholders. The Company will furnish or cause to be furnished to the Trustee, not less than 45 days nor more than 60 days after each date (month and day) specified as an Interest Payment Date for the Securities of the first Series issued under this Indenture (whether or not any Securities of that Series are then Outstanding), but in no event less frequently than semiannually, and at such other times as the Trustee may request in writing, within 30 days after receipt by the Company of any such request, a list, in such form as the Trustee may reasonably require, containing all the information in the possession or control of the Company, or any of its Paying Agents other than the Trustee, as to the names and addresses of the Holders of Securities, obtained since the date as of which the next previous list, if any, was furnished, excluding from any such list the names and addresses received by the Trustee in its capacity as registrar (if so acting). Any such list may be dated as of a date not more than 15 days prior to the time such information is furnished and need not include information received after such date.

Section 5.02. Preservation of Information; Communication to Securityholders. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the Holders of Securities of each Series (1) contained in the most recent list furnished to it as provided in Section 5.01, (2) received by the Trustee in the capacity of Paying Agent or registrar (if so acting) and (3) filed with the Trustee within the two preceding years as provided for in Section 5.04(c). The Trustee may destroy any list furnished to it as provided in Section 5.01 upon receipt of a new list so furnished.

(b) If three or more Holders of Securities (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 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 any Series or with 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 which such applicants propose to transmit, then the Trustee shall, within five Business Days after the receipt of such application, at its election, either:

(1) afford such applicants access to the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section 5.02 or

(2) 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 the provisions of subsection (a) of this Section 5.02, and as to the approximate cost of mailing to such Securityholders the form of proxy or other communications, 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 of the Holders of Securities of such Series, or all Securities, as the case may be, whose name and address appear in the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section 5.02, a copy of the form of proxy or other communication which 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 Securityholders 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) Each and every Holder of the Securities, by receiving and holding the same, agrees with the Company, the Guarantor and the Trustee that neither the Company nor the Guarantor nor the Trustee nor any Paying Agent nor any registrar shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders of Securities in accordance with the provisions of subsection (b) of this Section 5.02, 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 said subsection (b).

Section 5.03. Reports by Company and Guarantor. (a) The Company and the Guarantor each covenant and agree to file with the Trustee within 30 days after the Company or the Guarantor 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) which the Company or the Guarantor may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934; or, if the Company or the Guarantor is not required to file information, documents or reports pursuant to either of such sections, then to 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 which may be required pursuant to Section 13 of the Securities Exchange Act of 1934 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) The Company and the Guarantor each covenant and agree to file with the Trustee and the Commission, in accordance with the rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company or the Guarantor, as the case may be, with the conditions and covenants provided for in this Indenture as may be required from time to time by such rules and regulations.

(c) The Company and the Guarantor each covenant and agree to transmit to the Holders of Securities within 30 days after the filing thereof with the Trustee, in the manner and to the extent provided in subsection (c) of Section 5.04 with respect to reports pursuant to subsection (a) of said Section 5.04, such summaries of any information, documents and reports required to be filed by the Company or the Guarantor, as the case may be, pursuant to subsections (a) and (b) of this Section 5.03 as may be required by rules and regulations prescribed from time to time by the Commission.

(d) The Company, the Guarantor and any other obligor on the Securities each covenant and agree to furnish to the Trustee, not less than annually, a brief certificate from the principal executive officer, principal financial officer or principal accounting officer as to his or her knowledge of the Company's or the Guarantor's compliance with all conditions and covenants of this Indenture (which compliance shall be determined without regard to any period of grace or requirement of notice as provided in this Indenture). Such certificates need not comply with Section 14.03 of this Indenture.

Section 5.04. Reports by Trustee. (a) On or before the first July 15th following the date of execution of this Indenture, and on or before July 15 in every year thereafter, if and so long as any Securities are Outstanding hereunder, the Trustee shall transmit to the Securityholders as hereinafter in this Section 5.04 provided, a brief report dated as of the preceding May 15 with respect to any of the following events which may have occurred within the previous 12 months (but if no such event has occurred within such period no report need be transmitted):

(1) any change to its eligibility under Section 7.09, and its qualifications under Section 7.08;

(2) the creation of or any material change to a relationship specified in paragraph (1) through (10) of Section 7.08(d)

(3) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) which remain unpaid on the date of such report, and for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Securities of any Series, on any property or funds held or collected by it as Trustee, except that the Trustee shall not be required (but may elect) to state such advances if such advances so remaining unpaid aggregate not more than one-half of one percent of the principal amount of the Securities of such Series Outstanding on the date of such report;

(4) the amount, interest rate and maturity date of all other indebtedness owing by the Company or the Guarantor (or by any other obligor on the Securities) to the Trustee in its individual capacity, on the date of such report, with a brief description of any property held as collateral security therefor, except indebtedness based upon a creditor relationship arising in any manner described in paragraph (2), (3), (4) or (6) of subsection (b) of Section 7.13;

(5) any change to the property and funds, if any, physically in the possession of the Trustee (as such) on the date of such report;

(6) any additional issue of Securities which the Trustee has not previously reported; and

(7) any action taken by the Trustee in the performance of its duties under this Indenture which it has not previously reported and which in its opinion materially affects the Securities, except action in respect of a default, notice of which has been or is to be withheld by it in accordance with the provisions of Section 6.10.

(b) The Trustee shall transmit to the Securityholders, as hereinafter provided, a brief report with respect to the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) since the date of the last report transmitted pursuant to the provisions of subsection (a) of this Section (or if no such report has yet been so transmitted, since the date of execution of this Indenture), for the reimbursement of which it claims or may claim a lien or charge prior to that of the Securities of any Series on property or funds held or collected by it as Trustee, and which it has not previously reported pursuant to this subsection, except that the Trustee shall not be required (but may elect) to report such advances if such advances remaining unpaid at any time aggregate ten percent or less of the principal amount of Securities of such Series Outstanding at such time, such report to be transmitted within 90 days after such time.

(c) Reports pursuant to this Section 5.04 shall be transmitted by mail to (i) all Holders of Securities of any Series, as the names and addresses of such Holders shall appear upon the Register of the Securities of such Series, (ii) to such Holders of Securities as have, within the two years preceding such transmission, filed their names and addresses with the Trustee for that purpose and (iii) except in the case of reports pursuant to subsection (b) of this Section 5.04 to each Holder whose name and address are preserved at the time by the Trustee as provided in Section 5.02(a) hereof.

(d) A copy of each such report shall, at the time of such transmission to Securityholders, be filed by the Trustee with each stock exchange upon which the Securities of any Series are listed and also with the

Commission. The Company will notify the Trustee when and as the Securities of any Series become listed on any stock exchange.

#### ARTICLE SIX

##### REMEDIES OF THE TRUSTEE AND SECURITYHOLDERS ON EVENT OF DEFAULT

Section 6.01. Events of Default; Acceleration, Waiver of Default and Restoration of Position and Rights. The term "Event of Default" whenever used herein with respect to any particular Series of Securities shall mean any one of the following events:

(a) default in the payment of any installment of interest on any Security of such Series as and when the same shall become due and payable, and continuance of such default for a period of 30 days, or

(b) default in the payment of all or any part of the principal of or any premium on any Security of such Series as and when the same shall become due and payable whether at maturity, by proceedings for redemption, by declaration or otherwise, or

(c) default in the satisfaction of any sinking fund payment obligation relating to such Series of Securities, when and as such obligation shall become due and payable, or

(d) failure on the part of the Company or the Guarantor duly to observe or perform in any material respect any other of the covenants or agreements on the part of the Company or the Guarantor in the Securities or in this Indenture (including any Supplemental Indenture or pursuant to any Certified Resolution, as contemplated by Section 2.01) specifically contained for the benefit of the Holders of the Securities of such Series, for a period of 90 days after there has been given, by registered or certified mail, to the Company and the Guarantor by the Trustee, or to the Company, the Guarantor and the Trustee by the Holders of not less than 25% in principal amount of the Securities of such Series and all other Series so benefitted (all Series voting as one class) at the time Outstanding under this Indenture a written notice specifying such failure and stating that such is a "Notice of Default" hereunder, or

(e) the entry or order of a court of competent jurisdiction against the Company adjudging the Company bankrupt or insolvent, or approving a petition seeking reorganization or winding-up of the Company under the Bankruptcy Act (Canada), the Companies' Creditors Arrangement Act (Canada) or any other bankruptcy, insolvency or analogous law, or appointing a receiver, or other Person with like powers, of the Company or of all, or any substantial part of, the property of the Company or ordering the involuntary winding-up or liquidation of the affairs of the Company, and any such decree or order continues unstayed and in effect for a period of more than 60 consecutive days, or if any receiver or other Person with like powers is appointed for the Company or all, or any substantial part of, the property of the company and such appointment continues undischarged and in effect for a period of more than 60 consecutive days, or

(f) the institution by the Company of proceedings to be adjudicated bankrupt or insolvent, or the Company's consent to the institution of bankruptcy or insolvency proceedings against it, under the Bankruptcy Act (Canada), the Companies' Creditors Arrangement Act (Canada) or any other bankruptcy, insolvency or analogous law, or its consent to the filing of any petition under any such law or to the appointment of a receiver or other Person with like powers of the Company or of all, or any substantial part of, the property

of the Company, or the Company makes a general assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due or takes any corporate action in furtherance of any of the foregoing, or

(g) the entry by a court having jurisdiction in the premises of a decree or order for relief in respect of the Guarantor in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Guarantor or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, if such decree or order shall remain unstayed and in effect for a period of 60 consecutive days, or

(h) the commencement by the Guarantor of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or the Guarantor's consent to the entry of an order for relief in any involuntary case under any such law, or its consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Guarantor or for any substantial part of its property, or the making by the Guarantor of any general assignment for the benefit of creditors, or its failure generally to pay its debts as they become due or the taking by the Guarantor of any corporate action in furtherance of any of the foregoing.

If an Event of Default shall have occurred and be continuing with respect to any one or more Series of Outstanding Securities, then and in each and every such case, unless the principal amount of all the Securities of each Series as to which there is an Event of Default shall have already become due and payable, either the Trustee or the Holders of not less than 25% in principal amount of the Securities of such Series then Outstanding hereunder (each such Series voting as a separate class) by notice in writing to the Company and to the Guarantor (and to the Trustee if given by Securityholders) may declare the principal amount (or, if the Securities of any such Series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of such Series) of all the Securities of such Series, together with any accrued interest, to be due and payable immediately and upon any such declaration the same shall be immediately due and payable, anything in this Indenture or in the Securities of such Series contained to the contrary notwithstanding. The foregoing provisions, however, are subject to the condition that if, at any time after the principal amount of the Securities of any one or more Series (or of all the Securities, as the case may be) shall have been so declared due and payable, and before any judgment or decree for the payment of moneys due shall have been obtained or entered as hereinafter provided, the Company or the Guarantor shall pay or shall deposit with the Trustee a sum sufficient to pay any matured installments of interest upon all the Securities of such Series (or upon all the Securities, as the case may be) and the principal of any and all Securities of such Series (or of any and all the Securities, as the case may be) which shall have become due otherwise than by declaration (with interest on overdue installments of interest to the extent permitted by law and on such principal at the rate or rates of interest borne by or prescribed therefor in the Securities of such Series to the date of such payment or deposit) and the amounts payable to the Trustee under Section 7.06 and any and all defaults under the Indenture with respect to Securities of such Series (or all Securities, as the case may be), other than the non-payment of principal of and any accrued interest on Securities of such Series (or any Securities, as the case may be) which shall have become due by declaration shall have been cured, remedied or waived as provided in Section 6.09 -- then and in every such case the Holders of a majority in principal amount of the Securities of such Series (or of all the Securities, as the case may be) then Outstanding (such Series or all Series voting as one class if more than one Series are so entitled) by written notice to the Company, to the Guarantor and to the Trustee, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Company, the Guarantor, the Trustee and the Holders of the Securities of such Series (or of all the Securities, as the case may be) shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Company, the Guarantor and the Trustee and the Holders of the Securities of such Series (or of all the Securities, as the case may be) shall continue as though no such proceedings had been taken.

Section 6.02. Covenant of Company to Pay to Trustee Whole Amount Due on Securities on Default in Payment of Interest or Principal. The Company covenants that:

(1) in case default shall be made in the payment of any installment of interest on any of the Securities of any Series as and when the same shall become due and payable, and such default shall have continued for a period of 30 days or

(2) in case default shall be made in the payment of all or any part of the principal of any of the Securities of any Series when the same shall have become due and payable, whether at the Stated Maturity of the Securities of such Series or by any call for redemption or upon declaration of acceleration or otherwise or

(3) default shall be made in the satisfaction of any sinking fund obligation when and as such obligation becomes due and payable,

upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the Holders of the Securities of such Series, the whole amount that then shall have become due and payable on all such Securities of such Series for principal (and any premium) and interest and for any overdue sinking fund payment together with interest upon the overdue principal and installments of interest (to the extent permitted by law) at the rate or rates of interest borne by, or prescribed therefor in, the Securities of such Series; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expense of collection, including a reasonable compensation to the Trustee, its agents and counsel, and any expenses or liabilities incurred, and all advances made, by the Trustee hereunder other than through its negligence or bad faith.

In case the Company shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as Trustee of an express trust, shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Company, the Guarantor or any other obligor upon such Securities, and collect in the manner provided by law out of the property of the Company, the Guarantor or any other obligor upon such Securities wherever situated the moneys adjudged or decreed to be payable.

If an Event of Default with respect to Securities of any Series 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 6.03. Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other similar 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 the Securities of any Series 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 or interest) shall be entitled and empowered, to the fullest extent permitted by law, by intervention in such proceeding or otherwise:

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

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

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder 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 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 7.06.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder 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 in any such proceeding.

Section 6.04. Trustee May Enforce Claims Without Possession of Securities. All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee to the fullest extent permitted by law without the possession of any of the Securities 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, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

Section 6.05. Application of Moneys Collected By Trustee. Any moneys collected by the Trustee pursuant to Section 6.02 shall be applied in the order following, at the date or dates fixed by the Trustee for the distribution of such moneys, upon presentation of the several Securities in respect of which moneys have been collected, and stamping thereon the payment, if only partially paid, and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due to the Trustee under Section 7.06;

SECOND: In case the principal of the Outstanding Securities in respect of which moneys have been collected shall not have become due and be unpaid, to the payment of any interest on such Securities, in the order of the maturity of the installments of such interest, with interest upon the overdue installments of interest (so far as permitted by law and to the extent that such interest has been collected by the Trustee at the rate or rates of interest borne by such Securities or prescribed therefor therein), such payments to be made ratably to the Persons entitled thereto, without discrimination or preference;

THIRD: In case the principal of the Outstanding Securities in respect of which such moneys have been collected shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon such Securities for principal and interest, if any, with interest on the overdue principal and any installments of interest (so far as permitted by law and to the extent that such interest has been collected by the Trustee) at the rate or rates of interest borne by, or prescribed therefor in, such Securities; and in case



such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon such Securities, then to the payment of such principal and interest, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Security over any other Security, ratably to the aggregate of such principal and accrued and unpaid interest; and

FOURTH: To the payment of the remainder, with appropriate interest to the Company, the Guarantor or their successors or assigns, or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

Section 6.06. Limitation on Suits By Holders of Securities. No Holder of any Security of any Series shall have any right by virtue or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such Holder previously shall have given to the Trustee written notice of a continuing Event of Default, as hereinbefore provided, and unless also the Holders of not less than 25% in principal amount of the Securities of such Series then Outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby (including the reasonable fees of counsel for the Trustee), and the Trustee, for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to this Section 6.06; it being understood and intended, and being expressly covenanted by the taker and Holder of every Security with every other taker and Holder and the Trustee, that no one or more Holders of Securities shall have any right in any manner whatever by virtue or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of the Holders of any other of such Securities, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Securities. For the protection and enforcement of the provisions of this Section, each and every Holder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provisions in this Indenture, the right of any Holder of any Security to receive payment of the principal of and interest on such Security, on or after the respective due dates expressed in such Security (or, in the case of redemption on or after the date fixed for redemption), or to institute suit for the enforcement of any such payment on or after such respective dates shall not be impaired or affected without the consent of such Holder.

Section 6.07. Rights and Remedies Cumulative. All powers and remedies given by this Article Six to the Trustee or to the Holders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the Holders, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any Holder of any of the Securities to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein; and, subject to the provisions of Section 6.06, every power and remedy given by this Article Six or by law to the Trustee or to the Holders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Holders. The assertion or employment of any right or remedy hereunder or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.08. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of any Securities 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. Subject to the provisions of Section 6.06, every right and remedy given by this Article Six 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 6.09. Control By Holders; Waiver of Past Defaults. The Holders of a majority in principal amount of the Securities of a Series at the time Outstanding (determined as provided in Section 8.04) and with respect to which an Event of Default shall have occurred and be continuing 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; provided, however, that, subject to Section 7.01, the Trustee shall have the right to decline to follow any such direction if the Trustee in reliance upon an Opinion of Counsel determines that the action so directed may not lawfully be taken, or if the Trustee in good faith shall, by a Responsible Officer or Officers of the Trustee, determine that the proceedings so directed would be illegal or involve it in personal liability or be unduly prejudicial to the rights of Holders not parties to such direction, and provided further that nothing in this Indenture shall impair the right of the Trustee to take any action deemed proper by the Trustee and which is not inconsistent with such direction by the Holders.

The Company may set a special record date for purposes of determining the identity of the Holders of Securities entitled to vote or consent to any action by vote or consent authorized or permitted by this Section 6.09. Such record date shall be the later of 15 days prior to the first solicitation of such consent or the date of the most recent list of holders furnished to the Trustee pursuant to Section 5.01 of this Indenture prior to such solicitation.

The Holders of not less than a majority in principal amount of the Securities of any Series at the time Outstanding (determined as provided in Section 8.04) may on behalf of the Holders of all the Securities of such Series waive any past Event of Default with respect to such Series and its consequences (subject to Section 6.02), except a continuing Event of Default specified in Section 6.01(a), (b) or (c), or in respect of a covenant or provision hereof which under Article Ten cannot be modified or amended without the consent of the Holder of each Security so affected. Upon any such waiver, the Company, the Guarantor, the Trustee and the Holders of the Securities of such Series shall be restored to their former positions and rights hereunder, respectively, and such Event of Default shall be deemed to have been cured and not continuing for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 6.10. Trustee to Give Notice of Defaults Known to It, But May Withhold in Certain Circumstances. The Trustee shall, within 90 days after the occurrence of any default hereunder with respect to the Securities of any Series, give to the Holders of the Securities of such Series in the manner and to the extent provided in subsection (c) of Section 5.04 with respect to reports pursuant to subsection (a) of said Section 5.04, notice of such default known to the Trustee unless such default shall have been cured, remedied or waived before the giving of such notice (the term "default" for the purposes of this Section 6.10 being hereby defined to be the events specified in Section 6.01 and any additional events specified in the terms of any Series of Securities pursuant to Section 2.01 not including any periods of grace provided for therein, and irrespective of the giving of written notice specified in clause (d) of Section 6.01 and in any such terms); provided, that except in the case of default in the payment of the principal of or interest on any of the 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 interest of the Holders of the Securities of such Series.

Section 6.11. Requirement of an Undertaking to Pay Costs in Certain Suits Under the Indenture or Against the Trustee. All parties to this Indenture agree, and each Holder of any Security by such Holder's 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 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 6.11 shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder of Securities of any Series, or group of such Holders, holding in the aggregate more than ten percent in principal amount of the Securities of such Series Outstanding, or to any suit instituted by any Holder for the enforcement of the payment of the principal of or any interest or premium on any Security, on or after the due date expressed in such Security (or in the case of any redemption, on or after the Redemption Date).

ARTICLE SEVEN  
CONCERNING THE TRUSTEE

Section 7.01. Certain Duties and Responsibilities of Trustee. The Trustee, prior to the occurrence of an Event of Default and after the curing, remedying or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured, remedied or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

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, provided, however, that:

(a) prior to the occurrence of an Event of Default and after the curing, remedying or waiving of all Events of Default which may have occurred:

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which 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 to the requirements of this Indenture;

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

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of Securities pursuant to Section 6.09 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.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties hereunder or in the

exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 7.02. Certain Rights of Trustee. Except as otherwise provided in Section 7.01:

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

(b) Any request, direction, order or demand of the Company or the Guarantor mentioned herein shall be sufficiently evidenced by an Officer's Certificate (unless other evidence in respect thereof shall be herein specifically prescribed); and any resolution of the Board of Directors of the Company or of the Guarantor may be evidenced to the Trustee by a copy thereof certified by the Secretary or an Assistant Secretary of the Company or the Guarantor, as the case may be.

(c) The Trustee may consult with counsel and the written 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 accordance with such written advice or Opinion of Counsel.

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Securityholders, pursuant to the provisions of this Indenture, unless such Securityholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

(e) The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(f) 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, consent, order, approval, bond, debenture, note or other paper or document, unless requested in writing so to do by the Holders of Securities pursuant to Section 6.09; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such costs, expenses or liabilities as a condition to so proceeding; and provided further, that nothing in this subsection (f) shall require the Trustee to give the Securityholders any notice other than that required by Section 6.10. The reasonable expense of every such examination shall be paid by the Company or, if paid by the Trustee, shall be repaid by the Company upon demand.

(g) 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.

(h) The Trustee shall be under no responsibility for the approval by it in good faith of any expert for any of the purposes expressed in this Indenture.

Section 7.03. Trustee Not Responsible for Recitals or Application of Proceeds. The recitals contained herein and in the Securities (other than the certificate of authentication on the Securities) shall be taken as the statements of the Company or the Guarantor, as the case may be, and the Trustee assumes no responsibility for the correctness of the same. 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 any of the Securities or of the proceeds thereof.

Section 7.04. Trustee May Own Securities. The Trustee, any Paying Agent, registrar or any agent of the Company or of the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities with the same rights it would have if it were not Trustee, Paying Agent, registrar or such other agent.

Section 7.05. Moneys Received by Trustee to be Held in Trust. Moneys held by the Trustee in trust 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 with the Company.

Section 7.06. Trustee Entitled to Compensation, Reimbursement and Indemnity. The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of any express trust), and the Company will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in connection with the acceptance or administration of its trust under this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all Persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or bad faith. The Company also agrees to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustee and arising out of or in connection with the acceptance or administration of this trust, including the reasonable costs and expenses of defending itself against any claim of liability in the premises. The obligations of the Company under this Section to compensate the Trustee, to pay or reimburse the Trustee for expenses, disbursements and advances and to indemnify and hold harmless the Trustee shall constitute additional indebtedness hereunder and shall survive the satisfaction and discharge of this Indenture. Such additional indebtedness shall be secured by a lien prior to that of the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of or interest or redemption premium on particular Securities.

Section 7.07. Right of Trustee to Rely on Officers' Certificate Where No Other Evidence Specifically Prescribed. Except as otherwise provided in Section 7.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate of the Company or the Guarantor delivered to the Trustee, and such Certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the faith thereof.

Section 7.08. Disqualification; Conflicting Interest. (a) If the Trustee has or shall acquire any conflicting interest, as defined in this Section 7.08, it shall, within 90 days after ascertaining that it has such conflicting interest, and if the Event of Default to which such conflicting interest relates has not been cured or duly waived or otherwise eliminated before the end of such 90-day period, the Trustee shall either eliminate such conflicting interest or, except as otherwise provided in this Section 7.08, resign in the manner and with the effect specified in Section 7.10, such resignation to become effective upon the appointment of a successor trustee and such successor's acceptance of such appointment, and the Company shall take prompt steps to have a successor appointed in the manner provided in Section 7.10.

(b) In the event that the Trustee shall fail to comply with the provisions of subsection (a) of this Section, the Trustee shall, within ten days after the expiration of such 90-day period, transmit notice of such failure to the Securityholders in the manner and to the extent provided in subsection (c) of Section 5.04 with respect to reports pursuant to subsection (a) of said Section 5.04.

(c) Subject to the provisions of Section 6.11 of this Indenture, unless the Trustee's duty to resign is stayed as provided in subsection (f) of this Section 7.08, any Holder who has been a bona fide Holder of Securities for at least six months may, on such Holder's behalf and on behalf of all other Holders similarly situated, petition any court of competent jurisdiction for the removal of such Trustee and the appointment of a successor, if such Trustee fails after written request thereof by such Holder to comply with the provisions of subsection (a) of this Section 7.08.

(d) For the purposes of this Section 7.08 the Trustee shall be deemed to have a conflicting interest with respect to the Securities of any Series if an Event of Default (exclusive of any period of grace or requirement of notice) has occurred with respect to securities of such Series and:

(1) the Trustee is trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the Company or the Guarantor or any other obligor on the Securities are outstanding or is trustee for more than one outstanding series of securities, as hereinafter defined, under a single indenture of the Company, the Guarantor or any other obligor on the Securities, unless such other indenture is a collateral trust indenture under which the only collateral consists of Securities, provided that there shall be excluded from the operation of this paragraph, this Indenture with respect to the Securities of any other Series outstanding, the Indenture dated as of \_\_\_\_\_ between \_\_\_\_\_ and the Trustee, an Indenture dated as of \_\_\_\_\_ between \_\_\_\_\_ and any other indenture or indentures under which other securities, or certificates of interest or participation in other securities, of the Company or the Guarantor or any other obligor on the Securities are outstanding, if (A) this Indenture is and such other indenture or indentures (and all series of securities issued thereunder) are wholly unsecured and rank equally, and such other indenture or indentures (and such series) are hereafter qualified under the Trust Indenture Act of 1939, unless the Commission shall have found and declared by order pursuant to subsection (b) of Section 305 or subsection (c) of Section 307 of the Trust Indenture Act of 1939, that differences exist between the provisions of this Indenture with respect to Securities of such Series and one or more other Series, or the provisions of this Indenture and the provisions of such other indenture or indentures (or such series), which are so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under this Indenture with respect to Securities of such Series and such other Series, or under this Indenture and such other indenture or indentures, or (B) the Company or the Guarantor shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that the trusteeship under this Indenture with respect to Securities of such Series and such other Series, or under this Indenture and such other indenture, is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under this Indenture with respect to Securities of such Series and such other Series, or under this Indenture and one of such indentures,

(2) the Trustee or any of its directors or executive officers is an underwriter for the Company or the Guarantor or any other obligor on the Securities,

(3) the Trustee directly or indirectly controls or is directly or indirectly controlled by or is under direct or indirect common control with an underwriter for the Company or the Guarantor or any other obligor on the Securities,

(4) the Trustee or any of its directors or executive officers is a director, officer, partner, employee, appointee or representative of the Company or the Guarantor or any other obligor on the Securities, or of an underwriter (other than the Trustee itself) for the Company or the Guarantor or any other obligor on the Securities who is currently engaged in the business of underwriting, except that (A) one individual may be a director and/or an executive officer of the Trustee and a director and/or an executive officer of the Company or the Guarantor or any other obligor on the Securities, but may not be at the same time an executive officer of both the Trustee and the Company or the Guarantor or any other obligor on the Securities; (B) if and so long as the number of directors of the Trustee in office is more than nine, one additional individual may be a director and/or an executive officer of the Trustee and a director of the Company or the Guarantor or any other obligor on the Securities; and (C) the Trustee may be designated by the Company or the Guarantor or any other obligor on the Securities or by an underwriter for the Company or the Guarantor or any other obligor on the Securities to act in the capacity of transfer agent, registrar, custodian, paying agent, fiscal agent, escrow agent or depository, or in any other similar capacity, or, subject to the provisions of paragraph (1) of this subsection (d), to act as trustee whether under an indenture or otherwise,

(5) ten percent or more of the voting securities of the Trustee are beneficially owned either by the Company or the Guarantor or any other obligor on the Securities or by any director, partner or executive officer thereof, or 20% or more of such voting securities is beneficially owned, collectively, by any two or more of such Persons; or ten percent or more of the voting securities of the Trustee are beneficially owned either by an underwriter for the Company or the Guarantor or any other obligor on the Securities or by any director, partner or executive officer thereof, respectively, or are beneficially owned, collectively, by any two or more such Persons,

(6) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default as hereinafter defined, (A) five percent or more of the voting securities, or ten percent or more of any other class of security, of the Company or the Guarantor or any other obligor on the Securities, not including the Securities and securities issued under any other indenture under which the Trustee is also trustee, or (B) ten percent or more of any class of security of an underwriter for the Company or the Guarantor or any other obligor on the Securities,

(7) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default, as hereinafter defined, five percent or more of the voting securities of any Person who, to the knowledge of the Trustee, owns ten percent or more of the voting securities of, or controls directly or indirectly or is under direct or indirect common control with the Company or the Guarantor or any other obligor on the Securities,

(8) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default, as hereinafter defined, ten percent or more of any class of security of any Person who, to the knowledge of the Trustee, owns 50% or more of the voting securities of the Company or the Guarantor or any other obligor on the Securities,

(9) the Trustee owns on the date of the occurrence of such Event of Default (exclusive of any period of grace or requirement of notice) or any anniversary thereof while such Event of Default remains outstanding, in the capacity of executor, administrator, testamentary or inter vivos trustee, guardian, committee or conservator, or in any other similar capacity an aggregate of 25% or more of the voting securities or of any class of security, of any Person, the beneficial ownership of a specified percentage of which would have constituted a conflicting interest under paragraph (6), (7) or (8) of this subsection (d). As to any such securities of which the Trustee acquired ownership through becoming executor, administrator or testamentary trustee of an estate which included them, the

provisions of the preceding sentence shall not apply, for a period of two years from the date of such acquisition, to the extent that such securities included in such estate do not exceed 25% of such voting securities or 25% of any such class of security. Promptly after the date of the occurrence of any such Event of Default and annually in each succeeding year that the Securities or any Series thereof remain in default, the Trustee shall make a check of its holdings of such securities in any of the above-mentioned capacities as of such date. If the Company or the Guarantor or any other obligor on the Securities fails to make payment in full of principal of or interest on any of the Securities when and as the same becomes due and payable and such failure continues for 30 days thereafter, the Trustee shall make a prompt check of its holdings of such securities in any of the above-mentioned capacities as of the date of the expiration of such 30-day period, and after such date, notwithstanding the foregoing provisions of this paragraph (9), all such securities so held by the Trustee, with sole or joint control over such securities vested in it, shall, but only so long as such failure shall continue, be considered as though beneficially owned by the Trustee for the purposes of paragraphs (6), (7) and (8) of this subsection (d), or

(10) except under the circumstances described in paragraphs (1), (3), (4), (5) or (6) of Section 7.13(b), the Trustee shall be or become a creditor of the Company or the Guarantor or any other obligor on the Securities.

The specifications of percentages in paragraphs (5) to (9), inclusive, of this subsection (d) shall not be construed as indicating that the ownership of such percentages of the securities of a Person is or is not necessary or sufficient to constitute direct or indirect control for the purposes of paragraph (3) or (7) of this subsection (d).

For the purposes of paragraphs (6), (7), (8) and (9) of this subsection (d) only, (A) the terms "security" and "securities" shall include only such securities as are generally known as corporate securities, but shall not include any note or other evidence of indebtedness issued to evidence an obligation to repay moneys lent to a Person by one or more banks, trust companies or banking firms, or any certificate of interest or participation in any such note or evidence of indebtedness; (B) an obligation shall be deemed to be in default when a default in payment of principal shall have continued for 30 days or more and shall not have been cured; and (C) the Trustee shall not be deemed to be the owner or Holder of (i) any security which it holds as collateral security (as trustee or otherwise) for an obligation which is not in default as defined in clause (B) above, or (ii) any security which it holds as collateral security under this Indenture, irrespective of any default hereunder, or (iii) any security which it holds as agent for collection, or as custodian, escrow agent or depository, or in any similar representative capacity.

(e) For the purposes of this Section 7.08:

(1) The term "underwriter" when used with reference to the Company or the Guarantor or any other obligor on the Securities shall mean every Person who, within one year prior to the time as of which the determination is made, has purchased from the Company or the Guarantor or any other obligor on the Securities with a view to, or has offered or sold for the Company or the Guarantor or any other obligor on the Securities in connection with, the distribution of any security of the Company or the Guarantor or any other obligor on the Securities outstanding at such time, or has participated or has had a direct or indirect participation in any such undertaking, or has participated or has had a participation in the direct or indirect underwriting of any such undertaking, but such term shall not include a Person whose interest was limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors' or sellers' commission.

(2) The term "director" shall mean any director of a corporation or any individual performing similar functions with respect to any organization whether incorporated or unincorporated.



(3) The term "trust" shall include only a trust where the interest or interests of the beneficiary or beneficiaries are evidenced by a security.

(4) The term "voting security" shall mean any security presently entitling the owner or Holder thereof to vote in the direction or management of the affairs of a Person, or any security issued under or pursuant to any trust, agreement or arrangement whereby a trustee or trustees or agent or agents for the owner or Holder of such security are presently entitled to vote in the direction or management of the affairs of a Person.

(5) The term "executive officer" shall mean the president, every vice-president, every trust officer, the cashier, the secretary and the treasurer of a corporation, and any individual customarily performing similar functions with respect to any organization whether incorporated or unincorporated, but shall not include the chairman of the board of directors.

(6) Except for purposes of paragraphs (6), (7), (8) and (9) of subsection (d) of this Section 7.08, the term "security" or "securities" shall mean any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, pre-organization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral rights, or, in general, any interest or instrument commonly known as a "security" or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

(7) For the purpose of subsection (d)(1) of this Section 7.08, the term "Series of securities" or "Series" means a Series, class or group of securities issuable under an indenture pursuant to whose terms Holders of one such Series may vote to direct the indenture trustee, or otherwise take action pursuant to a vote of such holders, separately from holders of another such Series; provided, that "Series of securities" or "Series" shall not include any Series of securities issuable under an indenture if all such Series rank equally and are wholly unsecured.

The percentages of voting securities and other securities specified in this Section 7.08 shall be calculated in accordance with the following provisions:

(A) A specified percentage of the voting securities of the Trustee, the Company, the Guarantor or any other Person referred to in this Section 7.08 (each of whom is referred to as a "Person" in this paragraph) means such amount of the outstanding voting securities of such Person as entitles the Holder or Holders thereof to cast such specified percentage of the aggregate votes which the Holders of all the outstanding voting securities of such Person are entitled to cast in the direction or management of the affairs of such Person.

(B) A specified percentage of a class of securities of a Person means such percentage of the aggregate amount of securities of the class outstanding.

(C) The term "amount", when used in regard to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to capital shares, and the number of units if relating to any other kind of security.

(D) The term "outstanding" means issued and not held by or for the account of the issuer. The following securities shall not be deemed outstanding within the meaning of this definition:

(i) securities of an issuer held in a sinking fund relating to securities of the issuer of the same class;

(ii) securities of an issuer held in a sinking fund relating to another class of securities of the issuer, if the obligation evidenced by such other class of securities is not in default as to principal or interest or otherwise;

(iii) securities pledged by the issuer thereof as security for an obligation of the issuer not in default as to principal or interest or otherwise; and

(iv) securities held in escrow if placed in escrow by the issuer thereof;

provided, however, that any voting securities of an issuer shall be deemed outstanding if any Person other than the issuer is entitled to exercise the voting rights thereof.

(E) A security shall be deemed to be of the same class as another security if both securities confer upon the Holder or Holders thereof substantially the same rights and privileges, provided, however, that, in the case of secured evidences of indebtedness, all of which are issued under a single indenture, differences in the interest rates or maturity dates of various Series thereof shall not be deemed sufficient to constitute such Series different classes, and provided further that, in the case of unsecured evidences of indebtedness, differences in the interest rate or maturity dates thereof shall not be deemed sufficient to constitute them securities of different classes, whether or not they are issued under a single indenture.

(f) Except in the case of a default in the payment of the principal of or interest on any Securities, or in the payment of any sinking or purchase fund installment, the Trustee shall not be required to resign as provided by this Section 7.08 if the Trustee shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that (i) the default under this Indenture may be cured or waived during a reasonable period and under the procedures described in such application, and (ii) a stay of the Trustee's duty to resign will not be inconsistent with the interests of Holders of such Series of Securities. The filing of such an application shall automatically stay the performance of the duty to resign until the Commission orders otherwise. Any resignation of the Trustee shall become effective only upon the appointment of a successor trustee and such successor's acceptance of such appointment.

Section 7.09. Requirements for Eligibility of Trustee. There shall always be at least one Trustee hereunder. The Trustee hereunder shall at all times be a corporation organized and doing business as a commercial bank under the laws of the United States or any state thereof or of the District of Columbia or a corporation or other Person permitted to act as a trustee by the Commission and, in each case, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$100,000,000 and subject to supervision or examination by Federal, State or District of Columbia authority. 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, 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. No obligor on the Securities or Person directly or indirectly controlling, controlled by or under common control with such obligor shall serve as Trustee. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 7.09, the Trustee shall resign immediately in the manner and with the effect specified in this Article Seven.

Section 7.10. Resignation and Removal of Trustee; Appointment of Successor. (a) The Trustee, or any trustee or trustees hereafter appointed, may at any time resign with respect to one or more or all Series of Securities by giving written notice of such resignation to the Company and to the Guarantor

and by giving to the Holders of Securities notice thereof in the manner and to the extent provided in subsection (c) of Section 5.04 with respect to reports pursuant to subsection (a) of Section 5.04. Upon receiving such notice of resignation and if the Company or the Guarantor shall deem it appropriate, evidence satisfactory to it of such mailing to the Holders, the Company shall promptly appoint a successor trustee with respect to all Series of Securities or, if appropriate, the applicable Series by written instrument executed by an authorized officer of the Company, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed with respect to any Series and have accepted appointment within 30 days after the mailing of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Holder who has been a bona fide Holder of a Security or Securities of the applicable Series for at least six months may, subject to the provisions of Section 6.11, on such Holder's behalf and on behalf of all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(1) the Trustee shall fail to comply with the provisions of subsection (a) of Section 7.08 after written request therefor by the Company or by any Securityholder who has been a bona fide Holder of a Security or Securities of the applicable Series for at least six months, or

(2) the Trustee shall cease to be eligible in accordance with the provisions of Section 7.09 and shall fail to resign after written request therefor by the Company or by any such Securityholder, or

(3) the Trustee shall become incapable of acting, 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,

(4) The Company shall determine that the Trustee has failed to perform its obligations under this Indenture in any material respect,

then, in any such case, the Company may remove the Trustee and appoint a successor trustee by written instrument executed by an authorized officer of the Company, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 6.11, any Securityholder who has been a bona fide Holder of a Security or Securities for at least six months may, on such Person's behalf and on behalf of all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The Holders of a majority in principal amount of the Securities Outstanding (determined as provided in Section 8.04) may at any time remove the Trustee and appoint a successor trustee by written instrument or instruments signed by such Holders or their attorneys-in-fact duly authorized, or by the affidavits of the permanent chairman and secretary of a meeting of the Securityholders evidencing the vote upon a resolution or resolutions submitted thereto with respect to such removal and appointment (as provided in Article Nine), and by delivery thereof to the Trustee so removed, to the successor trustee and to the Company and the Guarantor.

(d) Any resignation or removal of the Trustee and any appointment of a successor trustee pursuant to any of the provisions of this Section shall become effective upon acceptance of appointment by the successor trustee as provided in Section 7.11.

Section 7.11. Acceptance of Appointment by Successor Trustee. Any successor trustee appointed as provided in Section 7.10 shall execute, acknowledge and deliver to the Company, the Guarantor and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations with respect to such Series of its predecessor hereunder, with like effect as if originally named as trustee herein; but, nevertheless, on the written request of the Company or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due it pursuant to the provisions of Section 7.06, execute and deliver an instrument transferring to such successor trustee all the rights and powers with respect to the trustee so ceasing to act. Upon written request of any such successor trustee, the Company and the Guarantor shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 7.06.

No successor trustee shall accept appointment as provided in this Section 7.11 unless at the time of such acceptance such successor trustee shall be qualified under the provisions of Section 7.08 and eligible under the provisions of Section 7.09.

Upon acceptance of appointment by a successor trustee as provided in this Section 7.11, the successor trustee shall at the expense of the Company transmit notice of the succession of such trustee hereunder to the Holders of Securities in the manner and to the extent provided in subsection (c) of Section 5.04 with respect to reports pursuant to subsection (a) of said Section 5.04.

Section 7.12. Successor to Trustee by Merger, Consolidation or Succession to Business. 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 such corporation shall be qualified under the provisions of Section 7.08 and eligible under the provisions of Section 7.09, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor Trustee, and deliver such Securities so authenticated; and in case at that time any of the Securities shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Securities or in this Indenture provided that the certificate of the Trustee shall have; provided, however, that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Securities in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

Section 7.13. Preferential Collection of Claims Against Company or Guarantor. (a) Subject to the provisions of subsection (b) of this Section 7.13, if the Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Company or of the Guarantor or any other obligor on the Securities within three months prior to a default, as defined in subsection (c) of this Section, or subsequent to such a default, then, unless and until such default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually, the Holders of the Securities for which it is acting as Trustee, and the Holders of other indenture securities (as defined in subsection (c) of this Section 7.13):

(1) an amount equal to any and all reductions in the amount due and owing upon any claim as such creditor in respect of principal or interest, effected after the beginning of such three months' period, and valid as against the Company, the Guarantor or such other

obligor on the Securities and their respective other creditors, except any such reduction resulting from the receipt or disposition of any property described in paragraph (2) of this subsection, or from the exercise of any right of set-off which the Trustee could have exercised if a petition in bankruptcy had been filed by or against the Company or the Guarantor or such other obligor on the Securities, as the case may be, upon the date of such default; and

(2) all property received by the Trustee in respect of any claims as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such three months' period, or an amount equal to the proceeds of any such property if disposed of, subject, however, to the rights, if any, of the Company or the Guarantor or such other obligor on the Securities, as the case may be, and their respective other creditors in such property or such proceeds.

Nothing herein contained, however, shall affect the right of the Trustee:

(A) to retain for its own account (i) payments made on account of any such claim by any Person (other than the Company or the Guarantor or such other obligor on the Securities, as the case may be) who is liable thereon, and (ii) the proceeds of the bona fide sale of any claim by the Trustee to a third Person, and (iii) distributions made in cash, securities or other property in respect of claims filed against the Company or the Guarantor or such other obligor on the Securities, as the case may be, in bankruptcy or receivership or in proceedings for reorganization pursuant to Title 11 of the United States Code or applicable State laws;

(B) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such three months' period;

(C) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such three months' period and such property was received as security therefor simultaneously with the creation thereof, and if the Trustee shall sustain the burden of proving that at the time such property was so received, the Trustee had no reasonable cause to believe that a default, as defined in subsection (c) of this Section 7.13 would occur within three months; or

(D) to receive payment on any claim referred to in paragraph (B) or (C), against the release of any property held as security for such claim as provided in such paragraph (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purposes of paragraphs (B), (C) and (D), property substituted after the beginning of such three months' period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and to the extent that any claim referred to in any of such paragraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any preexisting claim of the Trustee as such creditor, such claim shall have the same status as such preexisting claim.

If the Trustee shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned among the Trustee, the Holders of Securities for which it is acting as Trustee, and the Holders of other indenture securities in such manner that the Trustee, such Securityholders and the Holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against the Company or the Guarantor or such other obligor on the Securities, as the case may be, in bankruptcy or receivership or in proceedings for

reorganization pursuant to Title 11 of the United States Code or applicable State law, the same percentage of their respective claims, figured before crediting to the claim of the Trustee anything on account of the receipt by it from the Company or the Guarantor or such other obligor on the Securities, as the case may be, of the funds and property in such special account and before crediting to the respective claims of the Trustee, such Securityholders, and the Holders of other indenture securities dividends on claims filed against the Company or the Guarantor or such other obligor on the Securities, as the case may be, in bankruptcy or receivership or in proceedings for reorganization pursuant to Title 11 of the United States Code or applicable State law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim in bankruptcy or receivership or in proceedings for reorganization pursuant to Title 11 of the United States Code or applicable State law, whether such distribution is made in cash, securities or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership or proceeding for reorganization is pending shall have jurisdiction (i) to apportion among the Trustee, such Securityholders, and the Holders of other indenture securities, in accordance with the provisions of this paragraph, the funds and property held in such special account and the proceeds thereof, or (ii) in lieu of such apportionment in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to the Trustee, such Securityholders and the Holders of other indenture securities with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of such distributions as between the secured and unsecured portions of such claim, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any Trustee who has resigned or been removed after the beginning of such three months' period shall be subject to the provisions of this subsection (a) as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such three months' period, it shall be subject to the provisions of this subsection (a) if and only if the following conditions exist:

(i) the receipt of property or reduction of claim which would have given rise to the obligation to account, if such Trustee had continued, as trustee, occurred after the beginning of such three months' period; and

(ii) such receipt of property or reduction of claim occurred within three months after such resignation or removal.

In every case commenced under the Bankruptcy Act of 1898, or any amendment thereto enacted prior to November 6, 1978, all references to periods of three months shall be deemed to be references to periods of four months.

(b) There shall be excluded from the operation of subsection (a) of this Section 7.13 a creditor relationship arising from:

(1) the ownership or acquisition of securities issued under any indenture, or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee;

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction, or by this Indenture, for the purpose of preserving any property which shall at any time be subject to the lien of this Indenture or of discharging tax liens or other prior liens or encumbrances thereon, if notice of such advance and of the circumstances surrounding the making thereof is given to the Securityholders at the time and in the manner provided in Section 5.04(c) with respect to reports pursuant to subsections (a) and (b) thereof, respectively;

(3) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, paying agent, fiscal agent or depository, or other similar capacity;

(4) an indebtedness created as a result of services rendered or premises rented, or an indebtedness created as a result of goods or securities sold in a cash transaction as defined in subsection (c) of this Section 7.13;

(5) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Company or the Guarantor or any other obligor on the Securities; and

(6) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of self-liquidating paper as defined in subsection (c) of this Section 7.13.

(c) As used in this Section 7.13 the following terms shall be accorded the following definitions:

(1) the term "default" shall mean any failure to make payment in full of the principal of and any premium or interest on any of the Securities or on the other indenture securities when and as such principal or interest becomes due and payable.

(2) the term "other indenture securities" shall mean securities upon which the Company or the Guarantor or any other obligor on the Securities is an "obligor" (as defined in the Trust Indenture Act of 1939, as amended) Outstanding under any other indenture (A) under which the Trustee is also trustee, (B) which contains provisions substantially similar to the provisions of subsection (a) of this Section 7.13, and (C) under which a default exists at the time of the apportionment of the funds and property held in said special account.

(3) the term "cash transaction" shall mean any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand.

(4) the term "self-liquidating paper" shall mean any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company or the Guarantor or any other obligor on the Securities for the purpose of financing the purchase, processing, manufacture, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Company or the Guarantor or any other obligor on the Securities arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

## ARTICLE EIGHT

### CONCERNING THE SECURITYHOLDERS

Section 8.01. Evidence of Action by Securityholders. Whenever in this Indenture it is provided that the Holders of a specified percentage in principal amount of the Securities of any or all Series may take

any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the Holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by such Securityholders in Person or by agent or proxy appointed in writing, or (b) by the record of such Holders of Securities voting in favor hereof at any meeting of such Securityholders duly called and held in accordance with the provisions of Article Nine, or (c) by a combination of such instrument or instruments and any such record of such a meeting of such Securityholders.

Section 8.02. Proof of Execution of Instruments and of Holding of Securities. Subject to the provisions of Sections 7.01, 7.02 and 9.05, proof of the execution of any instrument by a Securityholder or such Holder's agent or proxy and proof of the holding by any Person of any of the Securities shall be sufficient if made in the following manner:

(a) The fact and date of the execution by any such Person of any instrument may be proved in any reasonable manner acceptable to the Trustee.

(b) The ownership of fully registered Securities of any Series (including Global Securities) shall be proved by the Register of such Securities of such Series, or by certificates of the Security registrar or registrars thereof.

(c) The amount of bearer Securities held by any Person, the numbers of such Securities and the date of such Person's holding the same may be proved by the production of such Securities or by a certificate in form satisfactory to the Trustee, executed by any trust company, bank, banker or member of a national securities exchange, as depository.

The Trustee shall not be bound to recognize any Person as a Securityholder unless and until such Person's title to the Securities held by it is proved in the manner in this Article Eight provided.

The record of any Securityholders' meeting shall be proved in the manner provided in Section 9.06.

The Trustee may accept such other proof or require such additional proof of any matter referred to in this Section 8.02 as it shall deem reasonable.

Section 8.03. Who May be Deemed Owners of Securities. Prior to due presentment for transfer of any fully registered Security, the Company, the Guarantor, the Trustee and any agent of the Company, the Guarantor or the Trustee may deem and treat the Person in whose name such Security shall be registered upon the Register of Securities of the Series of which such Security is a part as the absolute owner of such Security (whether or not such Security shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or on account of the principal of and interest, subject to Section 2.03, on such Security and for all other purposes; and neither the Company, the Guarantor or the Trustee nor any agent of the Company, the Guarantor or the Trustee shall be affected by any notice to the contrary. All such payments so made to any such Holder for the time being, or upon his order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability of moneys payable upon any such Security. Ownership of bearer Securities shall be proved as provided in Section 8.02(c).

If the Securities of any Series are issued in the form of one or more Global Securities, the Depository therefor may grant proxies to Persons having a beneficial ownership in such Global Security or Securities for purposes of voting or otherwise responding to any request for consent, waiver or other action which the Holder of such Security is entitled to grant or take under this Indenture and the Trustee shall accept such proxies for the purposes granted; provided, that the Trustee, the Company and the Guarantor shall not have any obligation with respect to the grant of or solicitation by the Depository of such proxies.



Section 8.04. Securities Owned by the Company, the Guarantor or Controlled or Controlling Persons Disregarded for Certain Purposes. In determining whether the Holders of the requisite principal amount of Securities have concurred in any demand, direction, request, notice, vote, consent, waiver or other action under this Indenture, Securities which are owned by the Company, the Guarantor or any other obligor on the Securities or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company, the Guarantor or any other obligor on the Securities shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided that for the purposes of determining whether the Trustee shall be protected in relying on any such demand, direction, request, notice, vote, consent, waiver or other action, only Securities which a Responsible Officer of the Trustee assigned to its principal office knows are so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 8.04, if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Securities and that the pledgee is not a Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company, the Guarantor or any such other obligor.

Upon request of the Trustee, the Company or the Guarantor, as the case may be, shall furnish to the Trustee promptly an Officers' Certificate of the Company or the Guarantor, as the case may be, listing and identifying all Securities, if any, known by the Company or the Guarantor to be owned or held by or for the account of the Company or the Guarantor, as the case may be, or any other obligor on the Securities or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or the Guarantor, as the case may be, or any other obligor on the Securities; and, subject to the provisions of Section 7.01, the Trustee shall be entitled to accept such Officers' Certificate of the Company or the Guarantor, as the case may be, as conclusive evidence of the facts therein set forth and of the fact that all Securities not listed therein are Outstanding for the purpose of any such determination.

Section 8.05. Instruments Executed by Securityholders Bind Future Holders. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01, of the taking of any action by the Holders of the percentage in principal amount of the Securities specified in this Indenture in connection with such action, any Holder of a Security which is shown by the evidence to be included in the Securities the Holders of which have consented to such action may, by filing written notice with the Trustee at its principal office and upon proof of holding as provided in Section 8.02, revoke such action so far as concerns such Security. Except as aforesaid any such action taken by the Holder of any Security and any direction, demand, request, notice, waiver, consent, vote or other action of the Holder of any Security which by any provisions of this Indenture is required or permitted to be given shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Security, and of any Security issued in lieu thereof, irrespective of whether any notation in regard thereto is made upon such Security. Any action taken by the Holders of the percentage in principal amount of the Securities of any or all Series specified in this Indenture in connection with such action shall be conclusively binding upon the Company, the Guarantor, the Trustee and the Holders of all of the Securities of such Series subject, however, to the provisions of Section 7.01.

## ARTICLE NINE

### SECURITYHOLDERS' MEETINGS

Section 9.01. Purposes for Which Meetings May be Called. A meeting of Holders of Securities of any or all Series may be called at any time and from time to time pursuant to the provisions of this Article for any of the following purposes:

(1) to give any notice to the Company, to the Guarantor or to the Trustee, or to give any directions to the Trustee, or to consent to the waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by Holders of Securities of any or all Series, as the case may be, pursuant to any of the provisions of Article Six;

(2) to remove the Trustee and appoint a successor trustee pursuant to the provisions of Article Seven;

(3) to consent to the execution of a Supplemental Indenture pursuant to the provisions of Section 10.02; or

(4) to take any other action authorized to be taken by or on behalf of the Holders of any specified principal amount of the Securities of any or all Series, as the case may be, under any other provision of this Indenture or under applicable law.

Section 9.02. Manner of Calling Meetings. The Trustee may at any time call a meeting of Securityholders to take any action specified in Section 9.01, to be held at such time and at such place in The City of New York, State of New York, as the Trustee shall determine. Notice of every meeting of Securityholders, setting forth the time and place of such meeting and in general terms the action proposed to be taken at such meeting, shall be mailed not less than 20 nor more than 60 days prior to the date fixed for the meeting.

Section 9.03. Call of Meeting by Company, the Guarantor or Securityholders. In case at any time the Company, or the Guarantor, as the case may be, pursuant to a resolution of its Board of Directors, or the Holders of not less than ten percent in principal amount of the Securities of any or all Series, as the case may be, then Outstanding, shall have requested the Trustee to call a meeting of Holders of Securities of any or all Series, as the case may be, to take any action authorized in Section 9.01 by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed notice of such meeting within 20 days after receipt of such request, then the Company or the Guarantor or such Holders of Securities in the amount above specified may determine the time and place in the City and County of San Francisco, California or The City of New York, New York for such meeting and may call such meeting to take any action authorized in Section 9.01, by mailing notice thereof as provided in Section 9.02.

Section 9.04. Who May Attend and Vote at Meetings. To be entitled to vote at any meeting of Securityholders a Person shall (a) be a Holder of one or more Securities with respect to which the meeting is being held; or (b) be a Person appointed by an instrument in writing as proxy by such Holder of one or more Securities. The only Persons who shall be entitled to be present or to speak at any meeting of Securityholders shall be the Persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company or the Guarantor and their counsel.

Section 9.05. Regulations May be Made by Trustee; Conduct of the Meeting; Voting Rights; Adjournment. Notwithstanding any other provision of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Securityholders, in regard to proof of the holding of Securities 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 think fit. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 8.02 and the appointment of any proxy shall be proved in the manner specified in said Section 8.02; provided, however, that such regulations may provide that written instruments appointing proxies regular on their face, may be presumed valid and genuine without the proof hereinabove or in said Section 8.02 specified.

The Trustee shall by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company, the Guarantor or by Securityholders as provided in Section 9.03, in which case the Company, the Guarantor or the Securityholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by majority vote of the meeting.

Subject to the provisions of Section 8.04, at any meeting each Securityholder or proxy shall be entitled to one vote for each \$1,000 principal amount (in the case of Original Issue Discount Securities, such principal amount shall be equal to such portion of the principal amount as may be specified in the terms of such Series) of Securities held or represented by such Holder; 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 chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Securities held by such Person or instruments in writing as aforesaid duly designating such Person as the Person to vote on behalf of other Securityholders. Any meeting of Securityholders duly called pursuant to the provisions of Section 9.02 or 9.03 may be adjourned from time to time and the meeting may be held so adjourned without further notice.

At any meeting of Securityholders, the presence of Persons holding or representing Securities in principal amount sufficient to take action on the business for the transaction of which such meeting was called shall constitute a quorum, but, if less than a quorum is present, the Persons holding or representing a majority in principal amount of the Securities represented at the meeting may adjourn such meeting with the same effect for all intents and purposes, as though a quorum had been present.

Section 9.06. Manner of Voting at Meetings and Record to be Kept. The vote upon any resolution submitted to any meeting of Securityholders shall be by written ballots on which shall be subscribed the signatures of the Holders of Securities or of their representatives by proxy and the principal amount or principal amounts of the Securities held or represented by them. The permanent chairman 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 in triplicate of the proceedings of each meeting of Securityholders 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 mailed as provided in Section 9.02. The record shall show the principal amount or principal amounts of the Securities voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the triplicates shall be delivered to the Company, one to the Guarantor, and the other to the Trustee to be preserved by the Trustee.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 9.07. Exercise of Rights to Trustee and Securityholders Not to be Hindered or Delayed. Nothing in this Article contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Securityholders or any rights expressly or impliedly conferred hereunder to make such call, any hindrances or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Securityholders under any of the provisions of this Indenture or of the Securities.

## ARTICLE TEN

### SUPPLEMENTAL INDENTURES

Section 10.01. Purposes for Which Supplemental Indentures May be Entered Into Without Consent of Securityholders. Without the consent of the Holders of any Securities, the Company, the Guarantor and the Trustee may from time to time and at any time enter into one or more Supplemental Indentures (which shall comply with the provisions of the Trust Indenture Act of 1939 as then in effect) for one or more of the following purposes:

(a) if deemed appropriate by the Company or the Guarantor, as the case may be, or required by law, to evidence the succession of another corporation to the Company or to the Guarantor or respective

successive successions and the assumption by the successor corporation of the covenants, agreements and obligations of the Company or the Guarantor pursuant to Articles Four and Eleven hereof,

(b) to add to the covenants of the Company or the Guarantor such further covenants, restrictions or conditions as their Boards of Directors, respectively, and the Trustee shall consider to be for the protection of the Holders of all or any Series of Securities (and if such covenants, restrictions or conditions are to be for the benefit of less than all Series of Securities, stating that such covenants, restrictions or conditions are expressly being included solely for the benefit of such Series), and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions or conditions a default or an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; provided, however, that in respect to any such additional covenant, restriction or condition such Supplemental Indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available to the Trustee upon such default,

(c) to add or change any of the provisions of this Indenture to such extent as shall be necessary to facilitate the issuance of Securities in (i) global form or (ii) bearer form, registerable or not registerable as to principal or principal and interest, and with or without coupons,

(d) to change or eliminate any of the provisions of this Indenture; provided, however, that any such change or elimination shall become effective only when there is no Security of any Series Outstanding created prior to the execution of such Supplemental Indenture which is entitled to the benefit of such provision,

(e) to establish the form or terms of Securities of any Series as permitted by Sections 2.01 and 2.02,

(f) to appoint, at the request of the Trustee, a successor Trustee for a particular Series of Securities to act as such pursuant to the provisions of this Indenture and to add to or change the provisions of this Indenture to such extent as shall be necessary to facilitate the performance of the duties of such successor Trustee and

(g) to cure any ambiguity or to correct or supplement any provisions contained herein or in any Supplemental Indenture which may be defective or inconsistent with any other provision contained herein or in any Supplemental Indenture, or to make such other provisions in regard to matters or questions arising under this Indenture or any Supplemental Indenture which shall not adversely affect the interests of the Holders of the Securities at the time Outstanding.

Section 10.02. Modification of Indenture with Consent of Holders of Securities. With the consent (evidenced as provided in Section 8.01) of the Holders of not less than a majority in principal amount of the Securities of all Series at the time Outstanding (determined as provided in Section 8.04) affected by such Supplemental Indenture (voting as one class), the Company, the Guarantor and the Trustee may from time to time and at any time enter into one or more Supplemental Indentures (which shall comply with the provisions of the Trust Indenture Act of 1939 as then in effect) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any Supplemental Indenture or of modifying in any manner the rights of the Holders of the Securities of each such Series; provided, however, that no such Supplemental Indenture shall, without the consent of the Holders of each Outstanding Security affected thereby:

(a) Change the fixed maturity or Redemption Date of any Security or reduce the rate of interest thereon or the method of determining such rate of interest or extend the time of payment of interest or reduce the principal amount (including the amount of principal of an Original Issue Discount Security that would be due upon declaration of acceleration of the maturity thereof pursuant to Section 6.01 hereof) thereof or reduce any premium payable upon the redemption thereof, or change the coin or currency in which any Security or the interest thereon is payable or impair the right to institute suit for the enforcement of any such payment on

or after the maturity thereof (or, in the case of redemption, on or after the Redemption Date), or deprive the Holders of any Security of any of the benefits of the Guarantee or

(b) Reduce the percentage in principal amount of the Outstanding Securities the consent of the Holders of which is required for any such Supplemental Indenture, or the consent of the Holders of which is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture or

(c) Change the time of payment or reduce the amount of any minimum sinking account or fund payment or

(d) Modify any of the provisions of this Section 10.02 of this Indenture, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Security affected thereby.

A Supplemental Indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular Series of Securities, or which modifies the rights of 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.

It shall not be necessary for the consent of the Securityholders under this Section 10.02 to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Company, the Guarantor and the Trustee of any Supplemental Indenture pursuant to the provisions of this Section 10.02, the Company shall mail a notice to the Holders of Securities of each Series so affected, setting forth in general terms the substance of such Supplemental Indenture. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

Section 10.03. Effect of Supplemental Indentures. Upon the execution of any Supplemental Indenture pursuant to the provisions of this Article Ten, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company, the Guarantor and the Holders of Securities shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

The Trustee shall be entitled to receive, and subject to the provisions of Section 7.01 shall be entitled to rely upon, an Opinion of Counsel as conclusive evidence that any such Supplemental Indenture complies with the provisions of this Article Ten and stating that the Securities affected by the Supplemental Indenture, when such Securities are authenticated and delivered by the Trustee and executed and issued by the Company and the Guarantor in the manner and subject to any conditions specified in such Opinion of Counsel, will be valid and binding obligations of the Company and the Guarantor, except as any rights thereunder may be limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and by general equity principles.

Section 10.04. Securities May Bear Notation of Changes by Supplemental Indentures. Securities authenticated and delivered after the execution of any Supplemental Indenture pursuant to the provisions of this Article Ten, or after any action taken at a Securityholders' meeting pursuant to Article Nine, may bear a notation in form approved by the Trustee as to any matter provided for in such Supplemental Indenture or as to any action taken at any such meeting. If the Company, the Guarantor or the Trustee shall so determine, new Securities so modified as to conform, in the opinion of the Trustee and the Boards of Directors of the Company and the Guarantor, respectively, to any modification of this Indenture contained in

any such Supplemental Indenture may be prepared by the Company and the Guarantor, authenticated by the Trustee and delivered in exchange for the Securities then Outstanding.

## ARTICLE ELEVEN

### PARTICULAR COVENANTS OF THE COMPANY

Section 11.01. Payment of Principal of and Interest on Securities. The Company covenants that it will duly and punctually pay or cause to be paid the principal of and any interest and premium on each of the Securities in accordance with the terms of the Securities and this Indenture. Except with respect to any Global Securities, if the fully registered Securities of any Series bear interest, each installment of interest on the Securities of such Series may at the option of the Company be paid by mailing a check or checks for such interest payable to the Person entitled thereto pursuant to Section 2.03 to the address of such Person as it appears on the Register of the Securities of such Series on the applicable Record Date for such interest payment.

Section 11.02. Maintenance of Offices or Agencies for Transfer, Registration, Exchange and Payment of Securities. So long as any of the Securities shall remain Outstanding, the Company covenants that it will maintain an office or agency in either The City of New York, State of New York, or the City and County of San Francisco, State of California, where the Securities may be presented for registration, exchange and transfer as in this Indenture provided, and where notices and demand to or upon the Company in respect of the Securities or of this Indenture may be served, and where the Securities may be presented for payment. In case the Company shall designate and maintain some office or agency other than a previously designated office or agency, it shall give the Trustee notice thereof. In case the Company shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof to the Trustee, presentations and demands may be made and notices may be served at the principal office of the Trustee.

In addition to such office or agency, the Company may from time to time constitute and appoint one or more other offices or agencies for such purposes with respect to Securities of any Series, and one or more paying agents for the payment of Securities of any Series, in such cities or in one or more other cities, and may from time to time rescind such appointments, as the Company may deem desirable or expedient, and as to which the Company has notified the Trustee.

Section 11.03. Assignment; Substitution. The rights and obligations of the Company under this Indenture and under the Outstanding Securities may be assigned or transferred to another Person with which the Company is consolidated or merged or which acquires by conveyance or transfer any of the properties or assets of the Company or to the Guarantor or to a corporation, all of the outstanding shares of which (other than directors' qualifying shares) are owned directly or indirectly by the Guarantor and, provided that the requirements of this Section 11.03 for such assignment or transfer shall have been met, upon any such assignment or transfer, all of the obligations of the Company under this Indenture and the Securities shall cease and the Company shall be released from its liability as obligor on the Securities and from all other obligations under this Indenture. In connection with any assignment other than to the Guarantor, the provisions of Sections 4.01 through 4.08 of Article Four relating to the guarantee by the Guarantor, shall remain in full force and effect or a new guaranty agreement of the Guarantor containing provisions substantially the same as those set forth in Sections 4.01 through 4.08 of Article Four hereof shall have been executed. Any successor to the Company shall be incorporated or organized and, in either case, existing under the laws of the United States of America or one of the States of the United States of America or Canada or one of the Provinces of Canada and such successor shall assume in a Supplemental Indenture all of the obligations of the Company. In the event the Company assigns all of its rights and obligations in respect of this Indenture and all Outstanding Securities to the Guarantor, the covenants set forth in Sections 4.04, 4.05, 4.06, 4.07 and 4.08 of this Indenture and any other covenants of the Guarantor included in any Supplemental

Indenture relating to any series of Securities shall remain in full force and effect and the Guarantor shall assume in a Supplemental Indenture all of the obligations of the Company.

Section 11.04. Appointment to Fill a Vacancy in the Office of Trustee. The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, covenants that it will appoint, in the manner provided in Section 7.10, a Trustee, so that there shall at all times be a Trustee with respect to the Outstanding Securities.

Section 11.05. Duties of Paying Agent.

(a) If the Company shall appoint a Paying Agent other than the Trustee with respect to Securities of any Series, it will cause such Paying Agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 11.05 and Section 12.05,

(1) that it will hold all sums held by it as such agent for the payment of the principal of or premium, if any or interest, if any, on the Securities of such Series (whether such sums have been paid to it by the Company or by any other obligor on the Securities of such Series) in trust for the benefit of the Holders of the Securities entitled to such principal or interest and will notify the Trustee of the receipt of sums to be so held,

(2) that it will give the Trustee notice of any failure by the Company (or by any other obligor on the Securities of such Series) to make any payment of the principal of or interest on the Securities of such Series when the same shall be due and payable, and

(3) that it will at any time during the continuance of any Event of Default, upon the written request of the Trustee, deliver to the Trustee all sums so held in trust by it.

(b) Whenever the Company shall have one or more Paying Agents with respect to the Securities of any Series, it will, prior to each due date of the principal of or any interest on the Securities of such Series, deposit with a Paying Agent of such Series a sum sufficient to pay the principal or interest so becoming due, such sum to be held in trust for the benefit of the Holders of Securities entitled to such principal 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.

(c) If the Company shall act as its own Paying Agent with respect to the Securities of any Series, it will, on or before each Stated Maturity of the principal of or any interest on the Securities of such Series, set aside, segregate and hold in trust for the benefit of the Holders of the Securities of such Series, a sum sufficient to pay such principal or interest so becoming due and will notify the Trustee of such action, or any failure by it or any other obligor on the Securities of such Series to take such action and will at any time during the continuance of any Event of Default, upon the written request of the Trustee, deliver to the Trustee all sums so held in trust by it.

(d) Anything in this Section 11.05 to the contrary notwithstanding, the Company may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture with respect to one or more or all Series of Securities hereunder, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust for such Series by it, or any Paying Agent hereunder, as required by this Section 11.05, and such sums are to be held by the Trustee upon the trust herein contained.

ARTICLE TWELVE

DISCHARGE; DEFEASANCE

Section 12.01. Discharge of Indenture. If the Company or the Guarantor shall pay and discharge or cause to be paid or discharged the entire indebtedness on all Outstanding Securities by paying or causing to be paid the principal of (including redemption premium, if any) and interest on the Outstanding Securities, as and when the same become due and payable or by delivering to the Trustee, for cancellation by it, all Outstanding Securities, and if the Company or the Guarantor shall also pay or cause to be paid all other sums payable hereunder by the Company or the Guarantor, thereupon, upon written request of the Company or the Guarantor, and upon receipt by the Trustee of such certificates, if any, as the Trustee shall reasonably require, to the effect that all conditions precedent to the satisfaction and discharge of the Company's or the Guarantor's, as the case may be, obligations under this Indenture have been complied with, this Indenture shall be discharged and terminated and the Trustee shall forthwith execute proper instruments acknowledging satisfaction of and discharging and terminating this Indenture with respect to the Company's and the Guarantor's obligations hereunder and any such other interests.

The Company or the Guarantor may at any time surrender to the Trustee for cancellation by it any Securities previously authenticated and delivered which the Company or the Guarantor may have acquired in any manner whatsoever, and such Securities, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 12.02. Discharge of Liability on Securities. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities of the kind and in the necessary amount (as provided in Section 12.04 of this Indenture) to pay or redeem Outstanding Securities (whether upon or prior to their maturity or the Redemption Date of such Securities, provided that, if such Securities are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article Three hereof provided or provision satisfactory to the Trustee shall have been made for the giving of such notice), the obligation of the Company duly and punctually to pay or cause to be paid the principal of and any interest and premium in respect of such Securities and all liability of the Company and the Guarantor in respect of such payment shall cease, terminate and be completely discharged and the Holders thereof shall thereafter be entitled only to payment out of the money or securities deposited with the Trustee as aforesaid for their payment; provided, however, that this discharge of the Company's obligation so to pay and of the liability of the Company and the Guarantor in respect of such payment shall not occur unless the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that Holders of the Securities of such Series will not recognize income, gain or loss for Federal income tax purposes as a result of such discharge.

Section 12.03. Discharge of Certain Covenants and Other Obligations. Upon the deposit with the Trustee, in trust, prior to maturity of money or securities of the kind and in the necessary amount (as provided in Section 12.04 of this Indenture) to pay or redeem Outstanding Securities of one or more Series (whether upon or prior to their maturity or the Redemption Date of such Securities, provided that, if such Securities are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article Three hereof provided or provision satisfactory to the Trustee shall have been made for the giving of such notice), all of the obligations, covenants and agreements of the Guarantor with respect to such Securities under Sections 4.04, 4.05, 4.06 and 4.07 hereof shall cease, terminate and be completely discharged. In addition, upon such deposit any additional covenants and agreement of the Guarantor which may be set forth in any Supplemental Indenture and applicable to such Securities shall also cease, terminate and be completely discharged, unless the Guarantor shall deliver to the Trustee a written election to have any such covenants continue.

Section 12.04. Discharge of Certain Obligations Upon Deposit of Money or Securities with Trustee. The conditions for deposit of money or securities contained in Sections 12.02 and 12.03 shall have been satisfied whenever with respect to any Securities denominated in United States Dollars, the Company



or the Guarantor shall have deposited or caused to be deposited irrevocably in trust with the Trustee dedicated solely to the benefit of the Holders of such Securities:

(a) Lawful money of the United States of America in an amount equal to the principal amount of such Securities and all unpaid interest thereon to maturity, except that, in the case of Securities which are to be redeemed prior to maturity, the amount so to be deposited or held shall be the principal amount of such Securities and interest thereon to the Redemption Date, together with the redemption premium, if any; or

(b) Direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America (which obligations are not subject to redemption prior to maturity at the option of the issuer), in such amounts and maturing at such times that the proceeds of said obligations to be received upon their respective maturities and interest payment dates will provide funds sufficient to pay the principal, premium, if any, and interest to maturity, or to the Redemption Date, as the case may be, with respect to all of the Securities to be paid or redeemed, as such principal, premium and interest become due, provided that the Trustee shall have been irrevocably instructed to apply the proceeds of said obligations to the payment of said principal, premium, if any, and interest with respect to said Securities.

The conditions for deposit of money or securities contained in Sections 12.02 and 12.03 shall have been satisfied whenever with respect to any Securities denominated in one or more currencies or composite currency other than United States Dollars, the Company or the Guarantor shall have deposited or caused to be deposited irrevocably in trust with the Trustee dedicated solely to the benefit of the Holders of such Securities:

(i) Lawful money in such currency, currencies or composite currency in which such Securities are payable and in an amount equal to the principal amount of such Securities and all unpaid interest thereon to maturity, except that, in the case of Securities which are to be redeemed prior to maturity, the amount so to be deposited or held shall be the principal amount of such Securities and interest thereon to the Redemption Date, together with the redemption premium, if any; or

(ii) Either (1) direct obligations of the government that issued or caused to be issued the currency in which such Securities are payable, for which obligations the full faith and credit of the government is pledged (which obligations are not subject to redemption prior to maturity at the option of the issuer) or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of such government the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by such government (which obligations are not subject to redemption prior to maturity at the option of the issuer), in either case, in such amounts and maturing at such times that the proceeds of said obligations to be received upon their respective maturities and interest payment dates will provide funds sufficient to pay the principal, premium, if any, and interest to maturity, or to the Redemption Date, as the case may be, with respect to all of the Securities to be paid or redeemed, as such principal, premium and interest become due, provided that the Trustee shall have been irrevocably instructed to apply the proceeds of said obligations to the payment of said principal, premium, if any, and interest with respect to said Securities.

Section 12.05. Unclaimed Moneys. Any moneys deposited with or paid to the Trustee or any Paying Agent for the payment of the principal of and any premium and interest on any Security and not so applied but remaining unclaimed under applicable law shall be transferred by the Trustee to the appropriate Persons in accordance with applicable laws, and the Holder of such Security shall thereafter look only to such Persons for any payment which such Holder may be entitled to collect and all liability of the Trustee and such Paying Agent with respect to such moneys shall thereupon cease.

ARTICLE THIRTEEN

IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS  
AND DIRECTORS

Section 13.01. Incorporators, Stockholders, Officers and Directors of Company and Guarantor Exempt 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 the Guarantor, either directly or through the Company or the Guarantor, 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, and that no 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 the Guarantor 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 of every name and nature, 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 issue of such Securities.

ARTICLE FOURTEEN

MISCELLANEOUS PROVISIONS

Section 14.01. Successors and Assigns of the Company or the Guarantor Bound by Indenture. All the covenants, stipulations, promises and agreements in this Indenture contained by or on behalf of the Company or the Guarantor shall bind their successors and assigns, whether so expressed or not.

Section 14.02. Notices; Effectiveness. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Holders of Securities to or on the Company or the Guarantor, or by the Company, the Guarantor or by the Holders of Securities to the Trustee or upon the Depository by the Company or the Guarantor or the Trustee may be electronically communicated or hand delivered or sent by overnight courier, addressed to the relevant party as provided in this Section 14.02.

All communications intended for the Company shall be sent to:

Chevron Canada Capital Company  
6001 Bollinger Canyon Road  
Building E  
San Ramon, CA 94583  
Attention: Treasurer  
  
Fax Number: (925) 842-8090

Copies of all communications intended for the Company shall be sent to the Guarantor.

All communications intended for the Guarantor shall be sent to:

Chevron Corporation  
6001 Bollinger Canyon Road  
Building E  
San Ramon, CA 94583  
Attention: Treasurer  
  
Fax Number: (925) 842-8090

All communications intended for the Trustee shall be sent to:

-----  
Attention:  
  
Fax Number: ( )

or at any other address of which any of the foregoing shall have notified the others in any manner prescribed in this Section 14.02.

For all purposes of this Indenture, a notice or communication will be deemed effective:

(a) if delivered by hand or sent by overnight courier, on the day it is delivered unless (i) that day is not a Business Day in the city specified (a "Local Business Day") in the address for notice provided by the recipient or (ii) if delivered after the close of business on a Local Business Day, then on the next succeeding Local Business Day,

(b) if sent by telex, on the day the recipient's answerback is received unless that day is not a Local Business Day, in which case on the next succeeding Local Business Day,

(c) if sent by facsimile transmission, on the date transmitted, provided that oral or written confirmation of receipt is obtained by the sender unless the date of transmission and confirmation is not a Local Business Day, in which case, on the next succeeding Local Business Day.

Any notice, direction, request, demand, consent or waiver by the Company, the Guarantor, any Securityholder to or upon the Trustee shall be deemed to have been sufficiently given, made or filed, for all purposes, if given, made or filed in writing with the Trustee in accordance with the provisions of this Section 14.02.

Any notice, request, consent or waiver by the Company, the Guarantor or the Trustee upon the Depository shall have been sufficiently given, made or filed, for all purposes, if given or made in accordance with the provisions of this Section 14.02 at the address shown for such Depository in the Register or at such other address as the Depository shall have provided for purposes of notice.

Section 14.03. Compliance Certificates and Opinions. Upon any request or application by the Company to the Trustee to take any action under any of the provisions of this Indenture, the Company or the Guarantor 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 have been complied with, except that in the case of any such application or demand as to which the furnishing of such document is specifically required by any provision of this Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture (other than certificates provided pursuant to Section 5.03(d) of this Indenture) shall include (1) a statement that the Person making such certificate or opinion has read such covenant or condition; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (3) a statement that, in the opinion of such Person, he had made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

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

Any certificate, statement or opinion of an officer of the Company, the Guarantor or of counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an accountant or firm of accountants, unless such officer or counsel, as the case may be, knows that the certificate or opinion or representations with respect to the accounting matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous. Any certificate or opinion of any firm of independent public accountants filed with the Trustee shall contain a statement that such firm is independent.

Section 14.04. Days on Which Payment to be Made, Notice Given or Other Action Taken. If any date on which a payment is to be made, notice given or other action taken hereunder is a Saturday, Sunday or legal holiday in the state in which or from which the payment, notice or other action is to be made, given or taken, then such payment, notice or other action shall be made, given or taken on the next succeeding business day in such state, and in the case of any payment, no interest shall accrue for the delay.

Section 14.05. Provisions Required by Trust Indenture Act of 1939 to Control. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with another provision included in this Indenture which is required to be included in this Indenture by any of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939, as amended, such required provision shall control.

Section 14.06. Governing Law. This Indenture and each Security shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said State.

Section 14.07. Provisions of the Indenture and Securities for the Sole Benefit of the Parties and the Securityholders. Nothing in this Indenture or in the Securities, expressed or implied, shall give or be construed to give any Person, firm or corporation, other than the parties hereto and the Holders of the Securities, any legal or equitable right, remedy or claim under or in respect of this Indenture, or under any covenant, condition and provision herein contained; all its covenants, conditions and provisions being for the sole benefit of the parties hereto and of the Holders of the Securities.

Section 14.08. Indenture May be Executed in Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

\_\_\_\_\_ hereby accepts the trusts in this Indenture declared and provided, upon the terms and conditions hereinabove set forth.

IN WITNESS WHEREOF, CHEVRON CANADA CAPITAL COMPANY and CHEVRON CORPORATION and \_\_\_\_\_ have each caused this Indenture to be duly executed, all as of the day and year first written above.

CHEVRON CANADA CAPITAL COMPANY

By \_\_\_\_\_

CHEVRON CORPORATION

By \_\_\_\_\_

\_\_\_\_\_, as Trustee

By \_\_\_\_\_

\$

CUSIP

CHEVRON CAPITAL CORPORATION

\_\_% GUARANTEED [NOTE/DEBENTURE] DUE \_\_\_\_

Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York Corporation ("DTC"), to Chevron Capital Corporation or its agent for registration of transfer, exchange or payment and any Note issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co., or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

CHEVRON CAPITAL CORPORATION (herein referred to as the "Company"), a corporation duly organized and existing under the laws of the State of Delaware, for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of \_\_\_\_\_ Million Dollars (\$\_\_\_\_,000,000) on \_\_\_\_\_, \_\_\_\_ in lawful money of the United States of America and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) thereon in like money from \_\_\_\_\_, 19\_\_ or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until payment of such principal sum, at the rate of \_\_% per annum, payable on each \_\_\_\_\_ and \_\_\_\_\_, commencing \_\_\_\_\_, 19\_\_ (the "Interest Payment Dates").

The principal hereof is payable upon presentation and surrender of this [Note/Debenture] at the principal office of The Chase Manhattan Bank, as Trustee (herein called the "Trustee"), in New York, New York. Interest on this [Note/Debenture] may be payable by check or draft mailed to the person in whose name this [Note/Debenture] is registered at the close of business of the Record Date for such interest payment at such person's address as it appears on the registration books of the Trustee. The Record Date for the [Note/Debenture]s is the date which is 15 days prior to the relevant Interest Payment Date.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS [NOTE/DEBENTURE] SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF FULLY SET FORTH AT THIS PLACE.

This [Note/Debenture] shall not be entitled to any benefit under the Indenture (hereinafter defined), or become valid or obligatory for any purpose, until the Certificate of Authentication hereon endorsed shall have been executed by manual signature by the Trustee.

IN WITNESS WHEREOF, CHEVRON CAPITAL CORPORATION has caused this [Note/Debenture] to be signed by its President or Vice President manually or in facsimile and its corporate seal to be imprinted hereon and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary.

CHEVRON CAPITAL CORPORATION

By: \_\_\_\_\_

Attest: \_\_\_\_\_

Dated: \_\_\_\_\_, 19\_\_

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities, of the Series designated herein, described in the within-mentioned Indenture.

THE CHASE MANHATTAN BANK, as Trustee

By \_\_\_\_\_  
Authorized Officer

CHEVRON CAPITAL CORPORATION  
\_\_% GUARANTEED [NOTE/DEBENTURE] DUE \_\_\_\_

This [Note/Debenture] is one of a duly authorized issue of securities of the Company, not limited in aggregate principal amount, all issued or to be issued in one or more series of varying dates, numbers, interest rates and other provisions, under an Indenture dated as of \_\_\_\_\_, [as amended by the First Supplemental Indenture dated as of \_\_\_\_\_ 1, 19\_\_] (such indenture [as so amended] being herein referred to as the "Indenture") each being among the Company, as issuer, Chevron Corporation, as guarantor and the Trustee. This [Note/Debenture] is one of a series of [Note/Debenture]s designated as its "\_\_% Guaranteed [Note/Debenture]s Due \_\_\_\_" aggregating \$000,000,000 in principal amount (herein called the "[Note/Debenture]s").

Reference is hereby made to the Indenture and all indentures supplemental thereto [and to the resolution of the Board of Directors of the Company establishing certain terms of the [Note/Debenture]s in accordance with the provisions of the Indenture] for a description of the rights, obligations, duties and immunities thereunder of the Company, the Trustee, Chevron Corporation and the holders of the [Note/Debenture]s, to all of the provisions of which Indenture and resolution the registered owner of this [Note/Debenture], by acceptance hereof, assents and agrees. The Indenture contains provisions permitting the Company, Chevron Corporation and the Trustee, with the consent of the holders of not less than a majority in aggregate principal amount of the Securities (which term is defined in the Indenture as any security or securities of the Company, authenticated and delivered under the Indenture) at the time Outstanding (as defined in the Indenture) and affected by such supplemental indenture, to execute one or more supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of such Securities; provided, however, that no such supplemental indenture shall, without the consent of the holder of each Outstanding Security (including the [Note/Debenture]s) affected thereby: (1) change the fixed maturity or redemption date of any [Note/Debenture], or reduce the rate of interest on any [Note/Debenture] or the method of determining such rate of interest or extend the time of payment of interest, or reduce the principal amount thereof, or reduce any premium payable on the redemption thereof, or change the coin or currency in which the [Note/Debenture]s or the interest thereon is payable or impair the right to institute suit for the enforcement of any such payment on or after the maturity thereof or deprive the holder of any [Note/Debenture] of any of the benefits of the Guarantee, (2) reduce the aforesaid percentage of holders of the Outstanding Securities whose consent is required for the execution of such supplemental indenture, or the consent of the holders of which is required for any waiver provided for in the Indenture or (3) change the time of payment. It is also provided in the Indenture that the holders of a majority in principal amount of the [Note/Debenture]s may waive (a) compliance by Chevron Corporation with the covenants contained in Article IV of the Indenture with respect to the [Note/Debenture]s and (b) any past or existing Event of Default with respect to the [Note/Debenture]s and its consequences except a continuing default in the payment of the principal of or interest on the [Note/Debenture]s or in respect of a covenant or provision of the Indenture which cannot be modified or amended without the consent of the registered owner of the [Note/Debenture] so affected.

Under the terms of the Indenture, Chevron Corporation unconditionally guarantees to the holders from time to time of the [Note/Debenture]s:

(a) the full and prompt payment of the principal of the [Note/Debenture]s when and as the same shall become due and (b) the full and prompt payment of the interest on the [Note/Debenture]s when the same shall become due.

No reference herein to the Indenture and no provisions of this [Note/Debenture] or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any interest on this [Note/Debenture] at the place, at the respective times, at the rate and in the currency herein prescribed, nor shall any such reference alter or impair the obligation of Chevron Corporation to unconditionally guarantee to the holders from time to time of the [Note/Debenture]s the payment of principal of and interest on the [Note/Debenture]s.



[The [Note/Debenture]s shall be subject to redemption at the option of the Company as a whole or in part, on any date on or after \_\_\_\_\_, \_\_\_\_\_ at a redemption price of \_\_\_\_\_. As provided in the Indenture, notice of redemption shall be given to the registered owners of [Note/Debenture]s to be redeemed by mailing a notice of such redemption not less than 30 nor more than 60 days prior to the date fixed for redemption, to their addresses as they appear on the register books.]

If an Event of Default (as that term is defined in the Indenture) shall occur, the principal of all [Note/Debenture]s and the interest accrued thereon may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be waived by the holders of a majority in aggregate principal amount of the [Note/Debenture]s then Outstanding.

The [Note/Debenture]s are issuable in registered form in denominations of \$1,000 and any integral multiple thereof. [Note/Debenture]s may be exchanged for a like aggregate amount of [Note/Debenture]s of other authorized denominations as provided in the Indenture. This [Note/Debenture] is transferable at the office of the Trustee in New York, New York by the registered owner hereof in person, or by such registered owner's attorney duly authorized in writing, on the books of the Company at said office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this [Note/Debenture]. Upon such transfer a new fully registered [Note/Debenture] or [Note/Debenture]s of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Company, Chevron Corporation, the Trustee and any agent of the Company or Chevron Corporation or the Trustee and any paying agent may treat the registered owner hereof as the absolute owner of this [Note/Debenture] (whether or not this [Note/Debenture] shall be overdue and notwithstanding any notation of ownership or other writing hereon made by anyone other than the Company or the Trustee) for the purpose of receiving payment hereof or on account hereof and for all other purposes, and none of the Company, Chevron Corporation, the Trustee or any such agent shall be affected by notice to the contrary.

THIS [NOTE/DEBENTURE] AND THE OBLIGATIONS OF THE COMPANY AND CHEVRON CORPORATION IN RESPECT HEREOF ARE GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

No recourse shall be had for the payment of the principal of or the interest on this [Note/Debenture] or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of Chevron Corporation or of any successor of either, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

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ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --as tenants in common  
TEN ENT --as tenants by the entireties  
JT TEN --as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT-- \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)  
under Uniform Gifts to Minors Act \_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in the above list.

-----  
FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

+-----+  
| | |  
+-----+

-----  
Please print or typewrite name and address including postal zip code of assignee  
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the within [Note/Debenture] and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said [Note/Debenture] on the books of the Company, with full power of substitution in the premises.

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

\_\_\_\_\_  
NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatever.

\$

CUSIP

CHEVRON CANADA CAPITAL COMPANY

\_\_% GUARANTEED [NOTE/DEBENTURE] DUE \_\_\_\_

Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York Corporation ("DTC"), to Chevron Canada Capital Company or its agent for registration of transfer, exchange or payment and any Note issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co., or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

CHEVRON CANADA CAPITAL COMPANY (herein referred to as the "Company"), a corporation duly organized and existing under the laws of Nova Scotia, Canada, for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of \_\_\_\_\_ Million Dollars (\$\_\_\_\_,000,000) on \_\_\_\_\_, \_\_\_\_ in lawful money of the United States of America and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) thereon in like money from \_\_\_\_\_, 19\_\_ or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until payment of such principal sum, at the rate of \_\_% per annum, payable on each \_\_\_\_\_ and \_\_\_\_\_, commencing \_\_\_\_\_, 19\_\_ (the "Interest Payment Dates").

The principal hereof is payable upon presentation and surrender of this [Note/Debenture] at the principal office of \_\_\_\_\_, as Trustee (herein called the "Trustee"), in New York, New York. Interest on this [Note/Debenture] may be payable by check or draft mailed to the person in whose name this [Note/Debenture] is registered at the close of business of the Record Date for such interest payment at such person's address as it appears on the registration books of the Trustee. The Record Date for the [Note/Debenture]s is the date which is 15 days prior to the relevant Interest Payment Date.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS [NOTE/DEBENTURE] SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF FULLY SET FORTH AT THIS PLACE.

This [Note/Debenture] shall not be entitled to any benefit under the Indenture (hereinafter defined), or become valid or obligatory for any purpose, until the Certificate of Authentication hereon endorsed shall have been executed by manual signature by the Trustee.

IN WITNESS WHEREOF, CHEVRON CANADA CAPITAL COMPANY has caused this [Note/Debenture] to be signed by its President or Vice President manually or in facsimile and its corporate seal to be imprinted hereon and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary.

CHEVRON CANADA CAPITAL COMPANY

By: \_\_\_\_\_

Attest: \_\_\_\_\_

Dated: \_\_\_\_\_, 19\_\_

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities, of the Series designated herein, described in the within-mentioned Indenture.

\_\_\_\_\_, as Trustee

By \_\_\_\_\_  
Authorized Officer

CHEVRON CANADA CAPITAL COMPANY  
\_\_% GUARANTEED [NOTE/DEBENTURE] DUE \_\_\_\_

This [Note/Debenture] is one of a duly authorized issue of securities of the Company, not limited in aggregate principal amount, all issued or to be issued in one or more series of varying dates, numbers, interest rates and other provisions, under an Indenture dated as of \_\_\_\_\_, [as amended by the First Supplemental Indenture dated as of \_\_\_\_\_ 1, 19\_\_] (such indenture [as so amended] being herein referred to as the "Indenture") each being among the Company, as issuer, Chevron Corporation, as guarantor and the Trustee. This [Note/Debenture] is one of a series of [Note/Debenture]s designated as its "\_\_% Guaranteed [Note/Debenture]s Due \_\_\_\_" aggregating \$000,000,000 in principal amount (herein called the "[Note/Debenture]s").

Reference is hereby made to the Indenture and all indentures supplemental thereto [and to the resolution of the Board of Directors of the Company establishing certain terms of the [Note/Debenture]s in accordance with the provisions of the Indenture] for a description of the rights, obligations, duties and immunities thereunder of the Company, the Trustee, Chevron Corporation and the holders of the [Note/Debenture]s, to all of the provisions of which Indenture and resolution the registered owner of this [Note/Debenture], by acceptance hereof, assents and agrees. The Indenture contains provisions permitting the Company, Chevron Corporation and the Trustee, with the consent of the holders of not less than a majority in aggregate principal amount of the Securities (which term is defined in the Indenture as any security or securities of the Company, authenticated and delivered under the Indenture) at the time Outstanding (as defined in the Indenture) and affected by such supplemental indenture, to execute one or more supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of such Securities; provided, however, that no such supplemental indenture shall, without the consent of the holder of each Outstanding Security (including the [Note/Debenture]s) affected thereby: (1) change the fixed maturity or redemption date of any [Note/Debenture], or reduce the rate of interest on any [Note/Debenture] or the method of determining such rate of interest or extend the time of payment of interest, or reduce the principal amount thereof, or reduce any premium payable on the redemption thereof, or change the coin or currency in which the [Note/Debenture]s or the interest thereon is payable or impair the right to institute suit for the enforcement of any such payment on or after the maturity thereof or deprive the holder of any [Note/Debenture] of any of the benefits of the Guarantee, (2) reduce the aforesaid percentage of holders of the Outstanding Securities whose consent is required for the execution of such supplemental indenture, or the consent of the holders of which is required for any waiver provided for in the Indenture or (3) change the time of payment. It is also provided in the Indenture that the holders of a majority in principal amount of the [Note/Debenture]s may waive (a) compliance by Chevron Corporation with the covenants contained in Article IV of the Indenture with respect to the [Note/Debenture]s and (b) any past or existing Event of Default with respect to the [Note/Debenture]s and its consequences except a continuing default in the payment of the principal of or interest on the [Note/Debenture]s or in respect of a covenant or provision of the Indenture which cannot be modified or amended without the consent of the registered owner of the [Note/Debenture] so affected.

Under the terms of the Indenture, Chevron Corporation unconditionally guarantees to the holders from time to time of the [Note/Debenture]s:  
(a) the full and prompt payment of the principal of the [Note/Debenture]s when and as the same shall become due and (b) the full and prompt payment of the interest on the [Note/Debenture]s when the same shall become due. No reference herein to the Indenture and no provisions of this [Note/Debenture] or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any interest on this [Note/Debenture] at the place, at the respective times, at the rate and in the currency herein prescribed, nor shall any such reference alter or impair the obligation of Chevron Corporation to unconditionally guarantee to the holders from time to time of the [Note/Debenture]s the payment of principal of and interest on the [Note/Debenture]s.

[The [Note/Debenture]s shall be subject to redemption at the option of the Company as a whole or in part, on any date on or after \_\_\_\_\_, \_\_\_\_\_ at a redemption price of \_\_\_\_\_. As provided in the Indenture, notice of redemption shall be given to the registered owners of [Note/Debenture]s to be redeemed by mailing a notice of such redemption not less than 30 nor more than 60 days prior to the date fixed for redemption, to their addresses as they appear on the register books.]

If an Event of Default (as that term is defined in the Indenture) shall occur, the principal of all [Note/Debenture]s and the interest accrued thereon may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be waived by the holders of a majority in aggregate principal amount of the [Note/Debenture]s then Outstanding.

The [Note/Debenture]s are issuable in registered form in denominations of \$1,000 and any integral multiple thereof. [Note/Debenture]s may be exchanged for a like aggregate amount of [Note/Debenture]s of other authorized denominations as provided in the Indenture. This [Note/Debenture] is transferable at the office of the Trustee in New York, New York by the registered owner hereof in person, or by such registered owner's attorney duly authorized in writing, on the books of the Company at said office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this [Note/Debenture]. Upon such transfer a new fully registered [Note/Debenture] or [Note/Debenture]s of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Company, Chevron Corporation, the Trustee and any agent of the Company or Chevron Corporation or the Trustee and any paying agent may treat the registered owner hereof as the absolute owner of this [Note/Debenture] (whether or not this [Note/Debenture] shall be overdue and notwithstanding any notation of ownership or other writing hereon made by anyone other than the Company or the Trustee) for the purpose of receiving payment hereof or on account hereof and for all other purposes, and none of the Company, Chevron Corporation, the Trustee or any such agent shall be affected by notice to the contrary.

THIS [NOTE/DEBENTURE] AND THE OBLIGATIONS OF THE COMPANY AND CHEVRON CORPORATION IN RESPECT HEREOF ARE GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

No recourse shall be had for the payment of the principal of or the interest on this [Note/Debenture] or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of Chevron Corporation or of any successor of either, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

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ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --as tenants in common  
TEN ENT --as tenants by the entireties  
JT TEN --as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT-- \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)  
under Uniform Gifts to Minors  
Act \_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in the above list.

-----  
FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF ASSIGNEE

+-----+  
| |  
+-----+

-----  
Please print or typewrite name and address including postal zip code of assignee  
-----

the within [Note/Debenture] \_\_\_\_\_ and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said [Note/Debenture] on the books of the Company, with full power of substitution in the premises.

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

\_\_\_\_\_  
NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatever.

PILLSBURY MADISON & SUTRO LLP

Attorneys at Law  
235 Montgomery Street  
San Francisco, California 94104  
Mailing Address: P. O. Box 7880  
San Francisco, CA 94120-7880  
TELEPHONE: (415) 983-1000 FAX: (415) 983-1200  
Internet: pillsburylaw.com

November 15, 1999

Chevron Corporation  
575 Market Street  
San Francisco, CA 94104

Ladies and Gentlemen:

We are acting as counsel for Chevron Corporation ("Chevron"), which, together with Chevron Capital Corporation ("Chevron Capital") and Chevron Canada Capital Company ("Chevron Canada Capital"), each a wholly-owned subsidiary of Chevron, is filing this date with the Securities and Exchange Commission under the Securities Act of 1933, as amended, a registration statement (the "Registration Statement") relating to the proposed sale from time to time by Chevron, Chevron Capital or Chevron Canada Capital, of up to \$2,000,000,000 in aggregate principal amount of debt securities (the "Debt Securities"). Each series of Debt Securities will be issued under one of the following indentures: (a) an Indenture dated as of June 15, 1995, as supplemented by the First Supplemental Indenture dated October 13, 1999, each being between Chevron and The Chase Manhattan Bank, as trustee; (b) an Indenture, substantially in the form attached to the Registration Statement as Exhibit 4.3, to be entered into among Chevron, as guarantor; Chevron Capital, as issuer; and The Chase Manhattan Bank, as trustee (the "Chevron Capital Indenture") or (c) an Indenture, substantially in the form attached to the Registration Statement as Exhibit 4.4, to be entered into among Chevron, as guarantor, Chevron Canada Capital, as issuer; and a trustee to be named (the "Chevron Canada Capital Indenture"). Any debt securities issued under the Chevron Capital Indenture or the Chevron Canada Capital Indenture will be unconditionally guaranteed by Chevron.

Please be advised that, in our opinion, the Debt Securities, when duly authorized and executed by Chevron, Chevron and Chevron Capital, or Chevron and Chevron Canada Capital, as the case may be, and authenticated by the applicable trustee, all in accordance with the applicable Indenture, and when delivered to and paid for by the purchasers thereof, will be legally issued and binding obligations of Chevron, Chevron and Chevron Capital, or Chevron and Chevron Canada Capital, as the case may be.



We hereby consent to the filing of this opinion with the Securities and Exchange Commission in connection with the filing of the Registration Statement referred to above. We also consent to the use of our name in the related prospectus under the heading "Legal Opinions."

Very truly yours,

/s/ Pillsbury Madison & Sutro LLP

[E-05767]

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated March 4, 1999 relating to the consolidated financial statements, which appears in Chevron Corporation's Annual Report on Form 10-K for the year ended December 31, 1998. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

San Francisco, California  
November 15, 1999

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus constituting part of this Registration Statement on Form S-3 of Chevron Corporation, Chevron Capital Corporation and Chevron Canada Capital Company of our report dated February 8, 1999 relating to the combined balance sheets of the Caltex Group of Companies as of December 31, 1998 and 1997 and the related combined statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 1998, which report appears on page C-9 of Chevron Corporation's Annual Report on Form 10-K for the year ended December 31, 1998. We also consent to the reference to our firm under the heading "Experts" in the Prospectus.

/s/ KPMG LLP

KPMG LLP

Dallas, Texas  
November 15, 1999

POWER OF ATTORNEY

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KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Chevron Corporation, a Delaware corporation (the "Corporation"), contemplates filing with the Securities and Exchange Commission at Washington, D.C., under the provisions of the Securities Act of 1933, as amended, and the regulations promulgated thereunder, a Registration Statement on Form S-3 (and amendments thereto, including post-effective amendments).

---

WHEREAS, the undersigned is an officer or director, or both, of the Corporation.

N O W, T H E R E F O R E, the undersigned hereby constitutes and appoints LYDIA I. BEEBE, HILMAN P. WALKER, TERRY MICHAEL KEE and KEITH J.

MENDELSON, or any of them, his or her attorneys-in-fact and agents, with full

power of substitution and resubstitution, for such person and in his or her name, place and stead, in any and all capacities, to sign the aforementioned Registration Statement (and any and all amendments thereto, including post-effective amendments) and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents 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 as to all intents and purposes he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do and cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his or her hand this 27th day of October, 1999.

-----

/s/ Samuel H. Armacost

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POWER OF ATTORNEY  
-----

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/s/ K. T. Derr  
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POWER OF ATTORNEY

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/s/ Sam Ginn

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POWER OF ATTORNEY  
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-----  
/s/ Carla A. Hills  
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POWER OF ATTORNEY  
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/s/ J. Bennett Johnston  
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POWER OF ATTORNEY  
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-----  
/s/ R. H. Matzke  
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POWER OF ATTORNEY  
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/s/ David J. O'Reilly  
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POWER OF ATTORNEY  
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/s/ C. M. Pigott  
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POWER OF ATTORNEY  
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/s/ Condoleezza Rice  
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POWER OF ATTORNEY

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/s/ F. A. Shrontz

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POWER OF ATTORNEY  
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/s/ James N. Sullivan  
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POWER OF ATTORNEY  
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MENDELSON, or any of them, his or her attorneys-in-fact and agents, with full  
-----

power of substitution and resubstitution, for such person and in his or her name, place and stead, in any and all capacities, to sign the aforementioned Registration Statement (and any and all amendments thereto, including post-effective amendments) and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents 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 as to all intents and purposes he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do and cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his or her hand this 27th day of October, 1999.  
-----

/s/ Chang-Lin Tien  
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POWER OF ATTORNEY  
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KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Chevron Corporation, a Delaware corporation (the "Corporation"), contemplates filing with the Securities and Exchange Commission at Washington, D.C., under the provisions of the Securities Act of 1933, as amended, and the regulations promulgated thereunder, a Registration Statement on Form S-3 (and amendments thereto, including post-effective amendments).  
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/s/ John A. Young  
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POWER OF ATTORNEY  
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/s/ S. J. Crowe  
-----

POWER OF ATTORNEY  
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IN WITNESS WHEREOF, the undersigned has hereunto set his or her hand this 27th day of October, 1999.  
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/s/ M. R. Klitten  
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POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereunto set his or her hand this 3Rd day of November, 1999.

-----

/s/ J. A. Aleveras

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POWER OF ATTORNEY  
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KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Chevron Capital Corporation, a Delaware corporation (the "Corporation"), contemplates filing with the Securities and Exchange Commission at Washington, D.C., under the provisions of the Securities Act of 1933, as amended, and the regulations promulgated thereunder, a Registration Statement on Form S-3 (and amendments thereto, including post-effective amendments).  
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IN WITNESS WHEREOF, the undersigned has hereunto set his or her hand this 3rd day of November, 1999.  
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/s/ G. K. Carter  
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POWER OF ATTORNEY

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/s/ M. R. Klitten

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IN WITNESS WHEREOF, the undersigned has hereunto set his or her hand this 3rd day of November, 1999.

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/s/ H. B. Sheppard

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POWER OF ATTORNEY

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KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Chevron Canada Capital Company, an unlimited liability company organized under the laws of Nova Scotia, Canada (the "Corporation"), contemplates filing with the Securities and Exchange Commission at Washington, D.C., under the provisions of the Securities Act of 1933, as amended, and the regulations promulgated thereunder, a Registration Statement on Form S-3 (and amendments thereto, including post-effective amendments).

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IN WITNESS WHEREOF, the undersigned has hereunto set his or her hand this 10th day of November, 1999.

/s/ G. K. Carter

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POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereunto set his or her hand this 15th day of November, 1999.

/s/ S. W. Kinsey

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POWER OF ATTORNEY

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/s/ J. M. Owen

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POWER OF ATTORNEY

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/s/ R. A. Pashelka

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POWER OF ATTORNEY  
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/s/ J. W. Simpson  
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POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereunto set his or her hand this 10th day of November, 1999.

/s/ J. A. Aleveras

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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) \_\_\_\_\_  
-----

THE CHASE MANHATTAN BANK  
(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a national bank)	13-4994650 (I.R.S. employer identification No.)
270 Park Avenue New York, New York (Address of principal executive offices)	10017 (Zip Code)

William H. McDavid  
General Counsel  
270 Park Avenue  
New York, New York 10017  
Tel: (212) 270-2611  
(Name, address and telephone number of agent for service)

-----  
CHEVRON CAPITAL CORPORATION  
(Exact name of obligor as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization)	94-3343413 (I.R.S. employer identification No.)
-------------------------------------------------------------------------------	-------------------------------------------------------

575 MARKET STREET SAN FRANCISCO, CALIFORNIA (Address of principal executive offices)	94105-2856 (Zip Code)
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DEBT SECURITIES  
(Title of the indenture securities)

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GENERAL

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.

New York State Banking Department, State House, Albany,  
New York 12110.

Board of Governors of the Federal Reserve System,  
Washington, D.C., 20551

Federal Reserve Bank of New York, District No. 2, 33 Liberty Street,  
New York, N.Y.

Federal Deposit Insurance Corporation, Washington, D.C., 20429.

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

Yes.

Item 2. Affiliations with the Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

Item 4 Trusteeships under Other Indenture.

(a) Title of securities outstanding under each such other indenture.  
\$350,000,000.00 7.45% Guaranteed Notes due 8/15/2004 issued under  
Indenture dated as of May 15, 1987.

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 as now in effect, including the Organization Certificate and the Certificates of Amendment dated February 17, 1969, August 31, 1977, December 31, 1980, September 9, 1982, February 28, 1985, December 2, 1991 and July 10, 1996 (see Exhibit 1 to Form T-1 filed in connection with Registration Statement No. 333-06249, which is incorporated by reference).

2. A copy of the Certificate of Authority of the Trustee to Commence Business (see Exhibit 2 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference. On July 14, 1996, in connection with the merger of Chemical Bank and The Chase Manhattan Bank (National Association), Chemical Bank, the surviving corporation, was renamed The Chase Manhattan Bank).

3. None, authorization to exercise corporate trust powers being contained in the documents identified above as Exhibits 1 and 2.

4. A copy of the existing By-Laws of the Trustee (see Exhibit 4 to Form T-1 filed in connection with Registration Statement No. 333-76439, which is incorporated by reference).

5. Not applicable.

6. The consent of the Trustee required by Section 321(b) of the Act (see Exhibit 6 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference. On July 14, 1996, in connection with the merger of Chemical Bank and The Chase Manhattan Bank (National Association), Chemical Bank, the surviving corporation, was renamed The Chase Manhattan Bank).

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.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, The Chase Manhattan Bank, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York and State of New York, on the 5th day of November, 1999.

THE CHASE MANHATTAN BANK

By /s/ Ronald J. Halleran  
-----  
/s/ Ronald J. Halleran  
Assistant Vice President

Exhibit 7 to Form T-1

Bank Call Notice

RESERVE DISTRICT NO. 2  
CONSOLIDATED REPORT OF CONDITION OF

The Chase Manhattan Bank  
of 270 Park Avenue, New York, New York 10017  
and Foreign and Domestic Subsidiaries,  
a member of the Federal Reserve System,

at the close of business June 30, 1999, in  
accordance with a call made by the Federal Reserve Bank of this  
District pursuant to the provisions of the Federal Reserve Act.

ASSETS Dollar Amounts in Millions

Cash and balances due from depository institutions:			
Noninterest-bearing balances and			
currency and coin .....	\$	13,119	
Interest-bearing balances .....		6,761	
Securities: .....			
Held to maturity securities.....		892	
Available for sale securities.....		42,965	
Federal funds sold and securities purchased under			
agreements to resell .....		32,277	
Loans and lease financing receivables:			
Loans and leases, net of unearned income	\$130,602		
Less: Allowance for loan and lease losses	2,551		
Less: Allocated transfer risk reserve.....	0		
-----			
Loans and leases, net of unearned income,			
allowance, and reserve .....		128,051	
Trading Assets .....		41,426	
Premises and fixed assets (including capitalized			
leases).....		3,190	
Other real estate owned .....		28	
Investments in unconsolidated subsidiaries and			
associated companies.....		182	
Customers' liability to this bank on acceptances			
outstanding .....		901	
Intangible assets .....		2,010	
Other assets .....		14,567	
-----			
TOTAL ASSETS .....		\$286,369	=====



LIABILITIES

Deposits	
In domestic offices .....	\$101,979
Noninterest-bearing .....	\$42,241
Interest-bearing .....	59,738
	-----
In foreign offices, Edge and Agreement subsidiaries and IBF's .....	76,395
Noninterest-bearing .....	\$ 4,645
Interest-bearing .....	71,750
Federal funds purchased and securities sold under agree- ments to repurchase .....	36,604
Demand notes issued to the U.S. Treasury .....	1,001
Trading liabilities .....	30,287
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases):	
With a remaining maturity of one year or less	3,606
With a remaining maturity of more than one year through three years.....	14
With a remaining maturity of more than three years..	91
Bank's liability on acceptances executed and outstanding	901
Subordinated notes and debentures .....	5,427
Other liabilities .....	11,247
TOTAL LIABILITIES .....	267,552
	-----

EQUITY CAPITAL

Perpetual preferred stock and related surplus	0
Common stock .....	1,211
Surplus (exclude all surplus related to preferred stock).....	11,016
Undivided profits and capital reserves .....	7,317
Net unrealized holding gains (losses) on available-for-sale securities .....	(743)
Accumulated net gains (losses) on cash flow hedges.....	0
Cumulative foreign currency translation adjustments .....	16
TOTAL EQUITY CAPITAL .....	18,817
	-----
TOTAL LIABILITIES AND EQUITY CAPITAL .....	\$286,369
	=====

I, Joseph L. Sclafani, E.V.P. & Controller of the above-named bank, do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

JOSEPH L. SCLAFANI

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

WALTER V. SHIPLEY	)	
WILLIAM B. HARRISON, JR.	)	DIRECTORS
FRANK A. BENNACK, JR.	)	