

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended March 31, 1995, Commission File Number 1-6033

UAL CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware 36-2675207

(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

1200 East Algonquin Road, Elk Grove Township, Illinois 60007
Mailing Address: P. O. Box 66919, Chicago, Illinois 60666
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (708) 952-4000

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 27, 1995
Common Stock (\$0.01 par value)	12,389,263

UAL Corporation and Subsidiary Companies Report on Form 10-Q
For the Quarter Ended March 31, 1995

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

UAL Corporation and Subsidiary Companies
Condensed Statement of Consolidated Financial Position
(In Millions)

Assets	March 31, 1995 (Unaudited)	December 31, 1994
Current assets:		
Cash and cash equivalents	\$ 529	\$ 500
Short-term investments	1,176	1,032
Receivables, net	988	889
Inventories, net	294	285
Deferred income taxes	152	151
Prepaid expenses and other	268	335
	3,407	3,192
Operating property and equipment:		
Owned	10,853	10,824
Accumulated depreciation and amortization	(4,897)	(4,786)
	5,956	6,038
Capital leases	1,132	1,132
Accumulated amortization	(460)	(447)
	672	685
	6,628	6,723
Other assets:		
Intangibles, net	799	814
Deferred income taxes	494	480
Other	493	555
	1,786	1,849
	\$11,821	\$11,764

See accompanying notes to consolidated financial statements.

UAL Corporation and Subsidiary Companies
Condensed Statement of Consolidated Financial Position
(In Millions)

Liabilities and Stockholders' Equity	March 31, 1995 (Unaudited)	December 31, 1994
Current liabilities:		

Short-term borrowings	\$ 269	\$ 269
Current portions of long-term debt and capital lease obligations	203	460
Advance ticket sales	1,275	1,020
Accounts payable	596	651
Other	2,567	2,506
	4,910	4,906
Long-term debt	2,893	2,887
Long-term obligations under capital leases	699	730
Other liabilities and deferred credits:		
Deferred pension liability	574	520
Postretirement benefit liability	1,169	1,148
Deferred gains	1,340	1,363
Other	414	477
	3,497	3,508
Minority interest	51	49
Stockholders' equity:		
Preferred stock	-	-
Common stock at par	-	-
Additional capital invested	1,383	1,287
Retained earnings (deficit)	(1,348)	(1,335)
Unearned ESOP preferred stock	(81)	(83)
Other	(183)	(185)
	(229)	(316)
Commitments and contingent liabilities (See note)		
	\$11,821	\$11,764

See accompanying notes to consolidated financial statements.

UAL Corporation and Subsidiary Companies
Statement of Consolidated Operations (Unaudited)
(In Millions, Except Per Share)

	Three Months Ended March 31	
	1995	1994
Operating revenues:		
Passenger	\$2,920	\$2,771
Cargo	175	164
Other operating revenues	239	260
	3,334	3,195
Operating expenses:		
Salaries and related costs	1,113	1,202
ESOP compensation expense	89	-
Aircraft fuel	378	370
Commissions	342	334
Aircraft rent	249	226
Purchased services	239	218
Depreciation and amortization	163	178
Landing fees and other rent	169	152
Food services	119	91
Aircraft maintenance	107	109
Personnel expenses	63	59
Other operating expenses	265	292
	3,296	3,231
Earnings (loss) from operations	38	(36)
Other income (expense):		
Interest expense	(102)	(83)
Interest capitalized	12	10
Interest income	22	17
Equity in earnings of affiliates	14	6
Miscellaneous, net	22	(22)
	(32)	(72)
Earnings (loss) before income taxes and cumulative effect of accounting change	6	(108)

Provision (credit) for income taxes	3	(37)
Earnings (loss) before cumulative effect of accounting change	3	(71)
Cumulative effect of accounting change, net of tax	-	(26)
Net earnings (loss)	\$ 3	\$ (97)
Per share:		
Loss before cumulative effect of accounting change	\$(1.05)	\$(3.31)
Cumulative effect of accounting change	-	(1.06)
Net loss	\$(1.05)	\$(4.37)
Average shares	12.3	24.5

See accompanying notes to consolidated financial statements.

UAL Corporation and Subsidiary Companies
Condensed Statement of Consolidated Cash Flows (Unaudited)
(In Millions)

	Three Months Ended March 31	
	1995	1994
Cash and cash equivalents at beginning of period	\$ 500	\$ 437
Cash flows from operating activities	454	317
Cash flows from investing activities:		
Additions to property and equipment	(82)	(75)
Proceeds on disposition of property and equipment	132	96
Decrease (increase) in short-term investments	(145)	387
Other, net	(4)	6
	(99)	414
Cash flows from financing activities:		
Repayment of long-term debt	(267)	(13)
Principal payments under capital lease obligations	(41)	(55)
Decrease in short-term borrowings	-	(46)
Other, net	(18)	(8)
	(326)	(122)
Increase in cash and cash equivalents	29	609
Cash and cash equivalents at end of period	\$ 529	\$ 1,046
Cash paid during the period for:		
Interest (net of amounts capitalized)	\$ 79	\$ 85
Income taxes	\$ 5	\$ 1
Non-cash transactions:		
Long-term debt incurred in connection with additions to equipment	\$ 4	\$ 5
Unrealized loss on investments	\$ 2	\$ 3

See accompanying notes to consolidated financial statements.

UAL Corporation and Subsidiary Companies
Notes to Consolidated Financial Statements (Unaudited)

UAL Corporation ("UAL") is a holding company whose principal subsidiary is United Air Lines, Inc. ("United").

Interim Financial Statements

The consolidated financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to or as permitted by such rules and regulations, although UAL believes that the disclosures are adequate to make the information presented not misleading. In management's opinion, all adjustments (which, except for the effects of the employee investment transaction, include only normal recurring adjustments) necessary for a fair presentation of the results of operations for the three month periods have been made. These financial statements should be read in conjunction with the consolidated financial statements and footnotes thereto included in UAL's Annual Report on Form 10-K for the year 1994.

ESOP Compensation Expense

"ESOP compensation expense" in the 1995 first quarter represents the estimated average fair value of ESOP convertible preferred stock committed to be released to employees for the period, net of amounts used to satisfy dividend requirements for previously allocated ESOP convertible preferred shares, under Employee Stock Ownership Plans which were created as a part of the July 1994 employee investment transaction and recapitalization.

Other Income (Expense) - Miscellaneous

Included in "Miscellaneous, net" in the first quarter of 1995 was a \$38 million gain on disposition of aircraft owned by Air Wisconsin, Inc. Included in the first quarter of 1994 was a charge of \$19 million for costs incurred in connection with the employee investment transaction. In addition, the 1995 and 1994 periods included foreign exchange losses of \$8 million and \$1 million, respectively.

Income Taxes

The provision for income taxes for the first quarter of 1995 is based on the estimated annual effective tax rate, which differs from the federal statutory rate of 35% principally due to state income taxes and certain nondeductible expenses. The credit for income taxes for the first quarter of 1994 was based on the actual effective tax rate for the quarter, and includes the effects of nondeductible expenses related to the employee investment transaction and recapitalization. Deferred tax assets are recognized based upon UAL's history of operating earnings and expectations for future taxable income.

Accounting Change

UAL adopted Statement of Financial Accounting Standards ("SFAS") No. 112, "Employers' Accounting for Postemployment Benefits," effective January 1, 1994. The effect of adopting SFAS No. 112 was a cumulative charge for recognition of the transition liability of \$42 million, before tax benefits of \$16 million.

Per Share Amounts

Per share amounts were based on weighted average common shares outstanding and were calculated after providing for cash dividends on preferred stock of \$13 million and \$9 million in the first quarter of 1995 and 1994, respectively, and stock dividends on ESOP convertible preferred stock of \$3 million in the first quarter of 1995. Common stock equivalents, including ESOP shares outstanding or committed to be released, were not included in the computations as they did not have a dilutive effect.

In connection with the July 1994 recapitalization, each old common share was exchanged for one half new common share. As required under generally accepted accounting principles for transactions of this type, the historical weighted average shares outstanding have not been restated. Thus, direct comparisons between first quarter 1995 and 1994 per share amounts are not meaningful.

Affiliates

United owns 38% of the Galileo International Partnership ("Galileo") through a wholly-owned subsidiary. United's investment in

Galileo, which owns the Apollo and Galileo computer reservations systems, is carried on the equity basis. United also owns 77% of the Apollo Travel Services Partnership and its accounts are consolidated.

Under operating agreements with Galileo, United purchases computer reservation services from Galileo and provides marketing, sales and communication services to Galileo. Revenues derived from the sale of services to Galileo amounted to approximately \$62 million in the 1995 first quarter and \$59 million in the 1994 first quarter. The cost to United of services purchased from Galileo amounted to approximately \$25 million in the 1995 first quarter and \$21 million in the 1994 first quarter.

Long-term Debt

In addition to scheduled principal payments in the first quarter of 1995, United repaid \$150 million in principal amount of debentures and \$101 million in principal amount of secured notes, resulting in an insignificant loss.

Contingencies and Commitments

UAL has certain contingencies resulting from litigation and claims (including environmental issues) incident to the ordinary course of business. Management believes, after considering a number of factors, including (but not limited to) the views of legal counsel, the nature of contingencies to which UAL is subject and its prior experience, that the ultimate disposition of these contingencies is not expected to materially affect UAL's consolidated financial position or results of operations.

At March 31, 1995, commitments for the purchase of property and equipment, principally aircraft, approximated \$3.9 billion, after deducting advance payments. An estimated \$1.2 billion will be spent during the remainder of 1995, \$0.7 billion in 1996, \$1.3 billion in 1997, \$0.4 billion in 1998 and \$0.3 billion in 1999 and thereafter. The major commitments are for the purchase of thirty-four B777 aircraft which are expected to be delivered between 1995 and 1999.

In addition to the B777 order, United has arrangements with Airbus Industrie and International Aero Engines to lease an additional 24 A320 aircraft, which are scheduled for delivery through 1998. At March 31, 1995, United also had options for an additional 156 B737 aircraft, 36 B757 aircraft, 34 B777 aircraft, 44 B747 aircraft, 8 B767 aircraft and 48 A320 aircraft. These amounts reflect the recent cancellation of certain options. Under the terms of certain of these remaining options which are exercisable during 1996 and 1997, United would forfeit significant deposits on such options it does not exercise. In April 1995, United confirmed options for two B747 aircraft and ordered four B757 aircraft, agreeing to take delivery of the aircraft in 1996. The four B757 orders replace options for two B767 aircraft. These orders will increase United's capital expenditures in 1996 by approximately \$0.5 billion.

Sale of Aircraft

In the first quarter of 1995, Air Wisconsin, Inc. sold ten Dash 8 aircraft to Mesa Airlines. The sale resulted in a pre-tax gain of \$38 million. In connection with the sale, United agreed to a ten-year extension of its United Express marketing agreement with Mesa Airlines.

Exchange of Debentures for Preferred Stock

In April 1995, UAL issued \$600 million in principal amount of 6 3/8% convertible subordinated debentures due 2025 in exchange for all outstanding shares of its Series A convertible preferred stock. The debentures are convertible into a combination of \$541.90 in cash and approximately 3.192 shares of UAL common stock (equivalent to a conversion price of \$143.50 per share of common stock) for each \$1,000 in principal amount.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

UAL's total of cash and cash equivalents and short-term investments was \$1.705 billion at March 31, 1995, compared to \$1.532 billion at December 31, 1994. Cash flows from operating activities

amounted to \$454 million. Investing activities, excluding the increase in short-term investments, resulted in cash flows of \$46 million. Financing activities included principal payments under debt and capital lease obligations of \$267 million and \$41 million, respectively.

In the first quarter of 1995, United took delivery of five A320 aircraft under operating leases. Property additions, including aircraft spare parts, amounted to \$82 million. Property dispositions, including the sale of Dash 8 aircraft by Air Wisconsin, Inc., resulted in proceeds of \$132 million.

At March 31, 1995, commitments for the purchase of property and equipment, principally aircraft, approximated \$3.9 billion, after deducting advance payments. An estimated \$1.2 billion will be spent during the remainder of 1995, \$0.7 billion in 1996, \$1.3 billion in 1997, \$0.4 billion in 1998 and \$0.3 billion in 1999 and thereafter. The major commitments are for the purchase of thirty-four B777 aircraft which are expected to be delivered between 1995 and 1999.

In addition to aircraft orders, United has arrangements with Airbus Industrie and International Aero Engines to lease 24 A320 aircraft, which are scheduled for delivery through 1998. At March 31, 1995, United also had options for an additional 156 B737 aircraft, 36 B757 aircraft, 34 B777 aircraft, 44 B747 aircraft, 8 B767 aircraft and 48 A320 aircraft. Under the terms of certain of these options which are exercisable during 1996 and 1997, United would forfeit significant deposits on such options it does not exercise.

In April 1995, United confirmed options for two B747 aircraft and ordered four B757 aircraft, agreeing to take delivery of the aircraft in 1996. The four B757 orders replace options for two B767 aircraft. These orders will increase United's capital expenditures in 1996 by approximately \$0.5 billion. Also in April 1995, United announced that, under a revised fleet plan, it would use most of the new aircraft to be delivered through 1997 to replace older aircraft in its fleet. As a result, the number of aircraft in United's operating fleet is expected to increase by 19 during that time, compared to an increase of 48 aircraft called for by United's previous fleet plan. Funds necessary to finance aircraft acquisitions are expected to be obtained from internally generated funds, irrevocable external financing arrangements or other external sources.

At March 31, 1995, UAL and United had an effective shelf registration statement on file with the Securities and Exchange Commission to offer up to \$1.035 billion of securities, including secured and unsecured debt, equipment trust and pass through certificates, equity or a combination thereof. UAL's ability to issue equity securities is limited by its certificate of incorporation, which was restated in connection with the recapitalization. In the second quarter of 1995, United expects to issue pass through certificates under the shelf registration statement to finance or refinance certain aircraft under operating leases.

RESULTS OF OPERATIONS

UAL's results of operations for interim periods are not necessarily indicative of those for an entire year, as a result of seasonal factors to which United is subject. First and fourth quarter results are normally affected by reduced travel demand in the fall and winter and United's operations, particularly at its Chicago and Denver hubs, are adversely affected by winter weather on occasion.

The results of operations in the airline business historically fluctuate significantly in response to general economic conditions. This is because small fluctuations in yield (passenger revenue per revenue passenger mile) and cost per available seat mile can have a significant effect on operating results. UAL anticipates industrywide fare levels, increasing low-cost competition, general economic conditions, fuel costs, international governmental policies and other factors will continue to affect its operating results.

The July 1994 employee investment transaction and recapitalization resulted in wage and benefit reductions and work-rule changes which were designed to reduce cash operating expenses. These cash expense reductions are offset by non-cash compensation charges for stock periodically committed to be released to employees under the ESOPs and additional interest expense on the debentures issued at the time of the recapitalization.

As a result of the recapitalization, UAL's capital structure

became more highly leveraged. With the increase in debt and reduction in equity resulting from the recapitalization, UAL's exposure to certain industry risks could be greater than might have been the case prior to the recapitalization. In addition, the transaction resulted in new labor agreements for certain employee groups and a new corporate governance structure, which was designed to achieve balance between the various employee-owner groups and public stockholders. The new labor agreements and governance structure could inhibit management's ability to alter strategy in a volatile, competitive industry by restricting certain operating and financing activities, including the sale of assets and the issuance of equity securities and the ability to furlough employees. UAL's ability to react to competition may be hampered further by the fixed long-term nature of these various agreements. The success of the recapitalization is dependent upon a number of factors, including the state of the competitive environment in the airline industry, competitive responses to United's efforts, United's ability to achieve enduring cost savings through productivity improvements and the renegotiation of labor agreements at the end of the investment period.

In the first quarter of 1995, United implemented a new travel agency commission payment plan that offers a maximum of \$50 for round-trip domestic tickets and a maximum of \$25 for one-way domestic tickets. The new commission plan resulted in a slight reduction of United's commission expense in the first quarter of 1995; however, it is expected to have a more significant impact in future quarters. Litigation challenging this payment plan is pending.

Summary of Results and Impact of Recapitalization

UAL's earnings from operations were \$38 million in the first quarter of 1995, an improvement of \$74 million from an operating loss of \$36 million in the first quarter of 1994. UAL's net earnings in the first quarter of 1995 were \$3 million (a loss of \$1.05 per share after preferred stock dividends), compared to a net loss of \$97 million in the first quarter of 1994 (\$4.37 per share). The 1994 loss includes a \$26 million after tax charge for the cumulative effect of adopting Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits," which UAL adopted effective January 1, 1994.

In connection with the recapitalization, each share of old common stock was converted to one half share of new common stock (and cash in lieu of fractional shares) and \$84.81 in cash. As a result, the number of outstanding shares was reduced proportionately. Accordingly, the weighted average shares in the earnings per share calculations are based on the number of old common shares outstanding prior to the recapitalization and the reduced number of new common shares outstanding subsequent to the transaction. Thus, a direct comparison between first quarter 1995 and 1994 per share amounts is not meaningful. The ESOP shares outstanding or committed to be released were not included in the 1995 first quarter earnings per share computation as they did not have a dilutive effect.

Management believes that a more complete understanding of UAL's results can be gained by viewing them on a pro forma, "fully distributed" basis. This approach considers all ESOP shares which will ultimately be distributed to employees throughout the ESOP (rather than just the shares committed to be released) to be immediately outstanding and thus fully distributed. Consistent with this method, the ESOP compensation expense is excluded from fully distributed net earnings and ESOP convertible preferred stock dividends are excluded from earnings attributable to common stockholders. On a fully distributed basis, UAL's net earnings for the 1995 first quarter would have been \$59 million (\$1.50 per share) compared to \$3 million (loss of \$1.05 per share) as reported under generally accepted accounting principles.

Specific factors affecting UAL's consolidated operations for the first quarter of 1995 are described below.

First Quarter 1995 Compared with First Quarter 1994.

Operating revenues increased \$139 million (4%). However, United's revenue per available seat mile decreased 1% to 8.83 cents. Passenger revenues increased \$149 million (5%) due principally to an 8% increase in revenue passenger miles, partially offset by a 2% decrease in yield to 11.56 cents. Domestic revenue passenger miles increased 10%, Pacific increased 8% and Latin America increased 3%. Atlantic revenue passenger miles decreased 4%. Available seat miles increased 6% systemwide, as increases of 16% and 4% on Pacific and Domestic routes, respectively, were partially offset by a 4% decrease in the Atlantic. As a result, United's system passenger load factor increased 1.6 points to 67.0%.

Cargo revenues increased \$11 million (7%), as both freight and mail revenues increased due to higher cargo volumes. Other operating revenues decreased \$21 million (8%) due to a decrease in fuel sales.

Operating expenses increased \$65 million (2%); however, United's cost per available seat mile decreased 3% from 9.04 cents to 8.73 cents, including ESOP compensation expense. Without the ESOP compensation expense, United's 1995 first quarter cost per available seat mile would have been 8.49 cents. ESOP compensation expense of \$89 million in the 1995 first quarter represents the estimated average fair value of ESOP stock committed to be released to employees for the quarter, net of amounts used to satisfy dividend requirements for previously allocated ESOP convertible preferred shares. Food services increased \$28 million (31%) due to the new catering arrangements resulting from the 1994 sale of flight kitchens and increased passenger volumes. Aircraft rent increased \$23 million (10%) as a result of new aircraft acquired on operating leases. Purchased services increased \$21 million (10%) due principally to volume-related increases in computer reservations fees and credit card discounts. Landing fees and other rent increased \$17 million (11%) due to increased facilities rent, partially due to new facilities at Denver, and increased landing fees as the number of departures increased 10%. Aircraft fuel expense increased \$8 million (2%) as a 5% increase in consumption was partially offset by a 3% decrease in the average price per gallon of fuel to 56.8 cents. Other operating expenses decreased \$27 million (9%) due mainly to lower fuel sales.

Salaries and related costs decreased \$89 million (7%) primarily due to savings resulting from ESOP related wage and benefit concessions. Depreciation and amortization expense decreased \$15 million (8%), as certain assets, principally B727 aircraft, are now fully depreciated.

Other expense amounted to \$32 million in the first quarter of 1995 compared to \$72 million in the first quarter of 1994. Interest expense increased \$19 million (23%) due primarily to interest on the debentures issued in connection with the recapitalization. Included in "Miscellaneous, net" in the first quarter of 1995 was a \$38 million gain on the disposition of ten Dash 8 aircraft owned by Air Wisconsin, Inc. Included in the first quarter of 1994 was a charge of \$19 million for costs incurred in connection with the employee investment transaction. In addition, the 1995 and 1994 periods included foreign exchange losses of \$8 million and \$1 million, respectively.

Part II Other Information

Item 1. Legal Proceedings.

In Re Airline Travel Agency Commission Litigation. On February 13, 1995 and dates thereafter United Air Lines, Inc. ("United"), a wholly owned subsidiary of UAL Corporation ("UAL"), and six other airlines were sued in various courts around the nation by travel agents and the American Society of Travel Agents claiming as a class action that the carriers acted collusively in violation of federal antitrust laws when they imposed a cap on ticket sales commissions payable to travel agencies by the carriers. Most of the suits are now consolidated before the federal court in Minneapolis. A discovery and motion filing schedule has been established by this court, which provides for a hearing on July 7, 1995 on plaintiffs' motion for a preliminary injunction and the carriers' motion for summary judgment. A multi-district panel will decide on May 19 whether all the cases should be consolidated in Minneapolis or, as requested by some plaintiffs, in Philadelphia. As relief, the plaintiffs seek an order declaring the carriers commission cap action to be illegal and the recovery of damages (trebled) to the agencies resulting from that action.

Summers et al. v. State Street Bank and Trust Company et al. On April 14, 1995, plaintiffs filed a class action complaint against State Street Bank and Trust Company ("State Street"), the UAL Corporation Employee Stock Ownership Plan and the UAL Corporation Supplemental Employee Stock Ownership Plan (together, the "Plans") in the United States District Court for the Northern District of Illinois. The complaint is brought on behalf of a putative class of all persons who are, or were as of July 12, 1994, participants or beneficiaries of the Plans. Plaintiffs allege that State Street breached various fiduciary duties under

the Employee Retirement Income Security Act of 1974 ("ERISA") in connection with the 1994 purchase of UAL preferred stock by the Plans. The Plans are nominal defendants; no relief is sought from them. The complaint seeks a declaration that State Street violated ERISA, restoration to the Plans by State Street of the amount of an alleged "overpayment" for the stock, and other relief. United is obligated, subject to certain exceptions, to indemnify State Street for part or all of an adverse judgment and State Street's defense costs.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibit 4.1 - Indenture dated as of April 3, 1995 between UAL Corporation and The Bank of New York, as Trustee.

Exhibit 4.2 - Officer's Certificate relating to UAL Corporation's 6-3/8% Convertible Subordinated Debentures due 2025.

Exhibit 4.3 - Form of UAL Corporation's 6-3/8% Convertible Subordinated Debenture due 2025.

Exhibit 10.1 - First Amendment to UAL Corporation Supplemental ESOP, dated February 22, 1995 and effective as of July 12, 1994.

Exhibit 10.2 - Letter Agreement Amendment No. 6-1162-MMF-077 dated April 3, 1995 to the Agreement dated December 18, 1990 between The Boeing Company and United (and United Worldwide Corporation) for acquisition of 777-200 aircraft (as previously amended and supplemented, the "777-200 Purchase Agreement" (filed as Exhibit 10.7 to UAL's annual report on Form 10-K for the year ended December 31, 1990, and supplements thereto filed as (i) Exhibits 10.1, 10.2 and 10.22 to UAL's quarterly report on Form 10-Q for the quarter ended June 30, 1993, (ii) Exhibit 10.2 to UAL's annual report on Form 10-K for the year ended December 31, 1993, (iii) Exhibit 10.14 to UAL's quarterly report on Form 10-Q for the quarter ended June 30, 1994, and (iv) Exhibits 10.27 and 10.28 to UAL's annual report on Form 10-K for the year ended December 31, 1994)). (Exhibit 10.2 hereto is filed with a request for confidential treatment of certain portions.)

Exhibit 10.3 - Letter Agreement Amendment No. 6-1162-RCN-837 dated February 17, 1995 to the 777-200 Purchase Agreement. (Exhibit 10.3 hereto is filed with a request for confidential treatment of certain portions.)

Exhibit 10.4 - Supplemental Agreement No. 6 dated as of April 13, 1995 to the Agreement dated December 18, 1990 between The Boeing Company and United (and United Worldwide Corporation) for acquisition of 747-400 aircraft (as previously amended and supplemented, the "747-400 Purchase Agreement" (filed as Exhibit 10.8 to UAL's annual report on Form 10-K for the year ended December 31, 1990, and supplements thereto filed as (i) Exhibits 10.4 and 10.5 to UAL's annual report on Form 10-K for the year ended December 31, 1991, (ii) Exhibits 10.3, 10.4, 10.5, 10.6 and 10.22 to UAL's quarterly report on Form 10-Q for the quarter ended June 30, 1993, (iii) Exhibit 10.3 to UAL's annual report on Form 10-K for the year ended December 31, 1993, (iv) Exhibit 10.14 to UAL's quarterly report on Form 10-Q for the quarter ended June 30, 1994, and (v) Exhibits 10.29 and 10.30 to UAL's annual report on Form 10-K for the year ended December 31, 1994)). (Exhibit 10.4 hereto is filed with a request for confidential treatment of certain portions.)

Exhibit 10.5 - Letter Agreement Amendment 6-1162-DLJ-891R2 dated April 13, 1995 to the 747-400 Purchase Agreement. (Exhibit 10.5 hereto is filed with a request for confidential treatment of certain portions.)

Exhibit 10.6 - Letter Agreement Amendment 6-1162-MMF-084 dated April 13, 1995 to the 747-400 Purchase Agreement. (Exhibit 10.6 hereto is filed with a request for confidential treatment of certain portions.)

Exhibit 10.7 - Letter Agreement Amendment 6-1162-RCN-870 dated April 13, 1995 to the 747-400 Purchase Agreement. (Exhibit 10.7 hereto is filed with a request for confidential treatment of certain portions.)

Exhibit 10.8 - Change Order No. 1 dated April 13, 1995 to the 747-400 Purchase Agreement. (Exhibit 10.8 hereto is filed with a request for confidential treatment of certain portions.)

Exhibit 10.9 - Supplemental Agreement No. 5 dated as of April 13, 1995 to the Agreement dated April 26, 1989 between The Boeing Company and United for acquisition of 757-200 and 737 aircraft (as relates solely to the 757-200 aircraft and as previously amended and supplemented, the "757-200 Purchase Agreement" (filed as Exhibit 10(K) to UAL's Form 10-K for the year ended December 31, 1989, and supplements thereto filed as (i) Exhibits 10.14, 10.15, 10.16, 10.17, 10.18, 10.19, and 10.22 to UAL's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993, and (ii) Exhibit 10.14 to UAL's quarterly report on Form 10-Q for the quarter ended June 30, 1994)). (Exhibit 10.9 hereto is filed with a request for confidential treatment of certain portions.)

Exhibit 10.10 - Supplemental Agreement No. 11 dated as of April 13, 1995 to the Agreement dated March 1, 1990 between The Boeing Company and United for acquisition of 767-300ER aircraft (as previously amended and supplemented, the "767-300ER Purchase Agreement" (filed as Exhibit 10(L) to UAL's Form 10-K for the year ended December 31, 1989, and supplements thereto filed as (i) Exhibits 10.7, 10.8, 10.9, 10.10, 10.11, 10.12, 10.13 and 10.22 to UAL's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993, and (ii) Exhibit 10.14 to UAL's quarterly report on Form 10-Q for the quarter ended June 30, 1994)). (Exhibit 10.10 hereto is filed with a request for confidential treatment of certain portions.)

Exhibit 10.11 - Letter Agreement Amendment 6-1162-DLJ-472R2 dated April 13, 1995 to the 767-300ER Purchase Agreement. (Exhibit 10.11 hereto is filed with a request for confidential treatment of certain portions.)

Exhibit 10.12 - Agreement dated as of March 24, 1995 between United, UAL and James M. Guyette.

Exhibit 11 - Calculation of fully diluted net earnings per share.

Exhibit 12.1 - Computation of Ratio of Earnings to Fixed Charges.

Exhibit 12.2 - Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements.

Exhibit 27 - Financial Data Schedule.

(b) Form 8-K dated February 28, 1995 to report Selected Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and audited financial statements for, among other things, the year ended December 31, 1994.

Form 8-K dated March 21, 1995 to report News For Investors issued to investors and analysts by UAL Corporation.

SIGNATURES

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

UAL CORPORATION

By: /s/ Gerald Greenwald
Gerald Greenwald
Chairman and Chief
Executive Officer

By: /s/ Douglas A. Hacker
Douglas A. Hacker
Senior Vice President - Finance
(Principal Financial
and Accounting Officer)

Dated: May 1, 1995

Exhibit Index

Exhibit No.	Description
4.1	Indenture dated as of April 3, 1995 between UAL Corporation and The Bank of New York, as Trustee.
4.2	Officer's Certificate relating to UAL Corporation's 6-3/8% Convertible Subordinated Debentures due 2025.
4.3	Form of UAL Corporation's 6-3/8% Convertible Subordinated Debenture due 2025.
10.1	First Amendment to UAL Corporation Supplemental ESOP, dated February 22, 1995 and effective as of July 12, 1994.
10.2	Letter Agreement Amendment No. 6-1162-MMF-077 dated April 3, 1995 to the Agreement dated December 18, 1990 between The Boeing Company and United (and United Worldwide Corporation) for acquisition of 777-200 aircraft (as previously amended and supplemented, the "777-200 Purchase Agreement" (filed as Exhibit 10.7 to UAL's annual report on Form 10-K for the year ended December 31, 1990, and supplements thereto filed as (i) Exhibits 10.1, 10.2 and 10.22 to UAL's quarterly report on Form 10-Q for the quarter ended June 30, 1993, (ii) Exhibit 10.2 to UAL's annual report on Form 10-K for the year ended December 31, 1993, (iii) Exhibit 10.14 to UAL's quarterly report on Form 10-Q for the quarter ended June 30, 1994, and (iv) Exhibits 10.27 and 10.28 to UAL's annual report on Form 10-K for the year ended December 31, 1994)). (Exhibit 10.2 hereto is filed with a request for confidential treatment of certain portions.)
10.3	Letter Agreement Amendment No. 6-1162-RCN-837 dated February 17, 1995 to the 777-200 Purchase Agreement. (Exhibit 10.3 hereto is filed with a request for confidential treatment of certain portions.)
10.4	Supplemental Agreement No. 6 dated as of April 13, 1995 to the Agreement dated December 18, 1990 between The Boeing Company and United (and United Worldwide Corporation) for acquisition of 747-400 aircraft (as previously amended and supplemented, the "747-400 Purchase Agreement" (filed as Exhibit 10.8 to UAL's annual report on Form 10-K for the year ended December 31, 1990, and supplements thereto filed as (i) Exhibits 10.4 and 10.5 to UAL's annual report on Form 10-K for the year ended December 31, 1991, (ii) Exhibits 10.3, 10.4, 10.5, 10.6 and 10.22 to UAL's quarterly report on Form 10-Q for the quarter ended June 30, 1993, (iii) Exhibit 10.3 to UAL's annual report on Form 10-K for the year ended December 31, 1993, (iv) Exhibit 10.14 to UAL's quarterly report on Form 10-Q for the quarter ended June 30, 1994, and (v) Exhibits 10.29 and 10.30 to UAL's annual report on Form 10-K for the year ended December 31, 1994)). (Exhibit 10.4 hereto is filed with a request for confidential treatment of certain portions.)

- 10.5 Letter Agreement Amendment 6-1162-DLJ-891R2 dated April 13, 1995 to the 747-400 Purchase Agreement. (Exhibit 10.5 hereto is filed with a request for confidential treatment of certain portions.)
- 10.6 Letter Agreement Amendment 6-1162-MMF-084 dated April 13, 1995 to the 747-400 Purchase Agreement. (Exhibit 10.6 hereto is filed with a request for confidential treatment of certain portions.)
- 10.7 Letter Agreement Amendment 6-1162-RCN-870 dated April 13, 1995 to the 747-400 Purchase Agreement. (Exhibit 10.7 hereto is filed with a request for confidential treatment of certain portions.)
- 10.8 Change Order No. 1 dated April 13, 1995 to the 747-400 Purchase Agreement. (Exhibit 10.8 hereto is filed with a request for confidential treatment of certain portions.)
- 10.9 Supplemental Agreement No. 5 dated as of April 13, 1995 to the Agreement dated April 26, 1989 between The Boeing Company and United for acquisition of 757-200 and 737 aircraft (as relates solely to the 757-200 aircraft and as previously amended and supplemented, the "757-200 Purchase Agreement" (filed as Exhibit 10(K) to UAL's Form 10-K for the year ended December 31, 1989, and supplements thereto filed as (i) Exhibits 10.14, 10.15, 10.16, 10.17, 10.18, 10.19, and 10.22 to UAL's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993, and (ii) Exhibit 10.14 to UAL's quarterly report on Form 10-Q for the quarter ended June 30, 1994)). (Exhibit 10.9 hereto is filed with a request for confidential treatment of certain portions.)
- 10.10 Supplemental Agreement No. 11 dated as of April 13, 1995 to the Agreement dated March 1, 1990 between The Boeing Company and United for acquisition of 767-300ER aircraft (as previously amended and supplemented, the "767-300ER Purchase Agreement" (filed as Exhibit 10(L) to UAL's Form 10-K for the year ended December 31, 1989, and supplements thereto filed as (i) Exhibits 10.7, 10.8, 10.9, 10.10, 10.11, 10.12, 10.13 and 10.22 to UAL's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993, and (ii) Exhibit 10.14 to UAL's quarterly report on Form 10-Q for the quarter ended June 30, 1994)). (Exhibit 10.10 hereto is filed with a request for confidential treatment of certain portions.)
- 10.11 Letter Agreement Amendment 6-1162-DLJ-472R2 dated April 13, 1995 to the 767-300ER Purchase Agreement. (Exhibit 10.11 hereto is filed with a request for confidential treatment of certain portions.)
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UAL CORPORATION, Issuer
to
THE BANK OF NEW YORK, Trustee

INDENTURE

Dated as of April 3, 1995

Providing for Issuance of
Subordinated Debt Securities in Series

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Reconciliation and tie between Indenture dated as of April 3,
1995 and the Trust Indenture Act of 1939, as amended.

Trust Indenture Act of 1939 Section	Indenture Section
310 (a)(1).....	6.12
(a)(2).....	6.12
(a)(3).....	TIA
(a)(4).....	Not
Applicable	
(a)(5).....	TIA
(b)	6.10; 6.12;
TIA	
311 (a)	TIA
(b)	TIA
312 (a)	6.8
(b)	TIA
(c)	TIA
313 (a)	6.7;
TIA	
(b)	TIA
(c)	TIA
(d)	TIA
314 (a)	9.6; 9.7;
TIA	
(b)	Not
Applicable	
(c)(1).....	1.2
(c)(2).....	1.2
(c)(3).....	Not
Applicable	
(d)	Not
Applicable	
(e)	TIA
(f)	
TIA	
315 (a)	
TIA	
6.6 (b)	
(c)	
TIA	
(d)(1).....	
TIA	
(d)(2).....	
TIA	
(d)(3).....	
TIA	
(e)	
TIA	
316 (a)(last sentence).....	
1.1	
(a)(1)(A).....	5.2;
5.8	
(a)(1)(B).....	5.7
(b)	5.9;
5.10	
(c)	TIA
317 (a)(1)	5.3
(a)(2)	5.4
(b)	9.3
318 (a)	1.11

(b)	TIA
(c)	1.11; TIA

This reconciliation and tie section does not constitute part of the Indenture.

INDENTURE, dated as of April 3, 1995, among UAL CORPORATION, a Delaware corporation (the "Company"), as issuer, and THE BANK OF NEW YORK, a New York banking corporation, as Trustee (the "Trustee").

Recitals

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured subordinated debentures, notes or other evidences of indebtedness ("Securities") to be issued in one or more series as herein provided.

All things necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been done.

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed as follows for the equal and ratable benefit of the Holders of the Securities:

ARTICLE 1

Definitions and Other Provisions of General Application

Section 1.1. Definitions. (a) For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;
- (2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;
- (3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and
- (4) 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.

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

"Agent" means any Paying Agent or Registrar.

"Authenticating Agent" means any authenticating agent appointed by the Trustee pursuant to Section 6.14.

"Authorized Newspaper" means a newspaper of general circulation, in the official language of the country of publication or in the English language, customarily published on each Business Day whether or not published on Saturdays, Sundays or holidays, and of general circulation in the place in connection with which the term is used or in the financial community of such place. Whenever successive publications in an Authorized Newspaper are required hereunder they may be made (unless otherwise expressly provided herein) on any Business Day and in the same or different Authorized Newspapers.

"Bearer Security" means any Security in the form (to the extent applicable thereto) established pursuant to Section 2.1 which is payable to bearer.

"Board" or "Board of Directors" means the Board of

Directors of the Company, the Executive Committee or any other duly authorized committee thereof.

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

"Business Day", when used with respect to any Place of Payment or any other particular location referred to in this Indenture or in the Securities, means, unless otherwise specified with respect to any Securities pursuant to Section 3.1, each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment or particular location are authorized or obligated by law or executive order to close.

"Capital Lease" means any lease obligation of a person incurred with respect to real property or equipment acquired or leased by such person and used in its business that is required to be recorded on its balance sheet as a capitalized lease in accordance with generally accepted accounting principles consistently applied as in effect on the date hereof.

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

"Company" means the Person named as the Company in the first paragraph of this Indenture until one or more successor corporations shall have become such pursuant to the applicable provisions of this Indenture, and thereafter means such successors.

"Company Order" and "Company Request" mean, respectively, a written order or request signed in the name of the Company by the Chairman of the Board, the President, any Executive Vice President or any Senior Vice President, signing alone, by any Vice President signing together with the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary of the Company, or, with respect to Sections 3.3, 3.4, 3.5 and 6.1, any other employee of the Company named in an Officers' Certificate delivered to the Trustee.

"Conversion Event" means the cessation of use of (i) a Foreign Currency both by the government of the country which issued such currency and for the settlement of transactions by a central bank or other public institutions of or within the international banking community, (ii) the ECU both within the European Monetary System and for the settlement of transactions by public institutions of or within the European Communities or (iii) any currency unit other than the ECU for the purposes for which it was established.

"Corporate Trust Office" means the office of the Trustee in New York, New York at which at any particular time its corporate trust business shall be principally administered, which office at the date hereof is located at 101 Barclay Street, Floor 21W, New York, New York 10286.

"Corporation" includes corporations, associations, companies and business trusts.

"Coupon" means any interest coupon appertaining to a Bearer Security.

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

"Depository", when used with respect to the Securities of or within any series issuable or issued in whole or in part in global form, means the Person designated as Depository by the Company pursuant to Section 3.1 until a

successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter shall mean or include each Person which is then a Depository hereunder, and if at any time there is more than one such Person, shall be a collective reference to such Persons.

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

"ECU" means the European Currency Unit as defined and revised from time to time by the Council of the European Communities.

"European Communities" means the European Economic Community, the European Coal and Steel Community and the European Atomic Energy Community.

"European Monetary System" means the European Monetary System established by the Resolution of December 5, 1978 of the Council of the European Communities.

"Exchange Rate Agent", when used with respect to Securities of or within any series, means, unless otherwise specified with respect to any Securities pursuant to Section 3.1, a New York Clearing House bank designated pursuant to Section 3.1 or Section 3.12.

"Exchange Rate Officer's Certificate" means a certificate setting forth (i) the applicable Market Exchange Rate or the applicable bid quotation and (ii) the Dollar or Foreign Currency amounts of principal (and premium, if any) and interest, if any (on an aggregate basis and on the basis of a Security having the lowest denomination principal amount in the relevant currency or currency unit), payable with respect to a Security of any series on the basis of such Market Exchange Rate or the applicable bid quotation, signed by the Treasurer, any Vice President or any Assistant Treasurer of the Company.

"Flight Equipment" means:

- (a) aircraft of all types and classes used in transportation and incidental services, together with all aircraft instruments, appurtenances parts and fixtures comprising such aircraft;
- (b) aircraft engines of all types and classes used in transportation and incidental services, together with all accessories, appurtenances, parts and fixtures comprising such aircraft engines;
- (c) aircraft communication equipment of all types and classes used in transportation and incidental services, including radio, radar, radiophone and other aircraft communication apparatus, together with all accessories, appurtenances, parts and fixtures comprising such aircraft communication equipment;
- (d) miscellaneous flight equipment of all types and classes (including miscellaneous crew flight equipment) used in transportation and incidental services; and
- (e) spare parts, accessories and assemblies held for use in or repair of the items described in (a) through (d) above.

"Foreign Currency" means any currency issued by the government of one or more countries other than the United States or by any recognized confederation or association of such governments.

"Government Obligations" means securities which are (i) direct obligations of the United States or, if specified as contemplated by Section 3.1, the government which issued the currency in which the Securities of a particular series are payable, for the payment of which its full faith and credit is pledged or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States or, if specified as contemplated by Section 3.1, such government which issued the foreign currency in which the Securities of such series are payable, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States or such other government, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of any such Government Obligation held by such custodian for the account of the holder of a depository receipt, provided that (except as

required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the Government Obligation evidenced by such depositary receipt.

"Holder" means, with respect to a Bearer Security or coupon, a bearer thereof and, with respect to a Registered Security, a person in whose name a Security is registered on the Register.

"Indebtedness" of any Person means, without duplication, the principal of, and premium, if any, and accrued and unpaid interest (including post-petition interest) on any obligation, whether outstanding on the date hereof or thereafter created, incurred or assumed, which is (i) indebtedness of such Person for money borrowed, (ii) Indebtedness Guarantees by such Person of indebtedness for money borrowed by any other Person, (iii) indebtedness evidenced by notes, debentures, bonds or other instruments of indebtedness for payment of which such Person is responsible or liable, (iv) obligations for the reimbursement of any obligor on any letter of credit, bankers' acceptance or similar credit transaction, (v) obligations of such Person under Capital Leases and Flight Equipment leases (the amount of the Company's obligation under such Flight Equipment leases to be computed in accordance with Statement of Financial Accounting Standards No. 13 as if such Flight Equipment leases were Capital Leases), (vi) obligations (net of counterparty payments) under interest rate and currency swaps, caps, collars, options, forward or spot contracts or similar arrangements or with respect to foreign currency hedges, and (vii) commitment and other bank financing fees under contractual obligations associated with bank debt; provided, however, that Indebtedness shall not include amounts owed to trade creditors in the ordinary course of business.

"Indebtedness Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment or performance thereof (or payment of damages in the event of nonperformance) or to protect such obligee against loss in respect thereof (in whole or in part); provided, however, that the terms Indebtedness Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Indebtedness Guarantee" used as a verb has a corresponding meaning.

"Indenture" means this Indenture as originally executed or as amended or supplemented from time to time and shall include the forms and terms (but not defined terms established in an Officers' Certificate or a Board Resolution) of particular series of Securities established as contemplated by Section 2.1 and Section 3.1.

"Indexed Security" means a Security the terms of which provide that the principal amount thereof payable at Stated Maturity may be more or less than the principal face amount thereof at original issuance.

"Interest", when used with respect to an Original Issue Discount Security which by its terms bears interest only after maturity, means interest payable after maturity.

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

"Market Exchange Rate" means, unless otherwise specified with respect to any Securities pursuant to Section 3.1, (i) for any conversion involving a currency unit on the

one hand and Dollars or any Foreign Currency on the other, the exchange rate between the relevant currency unit and Dollars or such Foreign Currency calculated by the method specified pursuant to Section 3.1 for the Securities of the relevant series, (ii) for any conversion of Dollars into any Foreign Currency, the noon buying rate for such Foreign Currency for cable transfers quoted in New York City as certified for customs purposes by the Federal Reserve Bank of New York and (iii) for any conversion of one Foreign Currency into Dollars or another Foreign Currency, the spot rate at noon local time in the relevant market at which, in accordance with normal banking procedures, the Dollars or Foreign Currency into which conversion is being made could be purchased with the Foreign Currency from which conversion is being made from major banks located in New York City, London or any other principal market for Dollars or such purchased Foreign Currency, in each case determined by the Exchange Rate Agent. Unless otherwise specified with respect to any Securities pursuant to Section 3.1, in the event of the unavailability of any of the exchange rates provided for in the foregoing clauses (i), (ii) and (iii), the Exchange Rate Agent shall use, in its sole discretion and without liability on its part, such quotation of the Federal Reserve Bank of New York as of the most recent available date, or quotations from one or more major banks in New York City, London or other principal market for such currency or currency unit in question (which may include any such bank acting as Trustee under this Indenture), or such other quotations as the Exchange Rate Agent shall deem appropriate. Unless otherwise specified by the Exchange Rate Agent, if there is more than one market for dealing in any currency or currency unit by reason of foreign exchange regulations or otherwise, the market to be used in respect of such currency or currency unit shall be that upon which a nonresident issuer of securities designated in such currency or currency unit would purchase such currency or currency unit in order to make payments in respect of such securities.

"Maturity", when used with respect to any Security means the date on which the principal of such Security or an installment of principal becomes due and payable as therein or herein provided, whether at the stated Maturity or by declaration of acceleration, call for redemption or otherwise.

"Officer" means the Chairman of the Board of Directors, the President, any Executive Vice President, any Senior Vice President, any Vice President or the Corporate Secretary of the Company.

"Officers' Certificate" means a certificate signed by the Chairman of the Board, the President, any Executive Vice President or any Senior Vice President of the Company, signing alone, or by any Vice President signing together with the Corporate Secretary, any Assistant Secretary, the Treasurer, or any Assistant Treasurer of the Company.

"Opinion of Counsel" means a written opinion of legal counsel, who may be (a) the senior attorney employed by the Company, (b) Mayer, Brown & Platt or (c) other counsel designated by the Company and who shall be acceptable to the Trustee.

"Original Issue Discount Security" means any Security which provides for an amount less than the stated principal amount thereof to be due and payable upon declaration of acceleration of the Maturity thereof pursuant to Section 5.2.

"Outstanding", when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

- (i) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;
- (ii) Securities, or portions thereof, for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities and any coupons appertaining thereto provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provisions therefor satisfactory to the Trustee have been made;
- (iii) Securities, except to the extent provided in

Sections 4.4 and 4.5, with respect to which the Company has effected defeasance and/or covenant defeasance as provided in Article 4; and

- (iv) Securities which have been paid pursuant to Section 3.6 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, or whether sufficient funds are available for redemption or for any other purpose, and for the purpose of making the calculations required by section 313 of the Trust Indenture Act, (w) the principal amount of any Original Issue Discount Securities that may be counted in making such determination or calculation and that shall be deemed to be Outstanding for such purpose shall be equal to the amount of principal thereof that would be (or shall have been declared to be) due and payable, at the time of such determination, upon a declaration of acceleration of the maturity thereof pursuant to Section 5.2, (x) the principal amount of any Security denominated in a Foreign Currency that may be counted in making such determination or calculation and that shall be deemed Outstanding for such purpose shall be equal to the Dollar equivalent, determined as of the date such Security is originally issued by the Company as set forth in an Exchange Rate Officer's Certificate delivered to the Trustee, of the principal amount (or, in the case of an Original Issue Discount Security, the Dollar equivalent as of such date of original issuance of the amount determined as provided in clause (w) above) of such Security, (y) the principal amount of any Indexed Security that may be counted in making such determination or calculation and that shall be deemed outstanding for such purpose shall be equal to the principal face amount of such Indexed Security at original issuance, unless otherwise provided with respect to such Security pursuant to Section 3.1, and (z) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be outstanding, except that, in determining whether the Trustee shall be protected in making such calculation or in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or such other obligor.

"Paying Agent" means any Person authorized by the Company to pay the principal of, premium, if any, or interest, if any, on any Securities on behalf of the Company.

"Periodic Offering" means an offering of Securities of a series from time to time the specific terms of which Securities, including, without limitation, the rate or rates of interest or formula for determining the rate or rates of interest thereon, if any, the Stated Maturity or Stated Maturities thereof, the original issue date or dates thereof, the redemption provisions, if any, with respect thereto, and any other terms specified as contemplated by Section 3.1 with respect thereto, are to be determined by the Company upon the issuance of such Securities.

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

"Place of Payment", when used with respect to the Securities of or within any series, means the place or places where, subject to the provisions of Section 9.2, the principal of, premium, if any, and interest, if any, on such Securities

are payable as specified as contemplated by Section 3.1.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 3.6 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Redeemable Stock" means, with respect to any person, any equity security of such person that by its terms or otherwise (i) is required to be redeemed prior to the maturity of any of the Securities, or is redeemable at the option of the holder thereof at any time prior to the maturity of any of the Securities, and (ii) creates a financial obligation on such person if any required or optional redemption obligation is not timely satisfied.

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

"Redemption Price", when used with respect to any Security to be redeemed, in whole or in part, means the price at which it is to be redeemed pursuant to this Indenture.

"Registered Security" means any Security in the form (to the extent applicable thereto) established pursuant to Section 2.1 which is registered as to principal and interest in the Register.

"Regular Record Date" for the interest payable on any Interest Payment Date on the Registered Securities of or within any series means the date specified for that purpose as contemplated by Section 3.1.

"Responsible Officer", when used with respect to the Trustee, shall mean the chairman or any vice chairman of the board of directors, the chairman or any vice chairman of the executive committee of the board of directors, the chairman of the trust committee, the president, any senior vice president, any vice president, any assistant vice president, the secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any senior trust officer, any trust officer, the controller, any assistant controller, or any other officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, and also means, with respect to a particular corporate trust matter, any other officer to whom such corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

"Security" or "Securities" has the meaning stated in the first recital of this Indenture and more particularly means any Security or Securities of the Company issued, authenticated and delivered under this Indenture.

"Senior Indebtedness of the Company" means all Indebtedness of the Company (other than the Securities), unless such Indebtedness, by its terms or the terms of the instrument creating or evidencing it, is subordinate in right of payment to or pari passu with the Securities.

"Special Record Date" for the payment of any Defaulted Interest on the Registered Securities of any issue means a date fixed by the Trustee pursuant to Section 3.7.

"Stated Maturity", when used with respect to any Security or any installment of principal thereof or interest, if any, thereon, means the date specified in such Security or in a coupon representing such installment of interest as the fixed date on which the principal of such Security or such installment of principal or interest, if any, is due and payable.

"Subsidiary" means any corporation of which the Company at the time owns or controls, directly or indirectly, more than 50% of the shares of outstanding stock having general voting power under ordinary circumstances to elect a majority of the Board of Directors of such corporation (irrespective of whether or not at the time stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency).

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended, as in effect on the date of this Indenture, except as provided in Section 8.3.

"Trustee" means the party named as such in the first paragraph of this Indenture until a successor Trustee replaces it pursuant to the applicable provisions of this Indenture, and thereafter means such successor Trustee and if, at any time,

there is more than one Trustee, "Trustee" as used with respect to the Securities of any series shall mean the Trustee with respect to the Securities of that series.

"United States" means, unless otherwise specified with respect to the Securities of any series as contemplated by Section 3.1, the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

"U.S. Person" means, unless otherwise specified with respect to the Securities of any series as contemplated by Section 3.1, a citizen, national or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, or an estate or trust the income of which is subject to United States federal income taxation regardless of its source.

"Yield to Maturity" means the yield to maturity, calculated by the Company at the time of issuance of a series of Securities or, if applicable, at the most recent determination of interest on such series, in accordance with accepted financial practice.

(b) The following terms shall have the meanings specified in the Sections referred to opposite such term below:

Term	Section
"Act"	1.4(a)
"Bankruptcy Law"	5.1
"Component Currency"	
3.11(d)	
"Conversion Date"	
3.11(d)	
"Custodian"	5.1
"Defaulted Interest"	
3.7(b)	
"Election Date"	
3.11(h)	
"Event of Default"	5.1
"Register"	3.5
"Registrar"	3.5
"Valuation Date"	
3.7(c)	

Section 1.2. Compliance Certificates and Opinions. Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than pursuant to Sections 2.3, 3.3 and 9.7) shall include:

- (1) a statement that each individual signing such certificate or opinion has read such condition or covenant and the definitions herein relating thereto;
- (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 each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such condition or covenant has been complied with; and
- (4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 1.3. Form of Documents Delivered to Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or

give an opinion as to such matters in one or several documents.

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

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

Section 1.4. Acts of Holders. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other reasonable manner which the Trustee deems sufficient.

(c) The ownership of Bearer Securities may be proved by the production of such Bearer Securities or by a certificate executed by any trust company, bank, banker or other depository, wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such Person had on deposit with such depository, or exhibited to it, the Bearer Securities therein described; or such facts may be proved by the certificate or affidavit of the Person holding such Bearer Securities, if such certificate or affidavit is deemed by the Trustee to be satisfactory. The Trustee and the Company may assume that such ownership of any Bearer Security continues until (i) another such certificate or affidavit bearing a later date issued in respect of the same Bearer Security is produced, (ii) such Bearer Security is produced to the Trustee by some other Person, (iii) such Bearer Security is surrendered in exchange for a Registered Security or (iv) such Bearer Security is no longer outstanding. The ownership of Bearer Securities may also be proved in any other reasonable manner which the Trustee deems sufficient.

(d) The ownership of Registered Securities shall be proved by the Register.

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

(f) If the Company shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by or pursuant to an Officers' Certificate delivered to the Trustee, fix in advance a

record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on such record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of Outstanding Securities have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the Outstanding Securities shall be computed as of such record date; provided that no such authorization, agreement or consent by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of clause (a) of this Section 1.4 not later than six months after the record date.

Section 1.5. Notices, etc., to Trustee and Company. Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

- (1) the Trustee by any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, Attention: Corporate Trust Trustee Administration, or
- (2) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company addressed to it at UAL Corporation, P.O. Box 66100, Chicago, Illinois 60666, Attention: Treasurer or at any other address previously furnished in writing to the Trustee by the Company.

Section 1.6. Notice to Holders; Waiver. Where this Indenture provides for notice to Holders of any event, (i) if any of the Securities affected by such event are Registered Securities, such notice to the Holders thereof shall be sufficiently given (unless otherwise herein expressly provided or otherwise agreed to by a Holder) if in writing and mailed, firstclass postage prepaid, to each such Holder affected by such event, at his address as it appears in the Register, within the time prescribed for the giving of such notice and (ii) if any of the Securities affected by such event are Bearer Securities, notice to the Holders thereof shall be sufficiently given (unless otherwise herein or in the terms of such Bearer Securities expressly provided) if published once in an Authorized Newspaper in New York, New York, and in such other city or cities, if any, as may be specified as contemplated by Section 3.1(5).

In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders of Registered Securities or the sufficiency of any notice to Holders of Bearer Securities given as provided herein. In any case where notice is given to Holders by publication, neither the failure to publish such notice, nor any defect in any notice so published, shall affect the sufficiency of such notice with respect to other Holders of Bearer Securities or the sufficiency of any notice to Holders of Registered Securities given as provided herein. Any notice mailed to a Holder in the manner herein prescribed shall be conclusively deemed to have been received by such Holder, whether or not such Holder actually receives such notice.

If by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice as provided above, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder. If it is impossible or, in the opinion of the Trustee, impracticable to give any notice by publication in the manner herein required, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

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

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

be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 1.7. Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.8. Successors and Assigns. All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

Any act or proceeding that is required or permitted by any provision of this Indenture and that is authorized or required to be done or performed by any board, committee or officer of the Company shall and may be done and performed with like force and effect by the like board, committee or officer of any corporation that shall at the time be the successor or assign of the Company.

Section 1.9. Separability. In case any provision of this Indenture or the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.10. Benefits of Indenture. Nothing in this Indenture or in the Securities, expressed or implied, shall give to any Person, other than the parties hereto and their successors hereunder, the holders of Senior Indebtedness of the Company, and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 1.11. Governing Law. THIS INDENTURE, THE SECURITIES AND ANY COUPONS APPERTAINING THERETO SHALL BE GOVERNED BY AN CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS. This Indenture is subject to the Trust Indenture Act and if any provision hereof limits, qualifies or conflicts with the Trust Indenture Act, the Trust Indenture Act shall control.

Section 1.12. Legal Holidays. In any case where any Interest Payment Date, Redemption Date, sinking fund payment date, Stated Maturity or Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or any Security or coupon other than a provision in the Securities of any series which specifically states that such provision shall apply in lieu of this Section) payment of principal, premium, if any, or interest, if any, need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on such date; provided that no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date, Redemption Date, sinking fund payment date, Stated Maturity or Maturity, as the case may be.

Section 1.13. Trustee to Establish Record Dates. The Trustee shall fix a record date for the purpose of determining the Holders entitled to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders. If such a record date is fixed, the Holders on such record date, and only such Holders, shall be entitled to make, give or take such request, demand, authorization, direction, notice, consent, waiver or other action, whether or not such Holders remain Holders after such record date. No such request, demand, authorization, direction, notice, consent, waiver or other action shall be valid or effective if made, given or taken more than 90 days after such record date.

Section 1.14. No Recourse Against Others. No recourse for the payment of the principal of, premium, if any, or interest, if any, on the Securities, or for any claim based on the Securities or this Indenture, and no recourse under or upon any obligation, covenant or agreement of the Company in this Indenture or any indenture supplemental thereto or in any Security or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, 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 of a Security by each Holder and as part of the consideration for the issue of such Security, expressly waived and released.

ARTICLE 2

Security Forms

Section 2.1. Forms Generally. The Securities of each

series and the coupons, if any, to be attached thereto shall be in substantially such form (including global form) as shall be established by delivery to the Trustee of an Officers' Certificate or in one or more indentures supplemental hereto, 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 and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistent herewith, be determined by the officers executing such Securities and coupons, if any, as evidenced by their execution of the Securities and coupons, if any. If temporary Securities of any series are issued as permitted by Section 3.4, the form thereof also shall be established as provided in the preceding sentence. If the forms of Securities and coupons, if any, of any series are established by an Officers' Certificate, such Officers' Certificate shall be delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 3.3 for the authentication and delivery of such Securities.

Unless otherwise specified as contemplated by Section 3.1, Bearer Securities shall have interest coupons attached.

The permanent Securities and coupons, if any, shall be printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner, all as determined by the officers executing such Securities and coupons, if any, as evidenced by their execution of such Securities and coupons, if any.

Section 2.2. Form of Trustee's Certificate of Authentication. The Trustee's certificate of authentication shall be in substantially the following form:

This is one of the Securities of a series issued under the within-mentioned Indenture.

Dated: The Bank of New York,
as Trustee

By: _____
Authorized Signatory

Section 2.3. Securities in Global Form. If securities of or within a series are issuable in whole or in part in temporary or permanent global form, as specified as contemplated by Section 3.1, then, notwithstanding clause (8) of Section 3.1(b) and the provisions of Section 3.2, any such Security shall represent such of the outstanding securities of such series as shall be specified therein and may provide that it shall represent the aggregate amount of Outstanding Securities from time to time endorsed thereon and that the aggregate amount of Outstanding Securities represented thereby may from time to time be reduced to reflect exchanges. Any endorsement of a Security in global form to reflect the amount, or any increase or decrease in the amount, or changes in the rights of Holders, of Outstanding Securities represented thereby, shall be made by the Trustee in such manner and upon instructions given by such Person or Persons as shall be specified therein or in the Company Order to be delivered to the Trustee pursuant to Section 3.3 or 3.4. Subject to the provisions of Section 3.3 and, if applicable, Section 3.4, the Trustee shall deliver and redeliver any Security in global form in the manner and upon instructions given by the Person or Persons specified therein or in the applicable Company Order. Any instructions by the Company with respect to endorsement or delivery or redelivery of a Security in global form shall be in writing but need not comply with Section 1.2 hereof and need not be accompanied by an Opinion of Counsel.

The provisions of the last paragraph of Section 3.3 shall apply to any Security in global form if such Security was never issued and sold by the Company and the Company delivers to the Trustee the Security in global form together with written instructions (which need not comply with Section 1.2 and need not be accompanied by an Opinion of Counsel) with regard to the reduction in the principal amount of Securities represented thereby, together with the written statement contemplated by the last paragraph of Section 3.3.

Notwithstanding the provisions of Sections 2.1 and 3.7, unless otherwise specified as contemplated by Section 3.1, payment of principal of, premium, if any, and interest, if any, on any Security in permanent global form shall be made to the Person or Persons specified therein.

Section 2.4. Form of Legend for Securities in Global Form. Any Security in global form authenticated and delivered hereunder shall bear a legend in substantially the following form, or such other form as deemed necessary or desirable by the Company

and specified in a Company Order delivered to the Trustee:

This Security is in global form within the meaning of the Indenture hereinafter referred to and is registered in the name of a Depositary or a nominee of a Depositary. Unless and until it is exchanged in whole or in part for Securities in certificated form, this Security may not be transferred except as a whole by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary.

ARTICLE 3

The Securities

Section 3.1. Amount Unlimited; Issuable in Series.

(a) The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited. The Securities may be issued from time to time in one or more series.

(b) The following matters shall be established and (subject to Section 3.3) set forth, or determined in the manner provided, in an Officers' Certificate and a Board Resolution of the Company, or one or more indentures supplemental hereto:

(1) the title of the Securities of the series (which title shall distinguish the Securities of the series from all other Securities);

(2) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (which limit shall not pertain to (i) Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 3.4, 3.5, 3.6, 8.6, or 10.7 and (ii) any Securities which, pursuant to the last paragraph of Section 3.3, are deemed never to have been authenticated and delivered hereunder);

(3) the date or dates on which the principal of the Securities of the series is payable or the method of determination thereof;

(4) the rate or rates at which the Securities of the series shall bear interest, if any, or the method of calculating such rate or rates of interest, the date or dates from which such interest shall accrue or the method by which such date or dates shall be determined, the Interest Payment Dates on which any such interest shall be payable and, with respect to Registered Securities, the Regular Record Date, if any, for the interest payable on any Registered Security on any Interest Payment Date;

(5) the place or places where, subject to the provisions of Section 9.2, the principal of, premium, if any, and interest, if any, on Securities of the series shall be payable;

(6) the period or periods within which, the price or prices at which, the currency or currencies (including currency units) in which, and the other terms and conditions upon which, Securities of the series may be redeemed, in whole or in part, at the option of the Company and, if other than as provided in Section 10.3, the manner in which the particular Securities of such series (if less than all Securities of such series are to be redeemed) are to be selected for redemption;

(7) the obligation, if any, of the Company to redeem or purchase Securities of the series pursuant to any sinking fund or analogous provisions or upon the happening of a specified event or at the option of a Holder thereof and the period or periods within which, the price or prices at which, and the other

terms and conditions upon which, Securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

- (8) if other than denominations of \$1,000 and any integral multiple thereof, if Registered Securities, and if other than denominations of \$5,000 and \$100,000, if Bearer Securities, the denominations in which Securities of the series shall be issuable;
- (9) if other than Dollars, the currency or currencies (including currency units) in which the principal of, premium, if any, and interest, if any, on the Securities of the series shall be payable, or in which the Securities of the series shall be denominated, the particular provisions applicable thereto in accordance with, in addition to, or in lieu of the provisions of Section 3.11, and whether the Securities of the series may be satisfied and discharged other than as provided in Article 4;
- (10) if the payments of principal of, premium, if any, or interest, if any, on the Securities of the series are to be made, at the election of the Company or a Holder, in a currency or currencies (including currency units) other than that in which such Securities are denominated or designated to be payable, the currency or currencies (including currency units) in which such payments are to be made, the terms and conditions of such payments and the manner in which the exchange rate with respect to such payments shall be determined, the particular provisions applicable thereto in accordance with, in addition to, or in lieu of the provisions of Section 3.11, and whether the Securities of the series may be satisfied and discharged other than as provided in Article 4;
- (11) if the amount of payments of principal of, premium, if any, and interest, if any, on the Securities of the series shall be determined with reference to an index, formula or other method (which index, formula or method may be based, without limitation, on a currency or currencies (including currency units) other than that in which the Securities of the series are denominated or designated to be payable), the index, formula or other method by which such amounts shall be determined;
- (12) if other than the principal amount thereof, the portion of the principal amount of such Securities of the series which shall be payable upon declaration of acceleration thereof pursuant to Section 5.2 or the method by which such portion shall be determined;
- (13) if other than as provided in Section 3.7, the Person to whom any interest on any Registered Security of the series shall be payable, the manner in which, or the Person to whom, any interest on any Bearer Securities of the series shall be payable, and the extent to which, or the manner in which (including any certification requirement and other terms and conditions under which), any interest payable on a temporary or permanent global Security on an Interest Payment Date will be paid if other than in the manner provided in Section 2.3 and Section 3.4, as applicable;
- (14) provisions, if any, granting special rights to the Holders of Securities of the series upon the occurrence of such events as may be specified;
- (15) any deletions from, modifications of or additions to the Events of Default set forth in Section 5.1 or covenants of the Company set forth in Article 9 pertaining to the Securities of the series;
- (16) under what circumstances, if any, the Company will pay additional amounts on the Securities of that series held by a Person who is not a U.S. Person in respect of taxes or similar charges withheld or deducted and, if so, whether the Company will have the option to redeem such Securities rather than pay such additional amounts (and the terms of any such option);

- (17) whether Securities of the series shall be issuable as Registered Securities or Bearer Securities (with or without interest coupons), or both, and any restrictions applicable to the offering, sale or delivery of Bearer Securities and, if other than as provided in Section 3.5, the terms upon which Bearer Securities of a series may be exchanged for Registered Securities of the same series and vice versa;
 - (18) the date as of which any Bearer Securities of the series and any temporary global Security representing outstanding Securities of the series shall be dated if other than the date of original issuance of the first Security of the series to be issued;
 - (19) the applicability, if any, to the Securities of or within the series of Sections 4.4 and 4.5, or such other means of defeasance or covenant defeasance as may be specified for the Securities and coupons, if any, of such series, and whether, for the purpose of such defeasance or covenant defeasance, the term "Government Obligations" shall include obligations referred to in the definition of such term which are not obligations of the United States or an agency or instrumentality of the United States;
 - (20) if other than the Trustee, the identity of the Registrar and any Paying Agent;
 - (21) any terms which may be related to warrants issued by the Company in connection with, or for the purchase of, Securities of such series, including whether and under what circumstances the Securities of any series may be used toward the exercise price of any such warrants;
 - (22) the designation of the initial Exchange Rate Agent, if any;
 - (23) whether Securities of the series shall be issued in whole or in part in temporary or permanent global form and, if so, (i) the initial Depositary for such global Securities and (ii) if other than as provided in Section 3.4 or 3.5, as applicable, whether and the circumstance under which beneficial owners of interests in any Securities of the series in temporary or permanent global form may exchange such interests for Securities of such series and of like tenor of any authorized form and denomination;
 - (24) whether Securities of the Series shall be convertible into shares of common stock of the Company and the terms and conditions upon which the Securities will be convertible, including the conversion price, the conversion period and other conversion provisions;
 - (25) if other than as provided in Article 12, the terms and conditions under which the Securities will be subordinated to the Senior Indebtedness of the Company; and
 - (26) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture), including any terms which may be required by or advisable under United States laws or regulations or advisable in connection with the marketing of Securities of the series.
- (c) All Securities of any one series and coupons, if any, appertaining to any Bearer Securities of such series shall be substantially identical except as to denomination and the rate or rates of interest, if any, and Stated Maturity, and the date from which interest, if any, shall accrue and except as may otherwise be provided in or pursuant to an Officers' Certificate pursuant to this Section 3.1 or in an indenture supplemental hereto. All Securities of any one series need not be issued at the same time and, unless otherwise provided, a series may be reopened, without the consent of the Holders, for issuances of additional Securities of such series or for the establishment of additional terms with

respect to the Securities of such series.

(d) If any of the terms of the Securities of any series are established by action taken pursuant to a Board Resolution, a copy of such Board Resolution shall be certified by the Corporate Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officers' Certificate of the Company, setting forth, or providing the manner for determining, the terms of the Securities of such series, and an appropriate record of any action taken pursuant thereto in connection with the issuance of any Securities of such series shall be delivered to the Trustee prior to the authentication and delivery thereof. With respect to Securities of a series subject to a Periodic Offering, such Board Resolutions or Officers' Certificates may provide general terms for Securities of such series and provide either that the specific terms of particular Securities of such series shall be specified in a Company Order, or that such terms shall be determined by the Company, or one or more of its agents designated in the Officers' Certificate, in accordance with the Company Order, as contemplated by the first proviso of the third paragraph of Section 3.3.

(e) Each Security issued hereunder shall provide that the Company and, by its acceptance of a Security or a beneficial interest therein, the Holder of, and any Person that acquires a beneficial interest in, such Security agree that for United States federal, state and local tax purposes it is intended that such Security constitute indebtedness.

Section 3.2. Denominations. Unless otherwise provided as contemplated by Section 3.1, any Registered Securities of a series shall be issuable in denominations of \$1,000 and any integral multiple thereof and any Bearer Securities of a series shall be issuable in denominations of \$5,000 and \$100,000.

Section 3.3. Execution, Authentication, Delivery and Dating. Securities shall be executed on behalf of the Company by its Chairman or President and Chief Executive Officer and attested to by the Secretary of the Company. The Company's seal shall be affixed to the Securities or a facsimile of such seal shall be engraved, printed, or otherwise reproduced on the Securities. The signatures of such officers on the Securities may be manual or facsimile. The coupons, if any, of Bearer Securities shall bear the facsimile signature of the Chairman or President and Chief Executive Officer and shall be attested by the Secretary of the Company.

Securities and coupons bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time, the Company may deliver Securities and any coupons appertaining thereto of any series executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and make available for delivery such Securities, and the Trustee in accordance with the Company Order shall authenticate and deliver such Securities; provided, however, that in the case of Securities offered in a Periodic Offering, the Trustee shall authenticate and deliver such Securities from time to time in accordance with such other procedures (including, without limitation, the receipt by the Trustee of oral or electronic instructions from the Company or its duly authorized agents, promptly confirmed in writing) acceptable to the Trustee as may be specified by or pursuant to a Company Order delivered to the Trustee prior to the time of the first authentication of Securities of such series, as such form of Company Order may be revised from time to time.

If the form or terms of the Securities of a series have been established by or pursuant to one or more Officers' Certificates as permitted by Sections 2.1 and 3.1, in authenticating such Securities and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to section 315(a) through (d) of the Trust Indenture Act) shall be fully protected in relying upon, an Opinion of Counsel stating,

- (1) that the forms and terms of such Securities and any coupons have been established in conformity with the provisions of this Indenture; and
- (2) that such Securities together with any coupons appertaining thereto, when authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions

specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject to customary exceptions;

provided, however, that, with respect to Securities of a series subject to a Periodic Offering, the Trustee shall be entitled to receive such Opinion of Counsel only once at or prior to the time of the first authentication of Securities of such series and that the Opinion of Counsel above may state:

- (x) that the forms of such Securities have been, and the terms of such Securities (when established in accordance with such procedures as may be specified from time to time in a Company Order, all as contemplated by and in accordance with a Board Resolution or an Officers' Certificate pursuant to Section 3.1, as the case may be) will have been, established in conformity with the provisions of this Indenture; and
- (y) that such Securities together with the coupons, if any, appertaining thereto, when (1) executed by the Company, (2) completed, authenticated and delivered by the Trustee in accordance with this Indenture, and (3) issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject to customary exceptions.

With respect to Securities of a series subject to a Periodic Offering, the Trustee may conclusively rely, as to the authorization by the Company of any of such Securities, the form and terms thereof and the legality, validity, binding effect and enforceability thereof, upon the Opinion of Counsel and other documents delivered pursuant to Sections 2.1 and 3.1 of this Section, as applicable, at or prior to the time of the first authentication of Securities of such series unless and until it has received written notification that such opinion or other documents 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 Company's instructions to authenticate and deliver such Securities do not violate any rules, regulations or orders of any governmental agency or commission having jurisdiction over the Company.

If the form or terms of the Securities of a series have been established by or pursuant to one or more Officers' Certificates as permitted by Sections 2.1 and 3.1, the Trustee shall have the right to decline to authenticate such Securities if the issue of such Securities pursuant to this Indenture will adversely affect the Trustee's own rights, duties or immunities under this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee. Notwithstanding the generality of the foregoing, the Trustee will not be required to authenticate Securities denominated in a Foreign Currency if the Trustee reasonably believes that it would be unable to perform its duties with respect to such Securities.

Notwithstanding the provisions of Section 3.1 and of the two preceding paragraphs, if all of the Securities of any series are not to be issued at one time, it shall not be necessary to deliver the Officers' Certificate otherwise required pursuant to Section 3.1 at or prior to the time of the authentication of each Security of such series if such Officers' Certificate is delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

If the Company shall establish pursuant to Section 3.1 that the Securities of a series are to be issued in whole or in part in global form, then the Company shall execute and the Trustee shall, in accordance with this Section and the Company Order with respect to such series, authenticate and deliver one or more Securities in global form that (i) shall represent and shall be denominated in an amount equal to the aggregate principal amount of the Outstanding Securities of such series to be represented by such Security or Securities in global form, (ii) shall be registered, if a Registered Security, in the name of the Depositary for such Security or Securities in global form or the nominee of such Depositary and (iii) shall be delivered by the Trustee to such Depositary or pursuant to such Depositary's instruction.

Each Depositary designated pursuant to Section 3.1 for a

Registered Security in global form must, at the time of its designation and at all times while it serves as Depositary, be a clearing agency registered under the Securities Exchange Act of 1934 and any other applicable statute or regulation. The Trustee shall have no responsibility to determine if the Depositary is so registered. Each Depositary shall enter into an agreement with the Trustee governing the respective duties and rights of such Depositary and the Trustee with regard to Securities issued in global form.

Each Registered Security shall be dated the date of its authentication and each Bearer Security (including a Bearer Security represented by a temporary global Security) shall be dated as of the date specified as contemplated by Section 3.1.

No Security or coupon appertaining thereto shall be entitled to any benefits under this Indenture or be valid or obligatory for any purpose until such Security is authenticated by the manual signature of one of the authorized signatories of the Trustee or an Authenticating Agent. Such signature upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered under this Indenture and is entitled to the benefits of this Indenture. Except as permitted by Section 3.6 or 3.7, the Trustee shall not authenticate and deliver any Bearer Security unless all appurtenant coupons for interest then matured have been detached and cancelled.

Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 3.9 together with a written statement (which need not comply with Section 1.2 and need not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall not be entitled to the benefits of this Indenture.

Section 3.4. Temporary Securities. Pending the preparation of definitive Securities of any series, the Company may execute and, upon Company Order, the Trustee shall authenticate and deliver temporary Securities of such series which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor and form, with or without coupons, of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as conclusively evidenced by their execution of such Securities and coupons, if any. In the case of Securities of any series, such temporary Securities may be in global form.

Except in the case of temporary Securities in global form, each of which shall be exchanged in accordance with the provisions thereof, if temporary Securities of any series are issued, the Company will cause permanent Securities of such series to be prepared without unreasonable delay. After preparation of such permanent Securities, the temporary Securities shall be exchangeable for such permanent Securities of like tenor upon surrender of the temporary Securities of such series at the office or agency of the Company pursuant to Section 9.2 in a Place of Payment for such series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series (accompanied by any unmatured coupons appertaining thereto), the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of permanent Securities of the same series of authorized denominations and of like tenor; provided, however, that no permanent Bearer Security shall be delivered in exchange for a temporary Registered Security; and provided further that no permanent Bearer Security shall be delivered in exchange for a temporary Bearer Security unless the Trustee shall have received from the person entitled to receive the definitive Bearer Security a certificate substantially in the form approved in the Officers' Certificate relating thereto and such delivery shall occur only outside the United States. Until so exchanged, the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as permanent Securities of such series except as otherwise specified as contemplated by Section 3.1.

Section 3.5. Registration, Registration of Transfer and

Exchange. The Company shall cause to be kept at the Corporate Trust Office of the Trustee or in any office or agency to be maintained by the Company in accordance with Section 9.2 in a Place of Payment a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Registered Securities and the registration of transfers of Registered Securities. The Register shall be in written form or any other form capable of being converted into written form within a reasonable time. The Trustee is hereby appointed "Registrar" for the purpose of registering Registered Securities and transfers of Registered Securities as herein provided.

Upon surrender for registration of transfer of any Registered Security of any series at the office or agency maintained pursuant to Section 9.2 in a Place of Payment for that series, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Registered Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor.

Bearer Securities or any coupons appertaining thereto shall be transferable by delivery.

At the option of the Holder, Registered Securities of any series (except a Registered Security in global form) may be exchanged for other Registered Securities of the same series, of any authorized denominations and of a like aggregate principal amount containing identical terms and provisions, upon surrender of the Registered Securities to be exchanged at such office or agency. Whenever any Registered Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Registered Securities which the Holder making the exchange is entitled to receive. Unless otherwise specified as contemplated by Section 3.1, Bearer Securities may not be issued in exchange for Registered Securities.

Unless otherwise specified as contemplated by Section 3.1, at the option of the Holder, Bearer Securities of such series may be exchanged for Registered Securities (if the Securities of such series are issuable in registered form) or Bearer Securities (if Bearer Securities of such series are issuable in more than one denomination and such exchanges are permitted by such series) of the same series, of any authorized denominations and of like tenor and aggregate principal amount, upon surrender of the Bearer Securities to be exchanged at any such office or agency, with all unmatured coupons and all matured coupons in default thereto appertaining. If the Holder of a Bearer Security is unable to produce any such unmatured coupon or coupons or matured coupon or coupons in default, such exchange may be effected if the Bearer Securities are accompanied by payment in funds acceptable to the Company and the Trustee in an amount equal to the face amount of such missing coupon or coupons, or the surrender of such missing coupon or coupons may be waived by the Company and the Trustee if there be furnished to them such security or indemnity as they may require to save each of them and any Paying Agent harmless. If thereafter the Holder of such Security shall surrender to any Paying Agent any such missing coupon in respect of which such a payment shall have been made, such Holder shall be entitled to receive the amount of such payment; provided, however, that, except as otherwise provided in Section 9.2, interest represented by coupons shall be payable only upon presentation and surrender of those coupons at an office or agency located outside the United States. Notwithstanding the foregoing, in case any Bearer Security of any series is surrendered at any such office or agency in exchange for a Registered Security of the same series after the close of business at such office or agency on (i) any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (ii) any Special Record Date and before the opening of business at such office or agency on the related date for payment of Defaulted Interest, such Bearer Security shall be surrendered without the coupon relating to such Interest Payment Date or proposed date of payment, as the case may be (or, if such coupon is so surrendered with such Bearer Security, such coupon shall be returned to the person so surrendering the Bearer Security), and interest or Defaulted Interest, as the case may be, will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of the Registered

Security issued in exchange for such Bearer Security, but will be payable only to the Holder of such coupon, when due in accordance with the provisions of this Indenture.

Notwithstanding any other provision (other than the provisions set forth in the seventh and eighth paragraphs of this Section) of this Section, unless and until it is exchanged in whole or in part for Securities in certificated form, a Security in global form 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.

If at any time the Depository for the Securities of a series notifies the Company that it is unwilling or unable to continue as Depository for the Securities of such series or if at any time the Depository for the Securities of such series shall no longer be eligible under Section 3.3, 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 issuer receives such notice or becomes aware of such ineligibility, the Company's election pursuant to Section 3.1 shall no longer be effective with respect to the Securities of such series and the Company shall execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of certificated Securities of such series of like tenor, shall authenticate and deliver Securities of such series of like tenor in certificated form, in authorized denominations and in an aggregate principal amount equal to the principal amount of the Security or Securities of such series of like tenor in global form in exchange for such Security or Securities in global form.

The Company may at any time in its sole discretion determine that Securities of a series issued in global form shall no longer be represented by such a Security or Securities in global form. In such event the Company shall execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of certificated Securities of such series of like tenor, shall authenticate and deliver, Securities of such series of like tenor in certificated form, in authorized denominations and in an aggregate principal amount equal to the principal amount of the Security or Securities of such series of like tenor in global form in exchange for such Security or Securities in global form.

If specified by the Company pursuant to Section 3.1 with respect to a series of Securities, the Depository for such series may surrender a Security in global form of such series in exchange in whole or in part for Securities of such series in certificated form on such terms as are acceptable to the Company and such Depository. Thereupon, the Company shall execute, and the Trustee shall authenticate and deliver, without service charge,

- (i) to each Person specified by such Depository a new certificated Security or Securities of the same series of like tenor, of any authorized denomination as requested by such Person in aggregate principal amount equal to and in exchange for such Person's beneficial interest in the Security in global form; and
- (ii) to such Depository a new Security in global form of like tenor in a denomination equal to the difference, if any, between the principal amount of the surrendered Security in global form and the aggregate principal amount of certificated Securities delivered to Holders thereof.

Upon the exchange of a Security in global form for Securities in certificated form, such Security in global form shall be cancelled by the Trustee. Unless expressly provided with respect to the Securities of any series that such Security may be exchanged for Bearer Securities, Securities in certificated form issued in exchange for a Security in global form pursuant to this Section shall be registered in such names and in such authorized denominations as the Depository for such Security in global form, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Securities to the Persons in whose names such Securities are so registered.

Whenever any Securities are surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and

deliver, the Securities which the Holder making the exchange is entitled to receive.

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

Every Registered Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company, the Registrar or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to those of the Company, the Registrar and the Trustee requiring such written instrument of transfer duly executed by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or for any exchange 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 connection with any registration or transfer or exchange of Securities, other than exchanges pursuant to Section 3.4 or 10.7 not involving any transfer.

The Company shall not be required (i) to issue, register the transfer of, or exchange any Securities for a period beginning at the opening of business 15 days before any selection for redemption of Securities of like tenor and of the series of which such Security is a part and ending at the close of business on the earliest date on which the relevant notice of redemption is deemed to have been given to all Holders of Securities of like tenor and of such series to be redeemed; (ii) to register the transfer of or exchange any Registered Security so selected for redemption, in whole or in part, except the unredeemed portion of any Security being redeemed in part; or (iii) to exchange any Bearer Security so selected for redemption, except that such a Bearer Security may be exchanged for a Registered Security of that series and like tenor; provided that such Registered Security shall be simultaneously surrendered for redemption.

Section 3.6. Replacement Securities. If a mutilated Security or a Security with a mutilated coupon appertaining to it is surrendered to the Trustee, together with, in proper cases, such security or indemnity as may be required by the Company or the Trustee to save each of them harmless, the Company shall execute and the Trustee shall authenticate and deliver a replacement Registered Security, if such surrendered Security was a Registered Security, or a replacement Bearer Security with coupons corresponding to the coupons appertaining to the surrendered Security, if such surrendered Security was a Bearer Security, of the same series and date of maturity, if the Trustee's requirements are met.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security or Security with a destroyed, lost or stolen coupon and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security or coupon has been acquired by a bona fide purchaser, the Company shall execute and the Trustee shall authenticate and deliver in lieu of any such destroyed, lost or stolen Security or in exchange for the Security to which a destroyed, lost or stolen coupon appertains (with all appurtenant coupons not destroyed, lost or stolen), a replacement Registered Security, if such Holder's claim appertains to a Registered Security, or a replacement Bearer Security with coupons corresponding to the coupons appertaining to the destroyed, lost or stolen Bearer Security or the Bearer Security to which such lost, destroyed or stolen coupon appertains, if such Holder's claim appertains to a Bearer Security, of the same series and principal amount, containing identical terms and provisions and bearing a number not contemporaneously outstanding with coupons corresponding to the coupons, if any, appertaining to the destroyed, lost or stolen Security.

In case any such mutilated, destroyed, lost or stolen Security or coupon has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security or coupon, pay such Security or coupon; provided, however, that payment of principal of and any premium or interest on Bearer Securities shall, except as otherwise provided in Section 9.2, be payable only at an office or agency located outside the United States and, unless otherwise specified as

contemplated by Section 3.1, any interest on Bearer Securities shall be payable only upon presentation and surrender of the coupons appertaining thereto.

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

Every new Security of any series with its coupons, if any, issued pursuant to this Section in lieu of any destroyed, lost or stolen Security, or in exchange for a Security to which a destroyed, lost or stolen coupon appertains, shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security and its coupon, if any, or the destroyed, lost or stolen coupon, shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that series and their coupons, if any, duly issued hereunder.

The provisions of this Section 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 or coupons.

Section 3.7. Payment of Interest; Interest Rights Preserved.

(a) Unless otherwise provided as contemplated by Section 3.1, interest, if any, on any Registered Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest at the office or agency maintained for such purpose pursuant to Section 9.2; provided, however, that, at the option of the Company, interest on any series of Registered Securities that bear interest may be paid (i) by check mailed to the address of the Person entitled thereto as it shall appear on the Register of Holders of Securities of such series or (ii) to the extent specified as contemplated by Section 3.1, by wire transfer to an account maintained by the Person entitled thereto as specified in the Register of Holders of Securities of such series.

Unless otherwise provided as contemplated by Section 3.1, (i) interest, if any, on Bearer Securities shall be paid only against presentation and surrender of the coupons for such interest installments as are evidenced thereby as they mature and (ii) original issue discount, if any, on Bearer Securities shall be paid only against presentation and surrender of such Securities; in either case at the office of a Paying Agent located outside the United States, unless the Company shall have otherwise instructed the Trustee in writing provided that any such instruction for payment in the United States does not cause any Bearer Security to be treated as a "registrationrequired obligation" under the United States law and regulations. The interest, if any, on any temporary Bearer Security shall be paid, as to any installment of interest evidenced by a coupon attached thereto only upon presentation and surrender of such coupon and, as to other installments of interest, only upon presentation of such Security for notation thereon of the payment of such interest. If at the time a payment of principal of or interest, if any, on a Bearer Security or coupon shall become due, the payment of the full amount so payable at the office or offices of all the Paying Agents outside the United States is illegal or effectively precluded because of the imposition of exchange controls or other similar restrictions on the payment of such amount in Dollars, then the Company may instruct the Trustee to make such payments at a Paying Agent located in the United States, provided that provision for such payment in the United States would not cause such Bearer Security to be treated as a "registration-required obligation" under the United States law and regulations.

(b) Unless otherwise provided as contemplated by Section 3.1, any interest on any Registered 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

Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (1) or (2) below:

- (1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Registered Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause (1) provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the 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 Registered Securities of such series at his address as it appears in the Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following clause (2).
- (2) The Company may make payment of any Defaulted Interest to the Persons in whose names the Registered Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a specified date 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 clause (2), such manner of payment shall be deemed practicable by the Trustee.

(c) Subject to the foregoing provisions of this Section and Section 3.5, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

Section 3.8. Persons Deemed Owners. Prior to due presentment of any Registered Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Registered Security is registered as the owner of such Registered Security for the purpose of receiving payment of principal of, premium, if any, and (subject to Section 3.7) interest, if any, on such Registered Security and for all other purposes whatsoever, whether or not such Registered Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

The Company, the Trustee and any agent of the Company or the Trustee may treat the bearer of any Bearer Security and the bearer of any coupon as the absolute owner of such Bearer Security or coupon for the purpose of receiving payment thereof or on account thereof and for all other purposes whatsoever, whether or not such Bearer Security or coupon be overdue, and neither the

Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

None of the Company, the Trustee or any agent of the Company or the Trustee shall have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Security in global form, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Notwithstanding the foregoing, with respect to any Security in global form, nothing herein shall prevent the Company or the Trustee, or any agent of the Company or the Trustee, from giving effect to any written certification, proxy or other authorization furnished by any Depository (or its nominee), as a Holder, with respect to such Security in global form or impair, as between such Depository and owners of beneficial interests in such Security in global form, the operation of customary practices governing the exercise of the rights of such Depository (or its nominee) as Holder of such Security in global form.

Section 3.9. Cancellation. The Company at any time may deliver Securities and coupons to the Trustee for cancellation. The Registrar and any Paying Agent shall forward to the Trustee any Securities and coupons surrendered to them for replacement, for registration of transfer, or for exchange or payment. The Trustee shall cancel all Securities and coupons surrendered for replacement, for registration of transfer, or for exchange, payment, redemption or cancellation and shall return all such cancelled Securities to the Company. The Company may not issue new Securities to replace Securities that it has paid or delivered to the Trustee for cancellation, except as expressly permitted in the terms of Securities for any particular series or as permitted pursuant to the terms of this Indenture.

Section 3.10. Computation of Interest. Except as otherwise specified as contemplated by Section 3.1, (i) interest on any Securities that bear interest at a fixed rate shall be computed on the basis of a 360-day year of twelve 30-day months and, for any period shorter than a full calendar month, on the basis of the actual number of days elapsed in such period, and (ii) interest on any Securities that bear interest at a variable rate shall be computed on the basis of the actual number of days in an interest period divided by 360.

Section 3.11. Currency and Manner of Payment in Respect of Securities. (a) Unless otherwise specified with respect to any Securities pursuant to Section 3.1, with respect to Registered Securities of any series not permitting the election provided for in paragraph (b) below or the Holders of which have not made the election provided for in paragraph (b) below, and with respect to Bearer Securities of any series, except as provided in paragraph (d) below, payment of the principal of, premium, if any, and interest, if any, on any Registered or Bearer Security of such series will be made in the currency or currencies or currency unit or units in which such Registered Security or Bearer Security, as the case may be, is payable. The provisions of this Section 3.11 may be modified or superseded pursuant to Section 3.1 with respect to any Securities. For all purposes of this Indenture, currency units shall include any composite currency.

(b) It may be provided pursuant to Section 3.1, with respect to Registered Securities of any series, that Holders shall have the option, subject to paragraphs (d) and (e) below, to receive payments of principal of, premium, if any, or interest, if any, on such Registered Securities in any of the currencies or currency units which may be designated for such election by delivering to the Trustee (or the applicable Paying Agent) a written election with signature guarantees and in the applicable form established pursuant to Section 3.1, not later than the close of business on the Election Date immediately preceding the applicable payment date. If a Holder so elects to receive such payments in any such currency or currency unit, such election will remain in effect for such Holder or any transferee of such Holder until changed by such Holder or such transferee by written notice to the Trustee (or any applicable Paying Agent) for such series of Registered Securities (but any such change must be made not later than the close of business on the Election Date immediately preceding the next payment date to be effective for the payment to be made on such payment date, and no such change of election may be made with respect to payments to be made on any Registered Security of such series with respect to which an Event of Default has occurred or with respect to which the Company has deposited funds pursuant to Article 4 or with respect to which a notice of redemption has been given by the Company). Any Holder of any such Registered Security who shall not have delivered any such election to the Trustee (or any applicable Paying Agent) not

later than the close of business on the applicable Election Date will be paid the amount due on the applicable payment date in the relevant currency or currency unit as provided in Section 3.11(a). The Trustee (or the applicable Paying Agent) shall notify the Exchange Rate Agent as soon as practicable after the Election Date of the aggregate principal amount of Registered Securities for which Holders have made such written election.

(c) If the election referred to in paragraph (b) above has been provided for with respect to any Registered Securities of a series pursuant to Section 3.1, then, unless otherwise specified pursuant to Section 3.1 with respect to any such Registered Securities, not later than the fourth Business Day after the Election Date for each payment date for such Registered Securities, the Exchange Rate Agent will deliver to the Company a written notice specifying, in the currency or currencies or currency unit or units in which Registered Securities of such series are payable, the respective aggregate amounts of principal of, premium, if any, and interest, if any, on such Registered Securities to be paid on such payment date, and specifying the amounts in such currency or currencies or currency unit or units so payable in respect of such Registered Securities as to which the Holders of Registered Securities denominated in any currency or currencies or currency unit or units shall have elected to be paid in another currency or currency unit as provided in paragraph (b) above. If the election referred to in paragraph (b) above has been provided for with respect to any Registered Securities of a series pursuant to Section 3.1, and if at least one Holder has made such election, then, unless otherwise specified pursuant to Section 3.1, on the second Business Day preceding such payment date the Company will deliver to the Trustee (or the applicable Paying Agent) an Exchange Rate Officers' Certificate in respect of the Dollar, Foreign Currency or Currencies, ECU or other currency unit payments to be made on such payment date. Unless otherwise specified pursuant to Section 3.1, the Dollar, Foreign Currency or Currencies, ECU or other currency unit amount receivable by Holders of Registered Securities who have elected payment in a currency or currency unit as provided in paragraph (b) above shall be determined by the Company on the basis of the applicable Market Exchange Rate in effect on the second Business Day (the "Valuation Date") immediately preceding each payment date, and such determination shall be conclusive and binding for all purposes, absent manifest error.

(d) If a Conversion Event occurs with respect to a Foreign Currency, ECU or any other currency unit in which any of the Securities are denominated or payable otherwise than pursuant to an election provided for pursuant to paragraph (b) above, then, with respect to each date for the payment of principal of, premium, if any, and interest, if any, on the applicable Securities denominated or payable in such Foreign Currency, ECU or such other currency unit occurring after the last date on which such Foreign Currency, ECU or such other currency unit was used (the "Conversion Date"), the Dollar shall be the currency of payment for use on each such payment date (but such Foreign Currency, ECU or such other currency unit that was previously the currency of payment shall, at the Company's election, resume being the currency of payment on the first such payment date preceded by 15 Business Days during which the circumstances which gave rise to the Dollar becoming such currency no longer prevail). Unless otherwise specified pursuant to Section 3.1, the Dollar amount to be paid by the Company to the Trustee or any applicable Paying Agent and by the Trustee or any applicable Paying Agent to the Holders of such Securities with respect to such payment date shall be, in the case of a Foreign Currency other than a currency unit, the Dollar Equivalent of the Foreign Currency or, in the case of a Foreign Currency that is a currency unit, the Dollar Equivalent of the Currency Unit, in each case as determined by the Exchange Rate Agent in the manner provided in paragraph (f) or (g) below.

(e) Unless otherwise specified pursuant to Section 3.1, if the Holder of a Registered Security denominated in any currency or currency unit shall have elected to be paid in another currency or currency unit or in other currencies as provided in paragraph (b) above, and (i) a Conversion Event occurs with respect to any such elected currency or currency unit, such Holder shall receive payment in the currency or currency unit in which payment would have been made in the absence of such election and (ii) if a Conversion Event occurs with respect to the currency or currency unit in which payment would have been made in the

absence of such election, such Holder shall receive payment in Dollars as provided in paragraph (d) of this Section 3.11 (but, subject to any contravening valid election pursuant to paragraph (b) above, the elected payment currency or currency unit, in the case of the circumstances described in clause (i) above, or the payment currency or currency unit in the absence of such election, in the case of the circumstances described in clause (ii) above, shall, at the Company's election, resume being the currency or currency unit of payment with respect to Holders who have so elected, but only with respect to payments on payment dates preceded by 15 Business Days during which the circumstances which gave rise to such currency or currency unit, in the case of the circumstances described in clause (i) above, or the Dollar, in the case of the circumstances described in clause (ii) above, becoming the currency or currency unit, as applicable, of payment, no longer prevail).

(f) The "Dollar Equivalent of the Foreign Currency" shall be determined by the Exchange Rate Agent and shall be obtained for each subsequent payment date by the Exchange Rate Agent by converting the specified Foreign Currency into Dollars at the Market Exchange Rate on the Conversion Date.

(g) The "Dollar Equivalent of the Currency Unit" shall be determined by the Exchange Rate Agent and, subject to the provisions of paragraph (h) below, shall be the sum of each amount obtained by converting the Specified Amount of each Component Currency (as each such term is defined in paragraph (h) below) into Dollars at the Market Exchange Rate for such Component Currency on the Valuation Date with respect to each payment.

(h) For purposes of this Section 3.11 the following terms shall have the following meanings:

A "Component Currency" shall mean any currency which, on the Conversion Date, was a component currency of the relevant currency unit, including, but not limited to, ECU.

"Election Date" shall mean the Regular Record Date for the applicable series of Registered Securities as specified pursuant to Section 3.1 by which the written election referred to in Section 3.11(b) may be made.

A "Specified Amount" of a Component Currency shall mean the number of units of such Component Currency or fractions thereof which such Component Currency represented in the relevant currency unit, including, but not limited to, ECU, on the Conversion Date. If after the Conversion Date the official unit of any Component Currency is altered by way of combination or subdivision, the Specified Amount of such Component Currency shall be divided or multiplied in the same proportion. If after the Conversion Date two or more Component Currencies are consolidated into a single currency, the respective Specified Amounts of such Component Currencies shall be replaced by an amount in such single currency equal to the sum of the respective Specified Amounts of such consolidated Component Currencies expressed in such single currency, and such amount shall thereafter be a Specified Amount and such single currency shall thereafter be a Component Currency. If after the Conversion Date any Component Currency shall be divided into two or more currencies, the Specified Amount of such Component Currency shall be replaced by specified amounts of such two or more currencies, the sum of which, at the Market Exchange Rate of such two or more currencies on the date of such replacement, shall be equal to the Specified Amount of such former Component Currency and such amounts shall thereafter be Specified Amounts and such currencies shall thereafter be Component Currencies. If, after the Conversion Date of the relevant currency unit, including, but not limited to, ECU, a Conversion Event (other than any event referred to above in this definition of "Specified Amount") occurs with respect to any Component Currency of such currency unit and is continuing on the applicable Valuation Date, the Specified Amount of such Component Currency shall, for purposes of calculating the Dollar Equivalent of the Currency Unit, be converted into Dollars at the Market Exchange Rate in effect on the Conversion Date of such Component Currency.

All decisions and determinations of the Exchange Rate Agent regarding the Dollar Equivalent of the Foreign Currency, the Dollar Equivalent of the Currency Unit, the Market Exchange Rate and changes in the Specified Amounts as specified above shall be in its sole discretion and shall, in the absence of manifest

error, be conclusive for all purposes and irrevocably binding upon the Company, the Trustee (and any applicable Paying Agent) and all Holders of Securities denominated or payable in the relevant currency, currencies or currency units. The Exchange Rate Agent shall promptly give written notice to the Company and the Trustee of any such decision or determination.

In the event that the Company determines in good faith that a Conversion Event has occurred with respect to a Foreign Currency, the Company will promptly give written notice thereof to the Trustee (or any applicable Paying Agent) and to the Exchange Rate Agent (and the Trustee (or such Paying Agent) will promptly thereafter give notice in the manner provided in Section 1.6 to the affected Holders) specifying the Conversion Date. In the event the Company so determines that a Conversion Event has occurred with respect to ECU or any other currency unit in which Securities are denominated or payable, the Company will promptly give written notice thereof to the Trustee (or any applicable Paying Agent) and to the Exchange Rate Agent (and the Trustee (or such Paying Agent) will promptly thereafter give notice in the manner provided in Section 1.6 to the affected Holders) specifying the Conversion Date and the Specified Amount of each Component Currency on the Conversion Date. In the event the Company determines in good faith that any subsequent change in any Component Currency as set forth in the definition of Specified Amount above has occurred, the Company will similarly give written notice to the Trustee (or any applicable Paying Agent) and to the Exchange Rate Agent.

The Trustee of the appropriate series of Securities shall be fully justified and protected in relying and acting upon information received by it from the Company and the Exchange Rate Agent and shall not otherwise have any duty or obligation to determine the accuracy or validity of such information independent of the Company or the Exchange Rate Agent.

Section 3.12. Appointment and Resignation of Exchange Rate Agent. (a) Unless otherwise specified pursuant to Section 3.1, if and so long as the Securities of any series (i) are denominated in a currency other than Dollars or (ii) may be payable in a currency other than Dollars, or so long as it is required under any other provision of this Indenture, then the Company will maintain with respect to each such series of Securities, or as so required, at least one Exchange Rate Agent. The Company will cause the Exchange Rate Agent to make the necessary foreign exchange determinations at the time and in the manner specified pursuant to Section 3.11 for the purpose of determining the applicable rate of exchange and, if applicable, for the purpose of converting the issued currency or currencies or currency unit or units into the applicable payment currency or currency unit for the payment of principal, premium, if any, and interest, if any, pursuant to Section 3.11.

(b) No resignation of the Exchange Rate Agent and no appointment of a successor Exchange Rate Agent pursuant to this Section shall become effective until the acceptance of appointment by the successor Exchange Rate Agent as evidenced by a written instrument delivered to the Company and the Trustee of the appropriate series of Securities accepting such appointment executed by the successor Exchange Rate Agent.

(c) If the Exchange Rate Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Exchange Rate Agent for any cause, with respect to the Securities of one or more series, the Company, by or pursuant to a Board Resolution, shall promptly appoint a successor Exchange Rate Agent or Exchange Rate Agents with respect to the Securities of that or those series (it being understood that any such successor Exchange Rate Agent may be appointed with respect to the Securities of one or more or all of such series and that, unless otherwise specified pursuant to Section 3.1, at any time there shall only be one Exchange Rate Agent with respect to the Securities of any particular series that are originally issued by the Company on the same date and that are initially denominated and/or payable in the same currency or currencies or currency unit or units).

Section 3.13. CUSIP Numbers. The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers (in addition to the other identification numbers printed on the Securities) in

notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers.

ARTICLE 4

Satisfaction, Discharge and Defeasance

Section 4.1. Termination of Company's Obligations Under the Indenture. Except as otherwise provided as contemplated by Section 3.1, this Indenture shall upon Company Request cease to be of further effect with respect to Securities of or within any series and any coupons appertaining thereto (except as to any surviving rights of registration of transfer or exchange of such Securities and replacement of such Securities which may have been lost, stolen or mutilated as herein expressly provided for) and the Trustee, at the expense of the Company shall execute proper instruments acknowledging satisfaction and discharge of this Indenture with respect to such Securities and any coupons appertaining thereto when

- (1) either
 - (A) all such Securities previously authenticated and delivered and all coupons appertaining thereto (other than (i) such coupons appertaining to Bearer Securities surrendered in exchange for Registered Securities and maturing after such exchange, surrender of which is not required or has been waived as provided in Section 3.5, (ii) such Securities and coupons which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 3.6, (iii) such coupons appertaining to Bearer Securities called for redemption and maturing after the relevant Redemption Date, surrender of which has been waived as provided in Section 10.6 and (iv) such Securities and coupons for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 9.3) have been delivered to the Trustee for cancellation; or
 - (B) all Securities of such series and, in the case of (i) or (ii) below, any coupons appertaining thereto not theretofore delivered to the Trustee for cancellation
 - (i) have become due and payable,
 - (ii) will become due and payable at their Stated Maturity within one year, or
 - (iii) if redeemable at the option of the Company, are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

and the Company, in the case of (i), (ii) or (iii) above, has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount in the currency or currencies or currency unit or units in which the Securities of such series are payable, sufficient to pay and discharge the entire indebtedness on such Securities and such coupons not theretofore delivered to the Trustee for cancellation, for principal, premium, if any, and interest, if any, with respect thereto, to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be;

- (2) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and
- (3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture as to such series have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligation of the Company to the Trustee and any predecessor Trustee under Section 6.9, the obligations of the Company to any Authenticating Agent under Section 6.14 and, if money shall have been deposited with the Trustee pursuant to subclause (B) of clause (1) of this Section, the obligations of the Trustee under Section 4.2 and the last paragraph of Section 9.3 shall survive.

Section 4.2. Application of Trust Funds. Subject to the provisions of the last paragraph of Section 9.3, all money deposited with the Trustee pursuant to Section 4.1 shall be held in trust and applied by it, in accordance with the provisions of the Securities, the coupons and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal, premium, if any, and any interest for whose payment such money has been deposited with or received by the Trustee, but such money need not be segregated from other funds except to the extent required by law.

Section 4.3. Applicability of Defeasance Provisions; Company's Option to Effect Defeasance or Covenant Defeasance. If pursuant to Section 3.1 provision is made for either or both of (i) defeasance of the Securities of or within a series under Section 4.4 or (ii) covenant defeasance of the Securities of or within a series under Section 4.5, then the provisions of such Section or Sections, as the case may be, together with the provisions of Sections 4.6 through 4.9 inclusive, with such modifications thereto as may be specified pursuant to Section 3.1 with respect to any Securities, shall be applicable to such Securities and any coupons appertaining thereto, and the Company may at its option by Board Resolution, at any time, with respect to such Securities and any coupons appertaining thereto, elect to have Section 4.4 (if applicable) or Section 4.5 (if applicable) be applied to such Outstanding Securities and any coupons appertaining thereto upon compliance with the conditions set forth below in this Article.

Section 4.4. Defeasance and Discharge. Upon the Company's exercise of the option specified in Section 4.3 applicable to this Section with respect to the Securities of or within a series, the Company shall be deemed to have been discharged from its obligations with respect to such Securities and any coupons appertaining thereto on the date the conditions set forth in Section 4.6 are satisfied (hereinafter "defeasance"). For this purpose, such defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by such Securities and any coupons appertaining thereto which shall thereafter be deemed to be "Outstanding" only for the purposes of Section 4.7 and the other Sections of this Indenture referred to in clause (ii) of this Section, and to have satisfied all its other obligations under such Securities and any coupons appertaining thereto and this Indenture insofar as such Securities and any coupons appertaining thereto are concerned (and the Trustee, at the expense of the Company, shall on Company Order execute proper instruments acknowledging the same), except the following which shall survive until otherwise terminated or discharged hereunder: (i) the rights of Holders of such Securities and any coupons appertaining thereto to receive, solely from the trust funds described in Section 4.6(a) and as more fully set forth in such Section, payments in respect of the principal of, premium if any, and interest, if any, on such Securities or any coupons appertaining thereto when such payments are due; (ii) the Company's obligations with respect to such Securities under Sections 3.5, 3.6, 9.2 and 9.3 and with respect to the payment of additional amounts, if any, payable with respect to such Securities as specified pursuant to Section 3.1(b)(16); (iii) the rights, powers, trusts, duties and immunities of the Trustee hereunder; and (iv) this Article 4. Subject to compliance with this Article 4, the Company may exercise its option under this Section notwithstanding the prior exercise of its option under Section 4.5 with respect to such Securities and any coupons appertaining thereto. Following a defeasance, payment of such Securities may not be accelerated because of an Event of Default.

Section 4.5. Covenant Defeasance. Upon the Company's exercise of the option specified in Section 4.3 applicable to this Section with respect to any Securities of or within a series, the Company shall be released from its obligations under Article 7 and Sections 9.4 and 9.5, and, if specified pursuant to Section 3.1, its obligations under any other covenant, with respect to such Securities and any coupons appertaining thereto on and after the date the conditions set forth in Section 4.6 are satisfied (hereinafter, "covenant defeasance"), and such Securities and any coupons appertaining thereto shall thereafter be deemed to be not "Outstanding" for the purposes of any direction, waiver, consent or declaration or Act of Holders (and the consequences of any thereof) in connection with Article 7 and Sections 9.4 and 9.5, or such other covenant, but shall continue to be deemed "Outstanding" for all other purposes hereunder. For this purpose, such covenant defeasance means that, with respect to such Securities and any coupons appertaining thereto, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such Section or such other covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such Section or such other covenant or by reason of reference in any such Section or such other covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 5.1(3) or 5.1(5) or otherwise, as the case may be, but, except as specified above, the remainder of this Indenture and such Securities and any coupons appertaining thereto shall be unaffected thereby.

Section 4.6. Conditions to Defeasance or Covenant Defeasance. The following shall be the conditions to application of Section 4.4 or Section 4.5 to any Securities of or within a series and any coupons appertaining thereto:

(a) The Company shall have deposited or caused to be deposited irrevocably with the Trustee (or another trustee satisfying the requirements of Section

6.11 who shall agree to comply with, and shall be entitled to the benefits of, the provisions of Sections 4.3 through 4.9 inclusive and the last paragraph of Section 9.3 applicable to the Trustee, for purposes of such Sections also a "Trustee") as trust funds in trust for the purpose of making the payments referred to in clauses (x) and (y) of this Section 4.6(a), specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities and any coupons appertaining thereto, with instructions to the Trustee as to the application thereof, (A) money in an amount (in such currency, currencies or currency unit in which such Securities and any coupons appertaining thereto are then specified as payable at Maturity), or (B) if Securities of such series are not subject to repayment at the option of Holders, Government Obligations which through the payment of interest and principal in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment referred to in clause (x) or (y) of this Section 4.6(a), money in an amount or (C) a combination thereof in an amount, sufficient, in the opinion of a nationally recognized firm of independent certified public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee to pay and discharge, (x) the principal of, premium, if any, and interest, if any, on such Securities and any coupons appertaining thereto on the Maturity of such principal or installment of principal or interest and (y) any mandatory sinking fund payments applicable to such Securities on the day on which such payments are due and payable in accordance with the terms of this Indenture and such Securities and any coupons appertaining thereto. Before such a deposit the Company may make arrangements satisfactory to the Trustee for the redemption of Securities at a future date or dates in accordance with Article 10, which shall be given effect in applying the foregoing.

(b) Such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a

Default or Event of Default under, this Indenture or result in a breach or violation of, or constitute a default under, any other material agreement or instrument to which the Company is a party or by which it is bound.

- (c) No Default or Event of Default under Section 5.1(4) or 5.1(5) with respect to such Securities and any coupons appertaining thereto shall have occurred and be continuing during the period commencing on the date of such deposit and ending on the 91st day after such date (it being understood that this condition shall not be deemed satisfied until the expiration of such period).
- (d) In the case of an election under Section 4.4, the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel to the effect that (i) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (ii) since the date of execution of this Indenture, there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the Holders of such Securities and any coupons appertaining thereto will not recognize income, gain or loss for Federal income tax purposes as a result of such defeasance and will be subject to Federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred.
- (e) In the case of an election under Section 4.5, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of such Securities and any coupons appertaining thereto will not recognize income, gain or loss for Federal income tax purposes as a result of such covenant defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred.
- (f) The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance under Section 4.4 or the covenant defeasance under Section 4.5 (as the case may be) have been complied with and an Opinion of Counsel to the effect that either (i) as a result of a deposit pursuant to subsection (a) above and the, related exercise of the Company's option under Section 4.4 or Section 4.5 (as the case may be), registration is not required under the Investment Company Act of 1940, as amended, by the Company, with respect to the trust funds representing such deposit or by the trustee for such trust funds or (ii) all necessary registrations under said act have been effected.
- (g) Such defeasance or covenant defeasance shall be effected in compliance with any additional or substitute terms, conditions or limitations which may be imposed on the Company in connection therewith as contemplated by Section 3.1.

Section 4.7. Deposited Money and Government Obligations to Be Held in Trust. Subject to the provisions of the last paragraph of Section 9.3, all money and Government Obligations (or other property as may be provided pursuant to Section 3.1) (including the proceeds thereof) deposited with the Trustee pursuant to Section 4.6 in respect of any Securities of any series and any coupons appertaining thereto shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and any coupons appertaining thereto and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Holders of such Securities and any coupons appertaining thereto of all sums due and to become due thereon in respect of principal, premium, if any, and interest, if any, but such money need not be segregated from other funds except to the extent required by law.

Unless otherwise specified with respect to any Security pursuant to Section 3.1, if, after a deposit referred to in

Section 4.6(a) has been made, (i) the Holder of a Security in respect of which such deposit was made is entitled to, and does, elect pursuant to Section 3.11(b) or the terms of such Security to receive payment in a currency or currency unit other than that in which the deposit pursuant to Section 4.6(a) has been made in respect of such Security, or (ii) a Conversion Event occurs as contemplated in Section 3.11(d) or 3.11(e) or by the terms of any Security in respect of which the deposit pursuant to Section 4.6(a) has been made, the indebtedness represented by such Security and any coupons appertaining thereto shall be deemed to have been, and will be, fully discharged and satisfied through the payment of the principal of, premium, if any, and interest, if any, on such Security as the same becomes due out of the proceeds yielded by converting (from time to time as specified below in the case of any such election) the amount or other property deposited in respect of such Security into the currency or currency unit in which such Security becomes payable as a result of such election or Conversion Event based on the applicable Market Exchange Rate for such currency or currency unit in effect on the second Business Day prior to each payment date, except in the case of a Conversion Event with respect to such currency or currency unit which is in effect (as nearly as feasible) at the time of the Conversion Event.

Section 4.8. Transfers and Distribution at Company Request. To the extent permitted by the Financial Accounting Standards Board Statement of Financial Accounting Standards No. 76, as amended or interpreted by the Financial Accounting Standards Board from time to time, or any successor thereto ("Standard No. 76"), or to the extent permitted by the Commission, the Trustee shall, from time to time, take one or more of the following actions as specified in a Company Request:

- (a) Retransfer, reassign and deliver to the Company any securities deposited with the Trustee pursuant to Section 4.6(a), provided that the Company shall, in substitution therefor, simultaneously transfer, assign and deliver to the Trustee other Government Obligations appropriate to satisfy the Company's obligations in respect of the relevant Securities; and
- (b) The Trustee (and any Paying Agent) shall promptly pay to the Company, upon Company Request, any excess money or securities held by them at any time, including, without limitation, any assets deposited with the Trustee pursuant to Section 4.6(a) exceeding those necessary for the purposes of Section 4.6(a).

The Trustee shall not take the actions described in subsections (a) and (b) of this Section 4.8 unless it shall have first received a written report of Arthur Andersen LLP, or another nationally recognized independent public accounting firm, (i) expressing their opinion that the contemplated action is permitted by Standard No. 76 or the Commission, for transactions accounted for as extinguishment of debt under the circumstances described in paragraph 3.c of Standard No. 76 or any successor provision, and (ii) verifying the accuracy, after giving effect to such action or actions, of the computations which demonstrate that the amounts remaining to be earned on the Government Obligations deposited with the Trustee pursuant to Section 4.6(a) will be sufficient for purposes of Section 4.6(a).

ARTICLE 5

Defaults and Remedies

Section 5.1. Events of Default. An "Event of Default" occurs with respect to the Securities of any series if (whatever the reason for such Event of Default and whether it shall be occasioned by the provisions of Article 12 or be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (1) the Company defaults in the payment of interest on any Security of that series or any coupon appertaining thereto or any additional amount payable with respect to any Security of that series as specified pursuant to Section 3.1(b)(16) when the same becomes due and payable and such default

- continues for a period of 30 days;
- (2) the Company defaults in the payment of the principal of or any premium on any Security of that series when the same becomes due and payable at its Maturity or on redemption or otherwise, or in the payment of a mandatory sinking fund payment when and as due by the terms of the Securities of that series, and in each case such default continues for a period of ten days;
 - (3) the Company defaults in the performance of, or breaches, any covenant or warranty of the Company in this Indenture, with respect to any Security of that series (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section specifically dealt with), and such default or breach continues for a period of 60 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of that series, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder;
 - (4) the Company pursuant to or within the meaning of any Bankruptcy Law (A) commences a voluntary case, (B) consents to the entry of an order for relief against it in an involuntary case, (C) consents to the appointment of a Custodian of it or for all or substantially all of its property, or (D) makes a general assignment for the benefit of its creditors;
 - (5) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (A) is for relief against the Company in an involuntary case, (B) appoints a Custodian of the Company for all or substantially all of its property, or (C) orders the liquidation of the Company; and the order or decree remains unstayed and in effect for 90 days; or
 - (6) any other Event of Default provided as contemplated by Section 3.1 with respect to Securities of that series.

The term "Bankruptcy Law" means Title 11, U.S. Code, or any similar federal or state law for the relief of debtors. The term "Custodian" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

Section 5.2. Acceleration; Rescission and Annulment. If an Event of Default with respect to the Securities of any series at the time Outstanding occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of all of the outstanding Securities of that series, by written notice to the Company (and, if given by the Holders, to the Trustee), may declare the principal (or, if the Securities of that series are Original Issue Discount Securities or Indexed Securities, such portion of the principal amount as may be specified in the terms of that series) of all the Securities of that series to be due and payable and upon any such declaration such principal (or, in the case of original Issue Discount Securities or Indexed Securities, such specified amount) shall be immediately due and payable.

At any time after such a declaration of acceleration with respect to Securities of any series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in aggregate principal amount of the outstanding Securities of that series, by written notice to the Trustee, may rescind and annul such declaration and its consequences if all existing Defaults and Events of Default with respect to Securities of that series, other than the non-payment of the principal of Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 5.7. No such rescission shall affect any subsequent default or impair any right consequent thereon.

Section 5.3. Collection of Indebtedness and Suits for Enforcement by Trustee. The Company covenants that if

- (1) default is made in the payment of any interest on any Security or coupon, if any, when such interest becomes due and payable and such default continues for a period of 30 days, or
- (2) default is made in the payment of the principal of

(or premium, if any, on) any Security at the Maturity thereof and such default continues for a period of 10 days, the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities or coupons, if any, the whole amount then due and payable on such Securities for principal, premium, if any, and interest, if any, and, to the extent that payment of any such interest shall be legally enforceable, interest on any overdue principal, premium, if any, and on any overdue interest, at the rate or rates prescribed therefor in such Securities or coupons, if any, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

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 5.4. Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders of Securities allowed in any judicial proceedings relating to the Company, its creditors or its property.

Section 5.5. 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 without the possession of any of the Securities or the production thereof in any proceeding relating thereto.

Section 5.6. Delay or Omission Not Waiver. No delay or omission by the Trustee or any Holder of any Securities to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of or acquiescence in any such Event of Default.

Section 5.7. Waiver of Past Defaults. The Holders of a majority in aggregate principal amount of Outstanding Securities of any series by notice to the Trustee may waive on behalf of the Holders of all Securities of such series a past Default or Event of Default with respect to that series and its consequences except (i) a Default or Event of Default in the payment of the principal of, premium, if any, or interest, if any, on any Security of such series or any coupon appertaining thereto or (ii) in respect of a covenant or provision hereof which pursuant to Section 8.2 cannot be amended or modified without the consent of the Holder of each outstanding Security of such series adversely affected. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture.

Section 5.8. Control by Majority. The Holders of a majority in aggregate principal amount of the Outstanding Securities of each series affected (with each such series voting as a class) 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 it with respect to Securities of that series; provided, however, that (i) the Trustee may refuse to follow any direction that conflicts with law or this Indenture, (ii) the Trustee may refuse to follow any direction that is unduly prejudicial to the rights of the Holders of Securities of such series not consenting, or that would in the good faith judgment of the Trustee have a substantial likelihood of involving the Trustee in personal liability and (iii) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Section 5.9. Limitation on Suits by Holders. No Holder of any Security of any series or any related coupons shall have

any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

- (1) the Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;
- (2) the Holders of at least 25% in aggregate principal amount of the Outstanding Securities of that series have made a written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;
- (3) such Holder or Holders have offered to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense to be, or which may be, incurred by the Trustee in pursuing the remedy;
- (4) the Trustee for 60 days after its receipt of such notice, request and the offer of indemnity has failed to institute any such proceedings; and
- (5) during such 60-day period, the Holders of a majority in aggregate principal amount of the Outstanding Securities of that series have not given to the Trustee a direction inconsistent with such written request.

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

Section 5.10. Rights of Holders to Receive Payment.

Notwithstanding any other provision of this Indenture, but subject to Section 9.2, the right of any Holder of a Security or coupon to receive payment of principal of, premium, if any, and, subject to Sections 3.5 and 3.7, interest, if any, on the Security, on or after the respective due dates expressed in the Security (or, in case of redemption, on the redemption dates) and the right of any Holder of a coupon to receive payment of interest due as provided in such coupon, or, subject to Section 5.9, to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 5.11. Application of Money Collected. Subject

to Article 12, if the Trustee collects any money pursuant to this Article, it shall pay out the money in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, premium, if any, or interest, if any, upon presentation of the Securities and any coupons appertaining thereto and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: to the Trustee for amounts due under Section 6.9;

Second: to Holders of Securities and coupons in respect of which or for the benefit of which such money has been collected for amounts due and unpaid on such Securities for principal of, premium, if any, and interest, if any, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal, premium, if any, and interest, if any, respectively; and

Third: to the Person or Persons entitled thereto.

Section 5.12. Restoration of Rights and Remedies. If the

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

Section 5.13. Rights and Remedies Cumulative. Except as

otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 3.6, no right or remedy herein conferred upon or reserved to the Trustee or the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent

assertion or employment of any other appropriate right or remedy.

Section 5.14. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, a court may require any party litigant in such suit to file an undertaking to pay the costs of such suit, and may assess costs against any such party litigant, in the manner and to the extent provided in the Trust Indenture Act; provided that neither this Section nor the Trust Indenture Act shall be deemed to authorize any court to require such an undertaking or to make such an assessment in any suit instituted by the Company, and any provision of the Trust Indenture Act to such effect is hereby expressly excluded from this Indenture, as permitted by the Trust Indenture Act.

ARTICLE 6

The Trustee

Section 6.1. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of

Default:

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

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the

correctness

of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; 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) In case an Event of Default has occurred and is continuing with respect to the Securities of any series, the Trustee shall exercise such of the rights and powers vested in it by this Indenture with respect to the Securities of such series, 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 own affairs.

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

(1) this subsection shall not be construed to limit the effect of subsection (a) of this Section;

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

(3) 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 a majority in principal amount of the Outstanding Securities of any series relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Securities of such series.

- (d) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.
- (e) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 6.2. Rights of Trustee. Subject to the provisions of the Trust Indenture Act:

- (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, direction, consent, order, 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 or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order (other than delivery of any Security, and any coupons appertaining thereto, to the Trustee for authentication and delivery pursuant to Section 3.3, which shall be sufficiently evidenced as provided therein), and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution.
- (c) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate.
- (d) The Trustee may consult with counsel of its selection 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 reliance thereon.
- (e) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.
- (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, direction, consent, order, bond, debenture, note or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney.
- (g) The Trustee may act through agents or attorneys and shall not be responsible for the misconduct or negligence of any agent or attorney appointed with due care.
- (h) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers.
- (i) The Trustee shall not be required to expend or risk

its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 6.3. Trustee May Hold Securities. The Trustee, any Paying Agent, any Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and coupons and, subject to Sections 310(b) and 311 of the Trust Indenture Act, may otherwise deal with the Company, an Affiliate or Subsidiary with the same rights it would have if it were not Trustee, Paying Agent, Registrar or such other agent.

Section 6.4. Money Held in Trust. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed to in writing with the Company.

Section 6.5. Trustee's Disclaimer. The recitals contained herein and in the Securities, except the Trustee's certificate of authentication, shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or adequacy of this Indenture, the Securities or any coupon. The Trustee shall not be accountable for the Company's use of the proceeds from the Securities or for monies paid over to the Company pursuant to the Indenture.

Section 6.6. Notice of Defaults. If a Default occurs and is continuing with respect to the Securities of any series and if it is known to the Trustee, the Trustee shall, within 90 days after it occurs, transmit, in the manner and to the extent provided in Section 313(c) of the Trust Indenture Act, notice of all uncured Defaults known to it; provided, however, that, in the case of a Default in payment on the Securities of any series, the Trustee may withhold the notice if and so long as the board of directors, the executive committee or a committee of its Responsible Officers in good faith determines that withholding such notice is in the interests of Holders of Securities of that series; provided further that, in the case of any default or breach of the character specified in Section 5.1(3) with respect to the Securities and coupons of such series, no such notice to Holders shall be given until at least 60 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.

Section 6.7. Reports by Trustee to Holders.

(a) Within 60 days after each May 15 of each year commencing with the first May 15 after the first issuance of Securities pursuant to this Indenture, the Trustee shall transmit by mail to all Holders of Securities as provided in Section 313(c) of the Trust Indenture Act a brief report dated as of such May 15 if required by Section 313(a) of the Trust Indenture Act. The Trustee also shall comply with Section 313(b) and (d) of the Trust Indenture Act.

(b) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange, if any, upon which the Securities are listed, with the Commission and with the Company. The Company will promptly notify the Trustee when the Securities are listed on any stock exchange.

Section 6.8. Securityholder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders of Securities of each series. If the Trustee is not the Registrar, the Company shall furnish to the Trustee semiannually on or before the last day of June and December in each year, and at such other times as the Trustee may request in writing, a list, in such form and as of such date as the Trustee may reasonably require, containing all the information in the possession of the Registrar, the Company or any of its Paying Agents other than the Trustee as to the names and addresses of Holders of Securities of each such series. If there are Bearer Securities of any series outstanding, even if the Trustee is the Registrar, the Company shall furnish to the Trustee such a list containing such information with respect to Holders of such Bearer Securities only.

Section 6.9. Compensation and Indemnity.

(a) The Company shall pay to the Trustee from time to time such compensation as shall be agreed to in writing between the Company and the Trustee for all services rendered by it hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred by it in connection with the performance of its duties under this Indenture, except any such expense as may be attributable to its negligence or bad faith.

(b) The Company shall indemnify the Trustee and any predecessor Trustee for, and hold it harmless against, any loss, liability or expense, including taxes (other than taxes based upon, measured by or determined by the income of the Trustee), incurred by it without negligence or bad faith on its part arising out of or in connection with its acceptance or administration of the trust or trusts hereunder. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. The Company shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made without its consent.

(c) The Company need not reimburse any expense or indemnify against any loss or liability incurred by the Trustee through negligence or bad faith.

(d) To secure the payment obligations of the Company pursuant to this Section, the Trustee shall have a lien prior to the Securities of any series on all money or property held or collected by the Trustee, except that held in trust to pay principal, premium, if any, and interest, if any, on particular Securities.

(e) When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 5.1(4) or Section 5.1(5), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable Federal or state bankruptcy, insolvency or other similar law.

(f) The provisions of this Section shall survive the termination of this Indenture.

Section 6.10. Replacement of Trustee.

(a) The resignation or removal of the Trustee and the appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in Section 6.11.

(b) The Trustee may resign at any time with respect to the Securities of any series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 6.11 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(c) The Holders of a majority in aggregate principal amount of the Outstanding Securities of any series may remove the Trustee with respect to that series by so notifying the Trustee and the Company and may appoint a successor Trustee for such series with the Company's consent.

(d) If at any time:

- (1) the Trustee fails to comply with Section 310(b) of the Trust Indenture Act after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months;
- (2) the Trustee shall cease to be eligible under Section 310(a) of the Trust Indenture Act and shall fail to resign after written request therefor by the Company or by any Holder of a Security who has been a bona fide Holder of a Security for at least six months; or
- (3) the Trustee becomes incapable of acting, is adjudged a bankrupt or an insolvent or a receiver or public officer takes charge of the Trustee or

its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, (i) the Company by or pursuant to a Board Resolution may remove the Trustee with respect to all Securities, or (ii) subject to Section 315(e) of the Trust Indenture Act, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all other persons similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, with respect to Securities of one or more series, the Company, by or pursuant to Board Resolution, shall promptly appoint a successor Trustee with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series) and shall comply with the applicable requirements of Section 6.11. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 6.11, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 6.11, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

Section 6.11. Acceptance of Appointment by Successor.

(a) In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee, without further act, deed or conveyance, shall become vested with all the rights, powers and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

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

separate and apart from any trust or trusts hereunder administered by any other such Trustee and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

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

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under the Trust Indenture Act.

(e) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series in the manner provided for notices to the Holders of Securities in Section 1.6. Each notice shall include the name of the successor Trustee with respect to the securities of such series and the address of its Corporate Trust office.

Section 6.12. Eligibility; Disqualification. There shall at all times be a Trustee hereunder which shall be eligible to act as Trustee under Section 310(a)(1) of the Trust Indenture Act and shall have a combined capital and surplus of at least \$75,000,000. If such corporation publishes reports of condition at least annually, pursuant to law or the requirements of Federal, State, Territorial or District of Columbia 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. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 6.13. Merger, Conversion, 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 the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

Section 6.14. Appointment of Authenticating Agent. The Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issue, exchange, registration of transfer or partial redemption thereof, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Any such appointment shall be evidenced by an instrument in writing signed by a Responsible Officer of the Trustee, a copy of which instrument shall be promptly furnished to the Company. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include

authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and, except as may otherwise be provided pursuant to Section 3.1, shall at all times be a bank or trust company or corporation organized and doing business and in good standing under the laws of the United States of America or of any State or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$1,500,000 and subject to supervision or examination by Federal or State authorities. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or the requirements of the aforesaid supervising or examining authority, then, for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

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

An Authenticating Agent for any series of Securities may at any time resign by giving written notice of resignation to the Trustee for such series and to the Company. The Trustee for any series of Securities may at any time terminate the agency of an Authenticating Agent by giving written notice of termination to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee for such series may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall give notice of such appointment to all Holders of Securities of the series with respect to which such Authenticating Agent will serve in the manner set forth in Section 1.6. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent herein. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation including reimbursement of its reasonable expenses for its services under this Section.

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

This is one of the Securities of a series issued under the within-mentioned Indenture.

Dated: _____ The Bank of New York,
as Trustee

By _____ as
Authenticating Agent

By _____
Authorized Signatory

Sections 6.2, 6.3, 6.5 and 6.9 shall be applicable to any Authenticating Agent.

from the Company. Any application by the Trustee for written instructions from the Company may, at the option of the Trustee, set forth in writing any action proposed to be taken or omitted by the Trustee under this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Trustee shall not be liable for any action taken by, or omission of, the Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than fifteen Business Days after the date any officer of the Company actually receives such application, unless any such officer shall have consented in writing to any earlier date) unless prior to taking any such action (or the effective date in the case of an omission), the Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

ARTICLE 7

Consolidation, Merger or Sale by the Company

The Company may merge or consolidate with or into any other corporation or sell, convey, transfer or otherwise dispose of all or substantially all of its assets to any person, firm or corporation, if (i)(A) in the case of a merger or consolidation, the Company is the surviving corporation or (B) in the case of a merger or consolidation where the Company is not the surviving corporation and in the case of any such sale, conveyance or other disposition, the successor or acquiring corporation is a corporation organized and existing under the laws of the United States or a State thereof and such corporation expressly assumes by supplemental indenture all the obligations of the Company under the Securities and any coupons appertaining thereto and under this Indenture, (ii) immediately thereafter, giving effect to such merger or consolidation, or such sale, conveyance, transfer or other disposition, no Default or Event of Default shall have occurred and be continuing, and (iii) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such merger or consolidation, or such sale, conveyance, transfer or other disposition complies with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with. In the event of the assumption by a successor corporation of the

obligations of the Company as provided in clause (i)(B) of the immediately preceding sentence, such successor corporation shall succeed to and be substituted for the Company hereunder and under the Securities and any coupons appertaining thereto and all such obligations of the Company shall terminate.

ARTICLE 8

Supplemental Indentures

Section 8.1. Supplemental Indentures Without Consent of Holders. Without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into indentures supplemental hereto, in form reasonably satisfactory to the Trustee, for any of the following purposes:

- (1) to evidence the succession of another corporation to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities;
- (2) to add to the covenants of the Company for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company;
- (3) to add any additional Events of Default with respect to all or any series of Securities;
- (4) to add to or change any of the provisions of this Indenture to such extent as shall be necessary to facilitate the issuance of Bearer Securities (including, without limitation, to provide that Bearer Securities may be registrable as to principal only) or to facilitate the issuance of Securities in global form;
- (5) to add to, change or eliminate any of the provisions of this Indenture, provided that any such addition, change or elimination shall become effective only when there is no Security Outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision;
- (6) to secure the Securities;
- (7) to establish the form or terms of Securities of any series as permitted by Sections 2.1 and 3.1;
- (8) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 6.10;
- (9) if allowed without penalty under applicable laws and regulations, to permit payment in the United States (including any of the states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction of principal, premium, if any, or interest, if any, on Bearer Securities or coupons, if any;
- (10) to correct or supplement any provision herein or in any supplemental indenture which may be defective or inconsistent with any other provision herein or in any supplemental indenture, to cure any ambiguity or correct any mistake or to make any other provisions with respect to matters or questions arising under this Indenture, provided

such action shall not adversely affect the interests of the Holders of Securities of any series; or

- (11) to comply with any requirement of the Commission in connection with the qualification of this Indenture under the Trust Indenture Act.

Section 8.2. Supplemental Indentures With Consent of Holders. With the written consent of the Holders of a majority of the aggregate principal amount of the Outstanding Securities of each series adversely affected by such supplemental indenture, the Company and the Trustee may enter into an indenture or indentures supplemental hereto to add any provisions to or to change or eliminate any provisions of this Indenture or of any other indenture supplemental hereto or to modify the rights of the Holders of Securities of each such series; provided, however, that without the consent of the Holder of each Outstanding Security affected thereby, an amendment under this Section may not:

- (1) change the Stated Maturity of the principal of, or any installment of principal of or interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 5.2, or change the coin or currency in which, any Securities or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or modify the provisions of this indenture with respect to the subordination of the Securities, or adversely affect the right to convert any Security as may be provided pursuant to Section 3.1 herein;
- (2) reduce the percentage of principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture;
- (3) change any obligation of the Company to maintain an office or agency in the places and for the purposes specified in Section 9.2;
- (4) adversely affect the right to convert the Securities of any series as provided in Article 12 hereof; or
- (5) make any change in Section 5.7 or this Section 8.2 except to increase any percentage or to provide that certain other provisions of this Indenture cannot be modified or waived with the consent of the Holders of each Outstanding Security affected thereby.

For the purposes of this Section 8.2, if the Securities of any series are issuable upon the exercise of warrants, any holder of an unexercised and unexpired warrant with respect to such series shall not be deemed to be a Holder of Outstanding Securities of such series in the amount issuable upon the exercise of such warrants.

A supplemental indenture that 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 that modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

It is not necessary under this Section 8.2 for the Holders to consent to the particular form of any proposed

supplemental indenture, but it is sufficient if they consent to the substance thereof.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Persons entitled to consent to any indenture supplemental hereto. If a record date is fixed, the Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to consent to such supplemental indenture, whether or not such Holders remain Holders after such record date; provided, that unless such consent shall have become effective by virtue of the requisite percentage having been obtained prior to the date which is 90 days after such record date, any such consent previously given shall automatically and without further action by any Holder be cancelled and of no further effect.

Section 8.3. Compliance with Trust Indenture Act. Every supplemental indenture executed pursuant to this Article shall comply with the requirements of the Trust Indenture Act as then in effect.

Section 8.4. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 8.5. Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder and of any coupon appertaining thereto shall be bound thereby.

Section 8.6. Reference in Securities to Supplemental Indentures. Securities, including any coupons, of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities including any coupons of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities including any coupons of such series.

ARTICLE 9

Covenants

Section 9.1. Payment of Principal, Premium, If Any, and Interest. The Company covenants and agrees for the benefit of the Holders of each series of Securities that it will duly and punctually pay the principal of, premium, if any, and interest, if any, on the Securities of that series in accordance with the terms of the Securities of such series, any coupons appertaining thereto and this Indenture. An installment of principal or interest shall be considered paid on the date it is due if the Trustee or Paying Agent holds on that date money designated for and sufficient to pay the installment.

Section 9.2. Maintenance of Office or Agency. If

Securities of a series are issued as Registered Securities, the Company will maintain in each Place of Payment for any series of Securities an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange, where Securities may be surrendered for conversion and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. If Securities of a series are issuable as Bearer Securities, the Company will maintain, (i) subject to any laws or regulations applicable thereto, an office or agency in a Place of Payment for that series which is located outside the United States, where Securities of that series and related coupons may be presented and surrendered for payment; provided, however, that if the Securities of that series are listed on The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited, the Luxembourg Stock Exchange or any other stock exchange located outside the United States and such stock exchange shall so require, the Company will maintain a Paying Agent for the Securities of that series in London, Luxembourg or any other required city located outside the United States, as the case may be, so long as the Securities of that series are listed on such exchange, and (ii) subject to any laws or regulations applicable thereto, in a Place of Payment for that series located outside the United States, where Securities of that series may be surrendered for exchange and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of any such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

Unless otherwise specified as contemplated by Section 3.1, no payment of principal, premium or interest on Bearer Securities shall be made at any office or agency of the Company in the United States, by check mailed to any address in the United States, by transfer to an account located in the United States or upon presentation or surrender in the United States of a Bearer Security or coupon for payment, even if the payment would be credited to an account located outside the United States; provided, however, that, if the Securities of a series are denominated and payable in Dollars, payment of principal of and any premium or interest on any such Bearer Security shall be made at the office of the Company's Paying Agent in the Borough of Manhattan, The City of New York, if (but only if) payment in Dollars of the full amount of such principal, premium or interest, as the case may be, at all offices or agencies outside the United States maintained for the purpose by the Company in accordance with this Indenture is illegal or effectively precluded by exchange controls or other similar restrictions.

The Company may also from time to time designate one or more other offices or agencies where the Securities (including any coupons, if any) of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in each Place of Payment for Securities (including any coupons, if any) of any series for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

Unless otherwise specified as contemplated by Section 3.1, the Trustee shall initially serve as Paying Agent.

Section 9.3. Money for Securities to Be Held in Trust; Unclaimed Money. If the Company shall at any time act as its own Paying Agent with respect to any series of Securities, it will, on or before each due date of the principal of, premium, if any, or interest, if any, on any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal, premium, if any, or interest, if any, so becoming due until such sums shall be paid to such persons or otherwise disposed of as herein provided and will promptly notify the Trustee in writing of its

action or failure so to act.

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

- (1) hold all sums held by it for the payment of the principal of, premium, if any, or interest, if any, on Securities of that series in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;
- (2) give the Trustee notice of any default by the Company (or any other obligor upon the Securities of that series) in the making of any payment of principal, premium, if any, or interest, if any, on the Securities; and
- (3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

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

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of any principal, premium or interest on any Security of any series and remaining unclaimed for two years after such principal, premium, if any, or interest, if any, has become due and payable shall be paid to the Company on Company Request or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security and coupon, if any, shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in The City of New York, or cause to be mailed to such Holder, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 9.4. Corporate Existence. Subject to Article 7, the Company will at all times do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence; provided that nothing in this Section 9.4 shall prevent the abandonment or termination of any right or franchise of the Company, if, in the opinion of the Company, such abandonment or termination is in the best interests of the Company and does not materially adversely affect the ability of the Company to operate its business or to fulfill its obligations hereunder.

Section 9.5. Insurance. The Company covenants and agrees that it will maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations or through a program of self-insurance in such amounts and covering such risks as are consistent with sound business practice for corporations engaged in the same or a similar business similarly situated.

Section 9.6. Reports by the Company. The Company covenants:

- (a) to file with the Trustee, within 30 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which it may be required to file with the Commission pursuant to section 13 or

section 15(d) of the Securities Exchange Act of 1934, as amended; or, if it 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, as amended, 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) 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 it with the conditions and covenants provided for in this Indenture, as may be required from time to time by such rules and regulations; and
- c) to transmit to all Holders of Securities, within 30 days after the filing thereof with the Trustee, in the manner and to the extent provided in section 313(c) of the Trust Indenture Act, such summaries of any information, documents and reports required to be filed by it pursuant to subsections (a) and (b) of this Section 9.6, as may be required by rules and regulations prescribed from time to time by the Commission.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

Section 9.7. Annual Review Certificate. The Company covenants and agrees to deliver to the Trustee, within 120 days after the end of each fiscal year of the Company, 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 compliance with all conditions and covenants under this Indenture. For purposes of this Section 9.7, such compliance shall be determined without regard to any period of grace or requirement of notice provided under this Indenture.

Section 9.8. Limitation on Dividends and Capital Stock Acquisitions. The Company covenants and agrees that, if at any time it has failed to make any payment of interest, principal or premium on the Securities when due (after giving effect to any grace period for payment thereof as provided in Section 5.1), the Company will not, until all defaulted interest on the Securities and all principal and premium, if any, then due and payable on the Securities shall have been paid in full, (i) declare set aside or pay any dividend or distribution on any capital stock of the Company (except for dividends or distributions in shares of its capital stock or rights to acquire shares of its capital stock), or (ii) repurchase, redeem or otherwise acquire, or make any sinking fund payment for the purchase or redemption of, any shares of its capital stock (except by conversion into or exchange for shares of its capital stock and except for a redemption, purchase or other acquisition of shares of its capital stock made for the purpose of an employee incentive plan or benefit plan of the Company or any of its subsidiaries); provided, however, that any moneys theretofore deposited in any sinking fund with respect to any preferred stock of the Company in compliance with this Section 9.8 and the provisions of such sinking fund may thereafter be applied to the purchase or redemption of such preferred stock in accordance with the terms of such sinking fund without regard to the restrictions in this Section 9.8.

Section 9.9. Notice of Default. The Company shall file with the Trustee written notice of the occurrence of any Default or Event of Default within 30 Business Days of its becoming aware of any such Default or Event of Default.

ARTICLE 10

Redemption

Section 10.1. Applicability of Article. Securities (including coupons, if any) of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 3.1 for Securities of any series) in accordance with this Article.

Section 10.2. Election to Redeem; Notice to Trustee. The election of the Company to redeem any Securities, including coupons, if any, shall be evidenced by or pursuant to a Board Resolution or an Officers' Certificate. In the case of any redemption at the election of the Company of less than all the Securities or coupons, if any, of any series, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date, of the principal amount of Securities of such series to be redeemed and, if applicable, of the tenor of the Securities to be redeemed. In the case of any redemption of Securities (i) prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture or (ii) pursuant to an election of the Company which is subject to a condition specified in the terms of such Securities, the Company shall furnish the Trustee with an Officers' Certificate evidencing compliance with such restriction or condition.

Section 10.3. Selection of Securities to Be Redeemed. Unless otherwise specified as contemplated by Section 3.1, if less than all the Securities (including coupons, if any) of a series with the same original issue date, interest rate and Stated Maturity are to be redeemed, the Trustee, not more than 45 days prior to the redemption date, shall select the Securities of the series to be redeemed in such manner as the Trustee shall deem fair and appropriate. The Trustee shall make the selection from Securities of the series that are Outstanding and that have not previously been called for redemption and may provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities, including coupons, if any, of that series or any integral multiple thereof) of the principal amount of Securities, including coupons, if any, of such series of a denomination larger than the minimum authorized denomination for Securities of that series. The Trustee shall promptly notify the Company in writing of the Securities selected by the Trustee for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

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

Section 10.4. Notice of Redemption. Unless otherwise specified as contemplated by Section 3.1, notice of redemption shall be given in the manner provided in Section 1.6 not less than 30 days nor more than 60 days prior to the Redemption Date to the Holders of the Securities to be redeemed.

All notices of redemption shall state:

- (1) the Redemption Date;
- (2) the Redemption Price;
- (3) if fewer than all the Outstanding Securities of a series are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Security or Securities to be redeemed;

- (4) in case any Security is to be redeemed in part only, the notice which relates to such Security shall state that on and after the Redemption Date, upon surrender of such Security, the holder will receive, without a charge; a new Security or Securities of authorized denominations for the principal amount thereof remaining unredeemed;
- (5) the Place or Places of Payment where such Securities, together in the case of Bearer Securities with all coupons appertaining thereto, if any, maturing after the Redemption Date, are to be surrendered for payment for the Redemption Price;
- (6) that Securities of the series called for redemption and all unmatured coupons, if any, appertaining thereto must be surrendered to the Paying Agent to collect the redemption price;
- (7) that, on the Redemption Date, the Redemption Price will become due and payable upon each such Security, or the portion thereof, to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date;
- (8) that the redemption is for a sinking fund, if such is the case;
- (9) that, unless otherwise specified in such notice, Bearer Securities of any series, if any, surrendered for redemption must be accompanied by all coupons maturing subsequent to the Redemption Date or the amount of any such missing coupon or coupons will be deducted from the Redemption Price, unless security or indemnity satisfactory to the Company, the Trustee and any Paying Agent is furnished; and
- (10) CUSIP number.

Notice of redemption of Securities to be redeemed shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company.

Section 10.5. Deposit of Redemption Price. On or prior to 12:00 noon New York City time on any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 9.3) an amount of money in the currency or currencies (including currency units or composite currencies) in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.1 for the Securities of such series) sufficient to pay on the Redemption Date the Redemption Price of, and (unless the Redemption Date shall be an Interest Payment Date) interest accrued to the Redemption Date on, all Securities or portions thereof which are to be redeemed on that date.

Unless any Security by its terms prohibits any sinking fund payment obligation from being satisfied by delivering and crediting Securities (including Securities redeemed otherwise than through a sinking fund), the Company may deliver such Securities to the Trustee for crediting against such payment obligation in accordance with the terms of such Securities and this Indenture.

Section 10.6. Securities Payable on Redemption Date. Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest and the coupons for any such interest appertaining to any Bearer Security so to be redeemed, except to the extent provided below, shall be void. Except as provided in the next succeeding paragraph, upon surrender of any such Security, including coupons, if any, for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price, together with accrued interest to the Redemption Date; provided, however, that

installments of interest on Bearer Securities whose Stated Maturity is prior to the Redemption Date shall be payable only at an office or agency located outside the United States and its possessions (except as otherwise provided in Section 9.2) and, unless otherwise specified as contemplated by Section 3.1, only upon presentation and surrender of coupons for such interest; and provided further that, unless otherwise specified as contemplated by Section 3.1, installments of interest on Registered Securities whose Stated Maturity is prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 3.7.

If any Bearer Security surrendered for redemption shall not be accompanied by all appurtenant coupons maturing after the Redemption Date, such Bearer Security may be paid after deducting from the Redemption Price an amount equal to the face amount of all such missing coupons, or the surrender of such missing coupon or coupons may be waived by the Company and the Trustee if there be furnished to them such security or indemnity as they may require to save each of them and any Paying Agent harmless. If thereafter the Holder of such Bearer Security shall surrender to the Trustee or any Paying Agent any such missing coupon in respect of which a deduction shall have been made from the Redemption Price, such Holder shall be entitled to receive the amount so deducted; provided, however, that interest represented by coupons shall be payable only at an office or agency located outside of the United States (except as otherwise provided pursuant to Section 9.2) and, unless otherwise specified as contemplated by Section 3.1, only upon presentation and surrender of those coupons.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Security.

Section 10.7. Securities Redeemed in Part. Upon surrender of a Security that is redeemed in part at any Place of Payment therefor (with, if the Company or the Trustee so require, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), the Company shall execute and the Trustee shall authenticate and deliver to the Holder of that Security, without service charge, a new Security or Securities of the same series, the same form and the same Maturity in any authorized denomination equal in aggregate principal amount to the unredeemed portion of the principal of the Security surrendered.

ARTICLE 11

Sinking Funds

Section 11.1. Applicability of Article. The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 3.1 for Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "mandatory sinking fund payment," and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an "optional sinking fund payment." If provided for by the terms of Securities of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 11.2. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of Securities of such series.

Section 11.2. Satisfaction of Sinking Fund Payments with Securities. The Company (i) may deliver Outstanding Securities of a series (other than any previously called for redemption) together, in the case of Bearer Securities of such series, with all unmatured coupons appertaining thereto and (ii) may apply as a credit Securities of a series which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any sinking fund payment with respect to the Securities of such series required to be made pursuant to the terms of such Securities as provided for by the terms of such series; provided that such Securities have not been previously so credited. Such Securities

shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

Section 11.3. Redemption of Securities for Sinking

Fund. Not less than 60 days prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities of that series pursuant to Section 11.2 and will also deliver to the Trustee any Securities to be so delivered. Not less than 30 days before each such sinking fund payment date, the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 10.3 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 10.4. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 10.6 and 10.7.

ARTICLE 12

Subordination of Securities

SECTION 12.1. Securities Subordinated to Senior Indebtedness.

(a) The Company agrees, and each Holder of the Securities by acceptance thereof likewise agrees, that the payment of the principal of, premium, if any, and interest, if any, on the Securities is subordinated, to the extent and in the manner provided in this Article 12, to the prior payment in full of all Senior Indebtedness of the Company.

(b) All provisions of this Article 12 shall be subject to Section 12.14.

SECTION 12.2. Company Not to Make Payments with Respect to Securities in Certain Circumstances; Limitations on Acceleration of Securities.

(a) Upon the maturity of any Senior Indebtedness of the Company by lapse of time, acceleration or otherwise, all obligations with respect thereto shall first be paid in full, or such payment duly provided for in cash or in a manner satisfactory to the holders of such Senior Indebtedness, before any payment is made on account of the principal of, premium, if any, or interest, if any, on the Securities or to redeem, retire, purchase, deposit moneys for the defeasance of or acquire any of the Securities.

(b) Upon the happening of (i) any default in payment of any Senior Indebtedness of the Company or (ii) any other default on Senior Indebtedness of the Company and the maturity of such Senior Indebtedness is accelerated in accordance with its terms, then, unless (w) such default relates to Senior Indebtedness of the Company in an aggregate amount equal to or less than \$20 million, (x) such default shall have been cured or waived or shall have ceased to exist, (y) any such acceleration has been rescinded, or (z) such Senior Indebtedness has been paid in full, no direct or indirect payment in cash, property or securities, by set-off or otherwise (except payment of the Securities from funds previously deposited in accordance with Section 4.1 at any time such deposit was not

prohibited by this Indenture), shall be made or agreed to be made by the Company on account of the principal of, premium, if any, or interest, if any, on the Securities, or in respect of any redemption, retirement, purchase, deposit of moneys for the defeasance or other acquisition of any of the Securities in the case of such a default in Senior Indebtedness of the Company, the Company shall not deposit money for any such payment or distribution with the Trustee or any Paying Agent nor shall the Company (if the Company is acting as its own Paying Agent) segregate and hold in trust money for any such payment or distribution.

(c) Upon the happening of an event of default (other than under circumstances when the terms of paragraph (b) of this Section 12.2 are applicable) with respect to any Senior Indebtedness of the Company pursuant to which the holders thereof are entitled under the terms of such Senior Indebtedness to immediately accelerate the maturity thereof (without further notice or expiration of any applicable grace periods), upon written notice thereof given to each of the Company and the Trustee by the trustee for or other representative of the holders of at least \$25 million of Senior Indebtedness of the Company (a "Payment Notice"), then, unless and until such event of default shall have been cured or waived or shall have ceased to exist, no direct or indirect payment in cash, property or securities, by set-off or otherwise (except payment of the Securities from funds previously deposited in accordance with Section 4.1 at any time such deposit was not prohibited by this Indenture), shall be made or agreed to be made by the Company on account of the principal of or premium, if any, or interest, if any, on the Securities, or in respect of any redemption, retirement, purchase, deposit of moneys for the defeasance or other acquisition of any of the Securities, and the Company shall not deposit money for any such payment or distribution with the Trustee or any Paying Agent nor shall the Company or a Subsidiary (if the Company or such Subsidiary is acting as Paying Agent) segregate and hold in trust money for any such payment or distribution (a "Payment Block"); provided, however, that this Section 12.2(c) shall not prevent the making of any payment for more than 120 days after a Payment Notice shall have been given unless the Senior Indebtedness in respect of which such event of default exists has been declared due and payable in its entirety, in which case no such payment shall be made until such acceleration has been rescinded or annulled or such Senior Indebtedness has been paid in full in accordance with its terms. Notwithstanding the foregoing, (i) not more than one Payment Notice shall be given with respect to a particular event of default (which shall not bar subsequent Payment Notices for other such events of default), (ii) all events of default under Senior Indebtedness occurring within any 30-day period shall be treated as one event of default to the extent that one or more Payment Notices are issued in connection therewith and (iii) no more than two Payment Blocks shall be permitted within any period of 12 consecutive months. Any payment made in contravention of the provisions of this Section 12.2(c) shall be returned to the Company.

(d) In the event that, notwithstanding the provisions of Section 12.2(a) or 12.2(b), the Trustee or the Holder of any Security shall have received any payment on account of the principal of or premium, if any, or interest, if any, on the Securities in contravention of Section 12.2(a) or 12.2(b) or after the happening of a default in payment of any Senior Indebtedness of the Company, or any acceleration of the maturity of any Senior Indebtedness of the Company, then, in either such case, except in the case of any such default which shall have been cured or waived or shall have ceased to exist, such payment (subject to the provisions of Sections 12.6 and 12.7) shall be held for the benefit of, and shall be paid over and delivered to, the holders of such Senior Indebtedness of the Company (pro rata as to each of such holders on the basis of the respective amounts of Senior Indebtedness of the Company held by them) or their representative or the trustee under the indenture or other agreement (if any) pursuant to which Senior Indebtedness of the Company may have been issued, as their respective interests may appear, for application to the payment of all Senior Indebtedness of the Company remaining unpaid to the extent necessary to pay all Senior Indebtedness of the Company in full in accordance with its terms, after giving effect to any concurrent payment or distribution to or for the holders of Senior Indebtedness of the Company.

(e)(1) Upon the occurrence of an Event of Default under Section 5.1(1) through (3) and (6), the Trustee or holders of 25% of the outstanding principal amount of the Securities of any series must give notice of such Event of Default and the intention to accelerate to the Company and any holders of Senior Indebtedness which have theretofore requested of the Trustee such notice, and no acceleration of the Securities of any series shall be effective unless and until such Event of Default is continuing on the sixtieth day after the date of delivery of such notice. The Company may pay the holders of the Securities of any series any defaulted payment and all other amounts due following any such acceleration of the maturity of the Securities if Section 12.2(a) would

not prohibit such payment to be made at that time.

(2) Nothing in this Article 12 shall prevent or delay the Trustee or the holders of the Securities from taking any action in connection with the acceleration of the maturity of the Securities pursuant to Section 5.2 upon the occurrence of an Event of Default under either of Section 5.1(4) or 5.1(5).

(3) Except as provided in Section 12.2(e)(1), a failure to make any payment with respect to the Securities as a result of the rights of holders of Senior Indebtedness of the Company described in Section 12.2(b) or 12.2(c) will not have any effect on the right of holders of the Securities to accelerate the maturities thereof as a result of such payment default. The Company shall give prompt written notice to the Trustee of any default in the payment of principal of or interest on any Senior Indebtedness of the Company, and in the event of any such default, shall provide to the Trustee, in the form of an Officers' Certificate, the names, addresses and respective amounts due holders of such Senior Indebtedness or the name and address of the trustee acting on their behalf, if any. The Trustee shall be entitled to rely conclusively on such Officers' Certificate without independent verification.

SECTION 12.3. Securities Subordinated to Prior Payment of All Senior Indebtedness on Dissolution, Liquidation or Reorganization of the Company. Upon the distribution of assets of the Company in any Dissolution, winding up, liquidation (total or partial) or similar proceeding relating to the Company (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors or otherwise):

(1) the holders of all Senior Indebtedness of the Company shall first be entitled to receive payment in full of all Senior Indebtedness (or to have such payment duly provided for in a manner satisfactory to them) in cash or in a manner satisfactory to the holders of Senior Indebtedness of the Company before the Holders of the Securities, in the case of Senior Indebtedness of the Company, are entitled to receive any payment on account of the principal of, premium, if any, or interest, if any, on the Securities;

(2) any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities (other than securities of the Company as reorganized or readjusted or securities of the Company or any other company, trust or corporation provided for by a plan of reorganization or readjustment, the payment of which is junior or otherwise subordinate, at least to the extent provided in this Article 12 with respect to the Securities, to the payment of all Senior Indebtedness of the Company at the time outstanding and to the payment of all securities issued in exchange therefor to the holders of the Senior Indebtedness of the Company at the time outstanding), to which the Holders of the Securities or the Trustee on behalf of the Holders of the Securities would be entitled except for the provisions of this Article 12, shall be paid by the liquidating trustee or agent or other person making such payment or distribution directly to the holders of the Senior Indebtedness of the Company or their representatives or to the trustee under any indenture under which such Senior Indebtedness may have been issued (pro rata) as to each such holder, representative or trustee on the basis of respective amounts of unpaid Senior Indebtedness held or represented by each), to the extent necessary to make payment in full of all Senior Indebtedness of the Company remaining unpaid, after giving effect to any concurrent payment or distribution or provision therefor to the holders of such Senior Indebtedness; and

(3) in the event that notwithstanding the foregoing provisions of this Section 12.3, any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities (other than securities of the Company as reorganized or readjusted or securities of the Company or any other company, trust or corporation provided for by a plan of reorganization or readjustment, the payment of which is junior or otherwise subordinate, at least to the extent provided in this Article 12 with respect to the Securities, to the payment of all Senior Indebtedness of the Company at the time outstanding and to the payment of all securities issued in exchange therefor to the holders of the Senior Indebtedness of the Company at the time outstanding), shall be received by the Trustee or the Holders of the Securities on account of principal of, premium, if any, or interest, if any, on the Securities before all Senior Indebtedness of the Company is paid in full in cash or in a manner satisfactory to the holders of such Senior Indebtedness in accordance with its terms, or effective provision made for its payment, such payment or distribution (subject to the provisions of Sections 12.6 and 12.7) shall be received and held for the benefit of and paid over to the holders of the Senior Indebtedness of the Company remaining unpaid or unprovided for or their representative, or to the trustee under any indenture under which such Senior Indebtedness of the Company may have been issued (pro rata as provided in paragraph (2) above), for application to the

payment of such Senior Indebtedness of the Company to the extent necessary to pay all such Senior Indebtedness of the Company in full in cash or in a manner satisfactory to the holders of Senior Indebtedness of the Company, in accordance with its terms, after giving effect to any concurrent payment or distribution or provision therefor to the holders of such Senior Indebtedness of the Company.

The Company shall give prompt written notice to the Trustee of any dissolution, winding up, liquidation or reorganization of the Company or any assignment for the benefit of the Company's creditors tending toward the liquidation of the business and assets of the Company.

SECTION 12.4. Holders to Be Subrogated to Rights of Holders of Senior Indebtedness. Upon the payment in full of all Senior Indebtedness of the Company in cash or in a manner satisfactory to the holders of such Senior Indebtedness, the Holders of the Securities shall be subrogated equally and ratably to the rights of the holders of Senior Indebtedness of the Company to receive payments or distributions of assets of the Company applicable to the Senior Indebtedness of the Company until all amounts owing on the Securities shall be paid in full, and for the purpose of such subrogation no payments or distributions to the holders of Senior Indebtedness of the Company by or on behalf of the Company or by or on behalf of Holders of the Securities by virtue of this Article 12 which otherwise would have been made to the Holders of the Securities shall, as between the Company and the Holders of the Securities, be deemed to be payment by the Company to or on account of Senior Indebtedness of the Company, it being understood that the provisions of this Article 12 are intended solely for the purpose of defining the relative rights of the Holders of the Securities, on the one hand, and the holders of Senior Indebtedness of the Company, on the other hand.

SECTION 12.5. Obligation of the Company Unconditional. Nothing contained in this Article 12 or elsewhere in this Indenture or in any Security is intended to or shall impair, as between the Company and the Holders of the Securities, the obligations of the Company, which are absolute and unconditional, to pay to the Holders of the Securities the principal of (and premium, if any) and interest, if any, on the Securities as and when the same shall become due and payable in accordance with their terms, or is intended to or shall affect the relative rights of the Holders of the Securities and creditors of the Company other than the holders of Senior Indebtedness of the Company, nor, except as expressly provided in this Article 12, shall anything herein or in the Securities prevent the Trustee or the Holder of any Security from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article 12 of the holders of Senior Indebtedness of the Company in respect of cash, property or securities of the Company upon the exercise of any such remedy. Upon any distribution of assets of the Company referred to in this Article 12, the Trustee, subject to the provisions of Section 6.1, and the Holders of the Securities shall be entitled to rely upon any order or decree by any court of competent jurisdiction in which such dissolution, winding up, liquidation or reorganization proceedings are pending, or a certificate of the liquidating trustee or agent or other person making any distribution to the Trustee or the Holders of the securities, for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of Senior Indebtedness of the Company and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 12.

Nothing contained in this Article 12 or elsewhere in this Indenture or in any Security is intended to or shall affect the obligations of the Company to make, or prevent the Company from making, at any time except during the pendency of any dissolution, winding up, liquidation (total or partial) or similar proceeding, and except during the continuance of any event specified in Section 12.2 (not cured or waived), payments at any time of the principal of (or premium, if any) or interest, if any, on the Securities.

SECTION 12.6. Knowledge of Trustee. Notwithstanding any provision of this Indenture, the Trustee shall not at any time be charged with knowledge of the existence of any facts which would prohibit the making of any payment of monies to or by the Trustee until three Business Days after a Responsible Officer of the Trustee on behalf of the Trustee shall have received at the Corporate Trust Office of the Trustee written notice thereof from the Company, any Holder, or the holder or representative of any class of Senior Indebtedness of the Company identifying the specific sections of this Indenture involved and describing in detail the facts that would obligate the Trustee to withhold payments to Holders of Securities, and prior to such time, the Trustee, subject to the provisions of Section 6.1, shall be entitled in all respects conclusively to assume that no such facts exist. The Trustee

shall be entitled to rely on the delivery to it of a written notice by an individual representing himself to be a holder of Senior Indebtedness of the Company (or a trustee on behalf of such holder) to establish that such notice has been given by a holder of any such Senior Indebtedness or a trustee on behalf of any such holder.

In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any person as a holder of Senior Indebtedness of the Company to participate in any payment or distribution pursuant to this Article, the Trustee may request such person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness of the Company held by such person, the extent to which such person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such person under this Article, and if such evidence is not furnished, the Trustee may defer any payment to such person pending judicial determination as to the right of such person to receive such payment.

SECTION 12.7. Application by Trustee of Moneys Deposited with It. If two Business Days prior to the date on which by the terms of this Indenture any moneys deposited with the Trustee or any Paying Agent (other than the Company or a Subsidiary) may become payable for any purpose (including, without limitation, the payment of the principal of, premium, if any, or interest, if any, on any Security) the Trustee shall not have received with respect to such moneys the notice provided for in Section 12.6, then the Trustee shall have full power and authority to receive such monies and to apply the same to the purpose for which they were received and shall not be affected by any notice to the contrary which may be received by it on or after such date. This Section 12.7 shall be construed solely for the benefit of the Trustee and Paying Agent and shall not otherwise affect the rights of holders of such Senior Indebtedness.

SECTION 12.8. Subordination Rights Not Impaired by Acts or Omissions of Company or Holders of Senior Indebtedness. No right of any present or future holders of any Senior Indebtedness of the Company to enforce subordination as provided herein shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act by any such holder, or by any noncompliance by the Company with the terms of this Indenture, regardless of any knowledge thereof which any such holder may have or be otherwise charged with.

SECTION 12.9. Holders Authorize Trustee to Effectuate Subordination of Securities. Each Holder of the Securities by his acceptance thereof authorizes and expressly directs the Trustee on his behalf to take such action as may be necessary or appropriate in the discretion of the Trustee to effectuate the subordination provided in this Article 12 and appoints the Trustee his attorney in-fact for such purpose, including, without limitation, in the event of any dissolution, winding up, liquidation or reorganization of the Company (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors or otherwise) tending towards liquidation of the business and assets of the Company, the timely filing of a claim for the unpaid balance of its or his Securities in the form required in said proceedings. If the Trustee does not file a proper claim or proof of debt in the form required in such proceedings before the expiration of the time to file such claim or claims, then the holders of Senior Indebtedness of the Company are hereby authorized to have the right to file and are hereby authorized to file an appropriate claim for and on behalf of the Holders of said Securities.

SECTION 12.10. Right of Trustee to Hold Senior Indebtedness. The Trustee shall be entitled to all of the rights set forth in this Article 12 in respect of any Senior Indebtedness of the Company at any time held by it to the same extent as any other holder of such Senior Indebtedness of the Company, and nothing in this Indenture shall be construed to deprive the Trustee of any of its rights as such holder. With respect to the holders of Senior Indebtedness of the Company, the Trustee undertakes to perform or to observe only such of its covenants and obligations as are specifically set forth in this Article 12, and no implied covenants or obligations with respect to the holders of Senior Indebtedness of the Company shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness of the Company, and the Trustee shall not be liable to any holder of Senior Indebtedness of the Company if it shall mistakenly pay over or deliver to Holders of Securities, the Company or any other Person moneys or assets to which any holder of such Senior Indebtedness shall be entitled by virtue of this Article 12 or otherwise.

SECTION 12.11. Article 12 Not to Prevent Events of Default.

The failure to make a payment on account of principal or interest by reason of any provision in this Article 12 shall not be construed as preventing the occurrence of an Event of Default under Section 5.1.

SECTION 12.12. Paying Agents Other Than the Trustee. In case at any time any Paying Agent (including, without limitation, the Company or any Subsidiary) other than the Trustee shall have been appointed by the Company and be then acting hereunder, the term "Trustee" as used in this Article 12 shall in such case (unless the context shall otherwise require) be construed as extending to and including such Paying Agent (except the Company and its subsidiaries in the case of Sections 12.6 and 12.7) within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article 12 in addition to or in place of the Trustee.

SECTION 12.13. Trustee's Compensation Not Prejudiced. Nothing in this Article 12 shall apply to amounts due to the Trustee pursuant to Section 6.9.

SECTION 12.14. Trust Moneys Not Subordinated. Notwithstanding anything contained herein to the contrary, payments from money held in trust under Article 4 by the Trustee for the payment of principal of, premium if any, and interest, if any, on the Securities shall not be subordinated to the prior payment of any Senior Indebtedness of the Company or subject to the restrictions set forth in this Article 12 and none of the Holders shall be obligated to pay over any such amount to the Company or any holder of Senior Indebtedness of the Company or any other creditor of the Company.

SECTION 12.15. Reliance on Judicial Order or Certificate of Liquidating Agent. Upon any payment or distribution of assets of the Company referred to in this Article Twelve, the Trustee and the Holders of the Securities shall be entitled to rely upon any order or decree entered by any court of competent jurisdiction in which such insolvency, bankruptcy, receivership, liquidation, reorganization, dissolution, winding up or similar case or proceeding is pending, or a certificate of the trustee in bankruptcy, liquidating trustee, custodian, receiver, assignee for the benefit of creditors, agent or other person making such payment or distribution, delivered to the Trustee or to the Holders of Securities, for the purpose of ascertaining the persons entitled to participate in such payment or distribution, the holders of Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article Twelve.

SECTION 12.16. Trustee Not Fiduciary for Holders or Senior Indebtedness of the Company. The Trustee shall not be deemed to owe any fiduciary duty to the Holders of any Senior Indebtedness and shall not be liable to any such holders if the Trustee shall in good faith mistakenly pay over or distribute to Holders of Securities or to the Company or to any other person cash, property or securities to which any holders of Senior Indebtedness of the Company shall be entitled by virtue of this Article Twelve or otherwise. The Trustee shall not be charged with knowledge of the existence of Senior Indebtedness of the Company or of any facts that would prohibit any payment hereunder unless a Responsible Officer of the Trustee shall have received notice to that effect at the address of the Trustee, provided that the Trustee shall be deemed to have knowledge of the existence of any Senior Indebtedness to which it acts as Trustee. With respect to the holders of Senior Indebtedness of the Company, the Trustee undertakes to perform or to observe only such of its covenants or obligations as are specifically set forth in this Article Twelve and no implied covenants or obligations with respect to holders of Senior Indebtedness of the Company shall be read into this Indenture against the Trustee.

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 instrument.

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

UAL CORPORATION
By: /s/ Douglas A. Hacker

Title: Senior Vice President- Finance

Attest:

/s/ Francesca M. Maher

Title: Vice President - Law
and Corporate Secretary

THE BANK OF NEW YORK,
TRUSTEE

By: /s/ Helen Cotiaux

Title: Vice President

Attest:

/s/ Robert F. McIntyre

Title: Assistant Vice President

UAL CORPORATION
Officer's Certificate

Pursuant to Sections 2.1 and 3.1 of the Indenture, dated as of April 3, 1995 (the "Indenture"), between UAL Corporation, a Delaware corporation (the "Company"), and The Bank of New York, a New York banking corporation, as trustee (the "Trustee"), the undersigned officer of the Company hereby certifies on behalf of the Company as follows:

1. Authorization. The establishment of a series of Securities of the Company has been approved and authorized in accordance with the provisions of the Indenture pursuant to resolutions adopted by the Board of Directors of the Company on December 15, 1994 and January 26, 1995.

2. Compliance with Covenants and Conditions Precedent. All conditions precedent, if any, provided for in the Indenture relating to the establishment of a series of Securities have been complied with.

3. Terms. The terms of the series of Securities established pursuant to this Officer's Certificate will be as follows:

- (i) Title. The title of the Securities is "6 3/8% Convertible Subordinated Debentures due 2025" (the "Debentures").
- (ii) Aggregate Principal Amount. The aggregate principal amount of the Debentures which may be authenticated and delivered under the Indenture (except for Debentures authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Debentures pursuant to Sections 3.4, 3.5, 3.6, 8.6 or 10.7 of the Indenture and except for any Debentures that, pursuant to the last paragraph of Section 3.3 of the Indenture, are deemed never to have been authenticated and delivered under the Indenture) will not exceed \$600,000,000.
- (iii) Stated Maturity. The date on which the principal of the Debentures is payable is February 1, 2025.
- (iv) Rate of Interest; Interest Payment Dates; Regular Record Dates. The Debentures will bear interest at the rate of 6 3/8% per annum, except that holders of record of the Debentures will be entitled to interest at a rate of 6 1/4% per annum from February 1, 1995 through April 3, 1995 in lieu of dividends accumulating after January 31, 1995 on the Series A Preferred Stock. The date from which such interest will accrue is February 1, 1995. The Interest Payment Dates on which such interest will be payable are February 1, May 1, August 1 and November 1 of each year, commencing May 1, 1995, subject to extension as provided in the form of Debenture attached hereto as Exhibit A. The Regular Record Date for the interest payable on any Interest Payment Date will be the January 15, April 15, July 15 or October 15 prior to such Interest Payment Date.
- (v) Place of Payment. The principal of and

interest on the Debentures will be payable at the office or agency of the Company maintained for that purpose in the City of New York (which, unless changed, will be a corporate trust office or agency of the Trustee); provided that, at the option of the Company, payments may be made by checks mailed by the Trustee to the Holders of the Debentures at their registered addresses or by wire transfers to accounts maintained by the Holders as specified in the Register, and further provided that the payment of principal with respect to any Debenture will be made only upon surrender of such Debenture to the Trustee.

- (vi) Optional Redemption. The Debentures will be redeemable at the option of the Company after meeting certain conditions set forth in the form of Debenture attached hereto as Exhibit A, in whole or in part, on or after May 1, 1996 at the following percentages of the principal amount thereof redeemed, plus accrued and unpaid interest, if any, up to but excluding the Redemption Date, if redeemed during the twelve-month period commencing May 1 of the years indicated:

Year	Redemption Price
1996	104.375%
1997	103.750%
1998	103.125%
1999	102.500%
2000	101.875%
2001	101.250%
2002	100.625%
2003 and thereafter	100.000%

Notice of redemption will be mailed at least 30 days but no more than 60 days before the Redemption Date to each Holder at its registered address. If fewer than all the outstanding Debentures are to be redeemed, the provisions of Section 10.3 of the Indenture will govern.

- (vii) Mandatory Redemption. The Debentures will contain no provision for mandatory redemption, a sinking fund or analogous provisions.
- (viii) Denominations. The Debentures will be issuable in denominations of \$1,000 and integral multiples thereof.
- (ix) Currency. The Debentures will be denominated in Dollars and the principal of, premium, if any, and interest on the Debentures will be payable in Dollars. The Debentures will be satisfied and discharged as provided in Article 4 of the Indenture.
- (x) Payment Currency. The principal of, premium, if any, and interest on the Debentures will not be payable in a currency other than Dollars.
- (xi) Formula. The amount of payments of principal of and interest on the Debentures will not be determined with reference to an index, formula or other method.
- (xii) Amount Payable Upon Acceleration. The principal amount of the Debentures will be payable upon declaration of acceleration pursuant to Section 5.2 of the Indenture.
- (xiii) Payment of Interest. The payment of interest on the Debentures will be governed by Sections 2.3 and 3.7 of the Indenture.

- (xiv) Special Rights. There are no provisions granting special rights to the Holders upon the occurrence of specified events.
- (xv) Covenants; Events of Default. The covenants set forth in Section 9.8 of the Indenture will also apply if the Company exercises its right to extend the interest payment period for an Extension Period (as defined in the Debenture). These restrictions will apply until any such Extension Period has terminated. An additional Event of Default occurs with respect to the Debentures if (whatever the reason for such Event of Default and whether it shall be occasioned by the provisions of Article 12 of the Indenture or be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):
- The Company defaults during an Extension Period under the terms of any agreement or instrument evidencing or under which the Company has outstanding any indebtedness for borrowed money and such indebtedness shall be accelerated so that the same shall be or become due and payable prior to the date on which the same would otherwise become due and payable and the aggregate principal amount thereof so accelerated exceeds \$150,000,000 and such acceleration is not rescinded or annulled within ten days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the Outstanding Securities of that series a written notice specifying such default and stating that such notice is a "Notice of Default" under the Indenture (it being understood, however, that, subject to the provisions of Section 6.1 of the Indenture, the Trustee shall not be deemed to have knowledge of such default under such agreement or instrument unless either (A) a Responsible Officer of the Trustee shall have actual knowledge of such default or (B) a Responsible Officer of the Trustee shall have received written notice thereof from the Company, from any Holder, from the holder of any such indebtedness or from the trustee under any such agreement or other instrument); provided, however, that if such default under such agreement or instrument is remedied or cured by the Company or waived by the holders of such indebtedness, then the Event of Default hereunder by reason thereof shall be deemed likewise to have been thereupon remedied, cured or waived without further action upon the part of either the Trustee or any of such Holders.
- (xvi) Additional Amounts. The Company will not pay additional amounts on the Debentures held by a Person that is not a U.S. Person in respect of taxes or similar charges withheld or deducted.
- (xvii) Registered Securities. The Debentures will be issuable as Registered Securities, without interest coupons. Section 3.5 of the Indenture will govern the Debentures.
- (xviii) Bearer Securities; Temporary Global Security. The Debentures will not be Bearer Securities or represented by a temporary global Security.
- (xix) Defeasance and Covenant Defeasance. Sections 4.4 and 4.5 of the Indenture will not apply to the Debentures.

- (xx) Registrar; Paying Agent. The Trustee will be the Registrar and the Paying Agent for the Debentures.
- (xxi) Warrants. No warrants will be issued in connection with the Debentures.
- (xxii) Exchange Rate Agent. There will be no Exchange Rate Agent with respect to the Debentures.
- (xxiii) Permanent Global Form. The Debentures will be represented by four permanent global debentures (the "Global Debentures"), with respect to which The Depository Trust Company will be the Depository. Section 3.5 of the Indenture will govern the Global Debentures.
- (xxiv) Conversion. The Debentures will be convertible at the option of the Holders thereof at any time after the date of original issuance thereof, unless previously redeemed, into a combination of cash in the amount of \$541.90 for each \$1,000 principal amount thereof and the number of fully-paid and nonassessable shares of common stock of the Company obtained by dividing (i) the difference between Principal Amount (as defined in the Debenture) of the Debenture and \$541.90 for each \$1,000 principal amount thereof by (ii) the Conversion Price (as defined in the Debenture) and surrendering such Debentures to be converted as provided in the form of Debenture attached hereto as Exhibit A, provided, however, that the right to convert Debentures called for redemption shall terminate at the close of business on the day preceding the Redemption Date, unless the Company shall default in making payment of the cash payable upon such redemption. The form of Debenture will govern the other terms and conditions with respect to conversion of the Debentures.
- (xxv) Subordination. Article 12 of the Indenture will govern the terms and conditions under which the Debentures are subordinate to the Senior Indebtedness of the Company.
- (xxvi) Other Terms. The Debentures will have the other terms and will be substantially in the form set forth in the form of Debenture attached hereto as Exhibit A. In case of any conflict between this certificate and the Debentures in the form attached hereto as Exhibit A, or between the Resolutions and the Debentures in such form, the Debentures will control.

Capitalized terms used herein and not otherwise defined herein have the meanings specified in the Indenture.

The undersigned, for himself, states that he has read and is familiar with the provisions of Article 2 of the Indenture relating to the establishment of the form of Security representing a series of Securities thereunder and Article 3 of the Indenture relating to the establishment of a series of Securities thereunder, and in each case, the definitions therein relating thereto; that he is generally familiar with the other provisions of the Indenture and with the affairs of the Company and its acts and proceedings and that the statements and opinions made by him in this Certificate are based upon such familiarity; that, in his opinion, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not the covenants and conditions referred to above have been complied with; and, that in his opinion, the covenants and conditions referred to above have been complied with.

Insofar as this Certificate relates to legal matters, it is based, as provided for in Section 1.3 of the Indenture, upon the opinion of Counsel delivered to the Trustee contemporaneously herewith pursuant to Section 3.3 of the Indenture and relating to the Debentures.

IN WITNESS WHEREOF, the undersigned has hereunto signed this Certificate on behalf of the Company this 11th day of April 1995.

UAL CORPORATION

By: /s/ Douglas A. Hacker

Name: Douglas A. Hacker

Title: Senior Vice President - Finance

UAL CORPORATION

6 3/8% CONVERTIBLE SUBORDINATED
DEBENTURE DUE 2025

\$ _____
CUSIP 902549AB0

No. _____

UAL CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company," which term includes any successor under the Indenture hereinafter referred to), hereby promises to pay to _____ or registered assigns, the principal sum of _____ Dollars, on February 1, 2025.

Interest Payment Dates: February 1, May 1, August 1 and November 1
Record Dates: January 15, April 15, July 15 and October 15

Reference is hereby made to the further provisions of this 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.

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee by manual signature, this Debenture shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

THIS SECURITY IS IN GLOBAL FORM WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN CERTIFICATED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

IN WITNESS WHEREOF, the Company has caused this Debenture to be duly executed in its corporate name by the manual or facsimile signature of its Chairman of the Board or its President and Chief Executive Officer and impressed or imprinted with its corporate seal or facsimile thereof, attested by the manual or facsimile signature of its Secretary.

UAL CORPORATION

By:
Title:

Attest:

Secretary

This is one of the Securities of a series issued under the within-mentioned Indenture.

Dated: THE BANK OF NEW YORK, as Trustee

By:
Authorized Signatory

(REVERSE OF DEBENTURE)

UAL CORPORATION
6 3/8% CONVERTIBLE SUBORDINATED
DEBENTURE DUE 2025

(1) Indenture. This Debenture is one of a duly authorized issue of Securities of the Company designated as its 6 3/8% Convertible Subordinated Debentures due 2025 (herein called the "Debentures"), limited in aggregate principal amount to \$600,000,000, issued and to be issued under an Indenture dated as of April 3, 1995 (herein called the "Indenture") between the Company and The Bank of New York, as Trustee (herein called the "Trustee," which term includes any successor Trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights thereunder of the Company, the Trustee and the Holders of the Debentures, and the terms upon which the Debentures are, and are to be, authenticated and delivered. The terms of the Debentures include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. 77aaa-77bbbb) as in effect on the date upon which the Debentures are first issued under the Indenture (the "Issue Date"). The Debentures are unsecured general obligations of the Company. All capitalized terms used in this Debenture and not defined herein will have the meanings assigned to them in the Indenture.

(2) Interest. The Company promises to pay interest on said principal sum, quarterly in arrears on February 1, May 1, August 1 and November 1, of each year, commencing May 1, 1995, at the rate of 6 1/4% per annum from February 1, 1995 to but excluding April 4, 1995 and from and after April 4, 1995 at the rate of 6 3/8% per annum, from the February 1, May 1, August 1 or November 1, as the case may be, next preceding the date of this Debenture to which interest on the Debentures has been paid or duly provided for, unless the date hereof is an Interest Payment Date to which interest has been paid or duly provided for in which case from the date of this Debenture, or unless no interest has been paid or duly provided for on the Debentures, in which case from February 1, 1995, until payment of said principal sum has been made or duly provided for. Notwithstanding the foregoing, when there is no existing default in the payment of interest on the Debentures, each Debenture authenticated after the Regular Record Date for any Interest Payment Date, but prior to such Interest Payment Date, shall be dated the date of its authentication but shall bear interest from such Interest Payment Date; provided, however, that if and to the extent that the Company shall default in the payment of the interest due on such Interest Payment Date, then all such Debentures shall bear interest from the February 1, May 1, August 1, or November 1, as the case may be, to which interest had been paid or duly provided for next preceding such Interest Payment Date, unless no interest has been paid or duly provided for on the Debentures, in which case from February 1, 1995. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in said Indenture, be paid to the Person in whose name this Debenture (or one or more Predecessor Debentures) is registered on the Regular Record Date for such Interest Payment Date.

(3) Extension of Interest Payment Period. Notwithstanding anything contained in the Indenture to the contrary, the Company shall have the right at any time during the term of the Debentures, so long as the Company is not in default in the payment of interest on the Debentures, to extend the interest payment period for an Extension Period (as defined below). Except as provided in the next succeeding sentence, no interest shall be due and payable during an Extension Period, but at the end of each Extension Period the Company shall pay all interest then accrued and unpaid on the Debentures, together with interest thereon, compounded quarterly, at the rate of 6 3/8% per annum, to the extent permitted by applicable law. Prior to the termination of any Extension Period, the Company may (a) on any Interest Payment Date pay all or any portion of the interest accrued on the Debentures as provided on the face hereof to holders of record on the Regular Record Date for such Interest Payment Date or (b) from time to time further extend the interest payment period as provided in the last sentence of this

paragraph, provided that any such Extension Period, together with all such previous and further extensions thereof, may not exceed 20 calendar quarters from the last date to which interest on the Debentures was paid in full. If the Company shall elect to pay all of the interest accrued on the Debentures on an Interest Payment Date during any Extension Period, such Extension Period shall automatically terminate on such Interest Payment Date. Upon the termination of any Extension Period and the payment of all amounts of interest then due, the Company may select a new Extension Period, subject to the above requirements. The Company shall cause the Trustee to give notice to the Holders in the manner provided in the Indenture, not less than five Business Days prior to the earlier of (i) the January 15, April 15, July 15 or October 15 next preceding the applicable Interest Payment Date and (ii) the date on which the Company or the Trustee is required to give notice to the New York Stock Exchange or other applicable self-regulatory organization of the Regular Record Date and payment date for such related interest payment period, of

- (x) the Company's election to initiate an Extension Period and the duration thereof,
- (y) the Company's election to extend any Extension Period beyond the Interest Payment Date on which such Extension Period is then scheduled to terminate, and the duration of such extension, and
- (z) the Company's election to make a full or partial payment of interest accrued on the Debentures on any Interest Payment Date during any Extension Period and the amount of such payment.

The term "Extension Period" means the period from and including the Interest Payment Date next following the date of any notice of extension of the interest payment period on the Debentures given pursuant to the last sentence of the preceding paragraph (or, in the case of any further extension of the interest payment period pursuant to the third sentence of the preceding paragraph before the payment in full of all accrued interest on the Debentures, the Interest Payment Date next following the date of the first such notice given after the last Interest Payment Date to which interest was paid in full) to but excluding the Interest Payment Date to which payment of interest on the Debentures is so extended, after giving effect to any further extensions of the interest payment period on the Debentures pursuant to the third sentence of the preceding paragraph; provided that no Extension Period shall exceed 20 consecutive quarters from the last date to which interest on the Debentures was paid in full; and provided, further, that any Extension Period shall end on an Interest Payment Date. Notwithstanding the foregoing, in no event shall any Extension Period exceed the final Stated Maturity of the principal of the Debentures.

(4) Method of Payment. The principal of (and premium, if any) and interest on this Debenture are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts at the office or agency of the Company in the City of New York; provided that, at the option of the Company, interest may be paid (i) by check mailed by the Trustee to the address of the Holder as it shall appear on the Register or (ii) by wire transfer to an account maintained by the Holder as specified in the Register, provided that the payment of principal with respect to any Debenture will be made only upon surrender of such Debenture to the Trustee. Any interest not punctually paid or duly provided for shall be payable as provided in the Indenture.

(5) Paying Agent and Registrar. Initially, the Trustee will act as Paying Agent and Registrar through its office at 101 Barclay Street, New York, New York 10286. The Company may change any Paying Agent or Registrar without prior notice to any Holder.

(6) Conversion. Each Debenture will be convertible at the option of the holder hereof at any time after the date of original issuance hereof, unless previously redeemed, into a combination of cash in the amount of \$541.90 for each \$1,000 principal amount thereof and the number of fully paid and nonassessable shares of Common Stock obtained by dividing (i) the difference between Principal Amount of such Debenture and \$541.90

for each \$1,000 principal amount thereof by (ii) the Conversion Price, and surrendering such Debenture to be converted as provided below; provided, however, that the right to convert Debentures called for redemption shall terminate at the close of business on the day preceding the Redemption Date, unless the Company shall default in making payment of the cash payable upon such redemption. Certificates will be issued for the remaining Debentures in any case in which fewer than all of the Debentures represented by a certificate are converted.

In order to exercise the conversion right, the holder of the Debenture to be converted shall surrender it, duly endorsed or assigned to the Company or in blank, at the office of the Trustee in the City of New York, accompanied by written notice to the Company that the holder hereof elects to convert the Debenture. Unless the shares issuable on conversion are to be issued in the same name as the name in which such Debenture is registered, each Debenture surrendered for conversion shall be accompanied by instruments of transfer, in form satisfactory to the Company, duly executed by the Holder or such Holder's duly authorized attorney and an amount sufficient to pay any transfer or similar tax (or evidence reasonably satisfactory to the Company demonstrating that such taxes have been paid).

Holder of Debentures at the close of business on an interest payment record date shall be entitled to receive the interest payable on such Debentures on the corresponding Interest Payment Date notwithstanding the conversion hereof following such interest payment record date and prior to such Interest Payment Date. However, Debentures surrendered for conversion during the period between the close of business on any interest payment record date and the opening of business on the corresponding Interest Payment Date (except Debentures converted after the issuance of a notice of redemption with respect to a Redemption Date during such period, which shall be entitled to such interest on the Interest Payment Date) must be accompanied by payment of an amount equal to the interest payable on such Debentures on such Interest Payment Date. A holder of Debentures on an interest payment record date who (or whose transferee) tenders any such Debentures for conversion into shares of Common Stock on such Interest Payment Date will receive the interest payable by the Company on such Debentures on such date, and the converting holder need not include payment of the amount of such interest upon surrender of Debentures for conversion. Except as provided above, the Company shall make no payment or allowance for unpaid interest, whether or not in arrears, on converted Debentures or for dividends on the shares of Common Stock issued upon such conversion.

As promptly as practicable after the surrender of Debentures as aforesaid, the Company shall issue and shall deliver at such office to such Holder, or on his or her written order, a certificate or certificates for the number of full shares of Common Stock issuable upon the conversion of such Debentures, and any fractional interest in respect of a share of Common Stock arising upon such conversion shall be settled as provided below.

Each conversion shall be deemed to have been effected immediately prior to the close of business on the date on which the Debentures shall have been surrendered and such notice (and, if applicable, payment of an amount equal to the interest payable on such Debentures) received by the Company as aforesaid, and the person or persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the shares represented thereby at such time on such date and such conversion shall be at the Conversion Price in effect at such time on such date, unless the stock transfer books of the Company shall be closed on that date, in which event such person or persons shall be deemed to have become such holder or holders of record at the close of business on the next succeeding day on which such stock transfer books are open, but such conversion shall be at the Conversion Price in effect on the date upon which such shares shall have been surrendered and such notice received by the Company.

No fractional shares or scrip representing fractions of shares of Common Stock will be issued upon conversion of the Debentures. Instead of any fractional interest in a share of Common Stock that would otherwise be deliverable upon the

conversion of a Debenture, the Company shall pay to the holder of such share an amount in cash based upon the Current Market Price of Common Stock on the Trading Day immediately preceding the date of conversion. If more than one Debenture shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate principal amount of the Debentures so surrendered.

The Conversion Price shall be adjusted from time to time as follows:

- (a) If the Company shall after the Issue Date (A) pay a dividend or make a distribution on its capital stock in shares of its Common Stock, (B) subdivide its outstanding Common Stock into a greater number of shares, (C) combine its outstanding Common Stock into a smaller number of shares or (D) issue any shares of capital stock by reclassification of its Common Stock, the Conversion Price in effect at the opening of business on the day next following the date fixed for the determination of stockholders entitled to receive such dividend or distribution or at the opening of business on the day next following the day on which such subdivision, combination or reclassification becomes effective, as the case may be, shall be adjusted so that the holder of any Debentures thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock that such holder would have owned or have been entitled to receive after the happening of any of the events described above had such Debenture been converted immediately prior to the record date in the case of a dividend or distribution or the effective date in the case of a subdivision, combination or reclassification. An adjustment made pursuant to this paragraph (a) shall become effective immediately after the opening of business on the day next following the record date (except as provided below) in the case of a dividend or distribution and shall become effective immediately after the opening of business on the day next following the effective date in the case of a subdivision, combination or reclassification.
- (b) If the Company shall issue after the Issue Date rights or warrants (in each case, other than the Rights) to all holders of Common Stock entitling them (for a period expiring within 45 days after the record date mentioned below) to subscribe for or purchase Common Stock at a price per share less than the Fair Market Value per share of Common Stock on the record date for the determination of stockholders entitled to receive such rights or warrants, then the Conversion Price in effect at the opening of business on the day next following such record date shall be adjusted to equal the price determined by multiplying (1) the Conversion Price in effect immediately prior to the opening of business on the day next following the date fixed for such determination by (2) a fraction, the numerator of which shall be the sum of (A) the number of shares of Common Stock outstanding on the close of business on the date fixed for such determination and (B) the number of shares that the aggregate proceeds to the Company from the exercise of such rights or warrants for Common Stock would purchase at such Fair Market Value, and the denominator of which shall be the sum of (A) the number of shares of Common Stock outstanding on the close of business on the date fixed for such determination and (B) the number of additional shares of Common Stock offered for subscription or purchase pursuant to such rights or warrants. Such adjustment shall become effective immediately after the opening of business on the day next following such record date (except as provided below). In determining whether any rights or warrants entitle the holders

of Common Stock to subscribe for or purchase shares of Common Stock at less than such Fair Market Value, there shall be taken into account any consideration received by the Company upon issuance and upon exercise of such rights or warrants, the value of such consideration, if other than cash, to be determined by the Board.

- (c) If the Company shall distribute to all holders of its Common Stock any shares of capital stock of the Company (other than Common Stock) or evidence of its indebtedness or assets (excluding cash dividends or distributions paid from profits or surplus of the Company) or rights or warrants (in each case, other than the Rights) to subscribe for or purchase any of its securities (excluding those rights and warrants issued to all holders of Common Stock entitling them for a period expiring within 45 days after the record date referred to in paragraph (b) above to subscribe for or purchase Common Stock, which rights and warrants are referred to in and treated under paragraph (b) above (any of the foregoing being hereinafter in this paragraph (c) called the "Securities")), then in each such case the Conversion Price shall be adjusted so that it shall equal the price determined by multiplying (1) the Conversion Price in effect immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such distribution by (2) a fraction, the numerator of which shall be the Fair Market Value per share of the Common Stock on the record date mentioned below less the then fair market value (as determined by the Board of Directors, whose determination shall be conclusive) of the portion of the capital stock or assets or evidences of indebtedness so distributed or of such rights or warrants applicable to one share of Common Stock, and the denominator of which shall be the Fair Market Value per share of the Common Stock on the record date mentioned below. Such adjustment shall become effective immediately at the opening of business on the Business Day next following (except as provided below) the record date for the determination of stockholders entitled to receive such distribution. For the purposes of this paragraph (c), the distribution of a Security, which is distributed not only to the holders of the Common Stock on the date fixed for the determination of stockholders entitled to receive such distribution of such security, but also is distributed with each share of Common Stock delivered to a person converting a Debenture after such determination date, shall not require an adjustment of the Conversion Price pursuant to this paragraph (c); provided that on the date, if any, on which a Person converting a Debenture would no longer be entitled to receive such Security with a share of Common Stock (other than as a result of the termination of all such Securities), a distribution of such Securities shall be deemed to have occurred and the Conversion Price shall be adjusted as provided in this paragraph (c) (and such day shall be deemed to be "the date fixed for the determination of the stockholders entitled to receive such distribution" and "the record date" within the meaning of the two preceding sentences).
- (d) No adjustment in the Conversion Price shall be required unless such adjustment would require a cumulative increase or decrease of at least 1% in such price; provided, however, that any adjustments that by reason of this paragraph (d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment until made; and provided, further, that any adjustment shall be required and made in accordance with these conversion provisions (other than this paragraph (d)) not later than such time

as may be required in order to preserve the tax-free nature of a distribution to the holders of shares of Common Stock. Notwithstanding any other provisions, the Company shall not be required to make any adjustment of the Conversion Price for the issuance of any shares of Common Stock pursuant to any plan providing for the reinvestment of dividends on securities of the Company. All calculations shall be made to the nearest cent (with \$.005 being rounded upward) or to the nearest 1/10 of a share (with .05 of a share being rounded upward), as the case may be. Anything to the contrary notwithstanding, the Company shall be entitled, to the extent permitted by law, to make such reductions in the Conversion Price, in addition to those required by this conversion provision, as it in its discretion shall determine to be advisable in order that any stock dividends, subdivision of shares, reclassification or combination of shares, distribution of rights or warrants to purchase stock or securities, or a distribution of other assets (other than cash dividends) hereafter made by the Company to its stockholders shall not be taxable.

If the Corporation shall be a party to any transaction (including without limitation a merger, consolidation, sale of all or substantially all of the Company's assets or recapitalization of the Common Stock and excluding any transaction as to which paragraph (a) above applies) (each of the foregoing being referred to herein as a "Transaction"), in each case as a result of which shares of Common Stock shall be converted into the right to receive stock, securities or other property (including cash or any combination thereof), each Debenture which is not converted into the right to receive stock, securities or other property in connection with such Transaction shall thereafter be convertible into a combination of cash in the amount of \$541.90 for each \$1,000 principal amount thereof and the kind and amount of shares of stock, securities and other property (including cash or any combination thereof) receivable upon the consummation of such Transaction by a holder of that number of shares or fraction thereof of Common Stock into which \$1,000 principal amount of Debenture was convertible immediately prior to such Transaction, assuming such holder of Common Stock (i) is not a Person with which the Company consolidated or into which the Company merged or which merged into the Company or to which such sale or transfer was made, as the case may be ("Constituent Person"), or an affiliate of a Constituent Person and (ii) failed to exercise his rights of election, if any, as to the kind or amount of stock, securities and other property (including cash) receivable upon such Transaction (provided that if the kind or amount of stock, securities and other property (including cash) receivable upon such Transaction is not the same for each share of Common Stock of the Company held immediately prior to such Transaction by other than a Constituent Person or an affiliate thereof and in respect of which such rights of election shall not have been exercised ("non-electing share"), then for the purpose of this paragraph the kind and amount of stock, securities and other property (including cash) receivable upon such Transaction by each non-electing share shall be deemed to be the kind and amount so receivable per share by the plurality of the non-electing shares). The Company shall not be a party to any Transaction unless the terms of such Transaction are consistent with the provisions herein and it shall not consent or agree to the occurrence of any Transaction until the Company has entered into an agreement with the successor or purchasing entity, as the case may be, for the benefit of the holders of the Debentures that will contain provisions enabling the holders of the Debentures that remain outstanding after such Transaction to convert into the consideration received by holders of Common Stock at the Conversion Price in effect immediately prior to such Transaction. The provisions of this paragraph shall similarly apply to successive Transactions.

If:

- (i) the Company shall declare a dividend (or any other distribution) on the Common Stock (other than in cash out of profits or surplus and other than the Rights); or

- (ii) the Company shall authorize the granting to the holders of the Common Stock of rights or warrants (other than the Rights) to subscribe for or purchase any shares of any class or any other rights or warrants (other than the rights); or
- (iii) there shall be any reclassification of the Common Stock (other than an event to which paragraph (a) above with respect to Conversion Price adjustment applies) or any consolidation or merger to which the Company is a party and for which approval of any stockholders of the Company is required, or the sale or transfer of all or substantially all of the assets of the Company as an entirety; or
- (iv) there shall occur the voluntary or involuntary liquidation, dissolution or winding up of the Company,

then the Company shall cause to be filed with the Trustee and shall cause to be mailed to the holders of the Debentures at their addresses as shown on the Register of the Company, as promptly as possible, but at least 15 days prior to the applicable date hereinafter specified, a notice stating (A) the date on which a record is to be taken for the purpose of such dividend, distribution or rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to receive such dividend, distribution or rights or warrants are to be determined or (B) the date on which such reclassification, consolidation, merger, sale, transfer, liquidation, dissolution or winding up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property, if any, deliverable upon such reclassification, consolidation, merger, sale, transfer, liquidation, dissolution or winding up. Failure to give or receive such notice or any defect therein shall not affect the legality or validity of the proceedings herein.

Whenever the Conversion Price is adjusted as herein provided, the Company shall promptly file with the Trustee an officer's certificate setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment which certificate shall be prima facie evidence of the correctness of such adjustment. Promptly after delivery of such certificate, the Company shall prepare a notice of such adjustment of the Conversion Price setting forth the adjusted Conversion Price and the effective date of such adjustment and shall mail such notice of such adjustment of the Conversion Price to the holders of the Debentures at such holders' last address as shown on the Register of the Company.

In any case in which an adjustment shall become effective on the day next following a record date for an event, the Company may defer until the occurrence of such event (A) issuing to the holder of any Debenture converted after such record date and before the occurrence of such event the additional shares of Common Stock issuable upon such conversion by reason of the adjustment required by such event over and above the Common Stock issuable upon such conversion before giving effect to such adjustment and (B) paying to such holder any amount in cash in lieu of any fraction.

For purposes of these conversion provisions, the number of shares of Common Stock at any time outstanding shall not include any shares of Common Stock then owned or held by or for the account of the Company. The Company shall not pay a dividend or make any distribution on shares of Common Stock held in the treasury of the Company.

There shall be no adjustment of the Conversion Price in case of the issuance of any stock of the Company in a reorganization, acquisition or other similar transaction except as specifically set forth herein. If any action or transaction would require adjustment of the Conversion Price pursuant to more than one paragraph hereof, only one adjustment shall be made and such adjustment shall be the amount of adjustment that has the highest absolute value.

If the Company shall take any action affecting the

Common Stock, other than action described herein, that in the opinion of the Board would materially adversely affect the conversion rights of the holders of the Debentures, the Conversion Price for the Debentures may be adjusted, to the extent permitted by law, in such manner, if any, and at such time, as the Board may determine to be equitable in the circumstances.

The Company will at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued shares of Common Stock or its issued shares of Common Stock held in its treasury, or both, for the purpose of effecting conversion of the Debentures, the full number of shares of Common Stock deliverable upon the conversion of all outstanding Debentures not theretofore converted. For purposes of this paragraph, the number of shares of Common Stock that shall be deliverable upon the conversion of all outstanding Debentures shall be computed as if at the time of computation all such outstanding Debentures were held by a single holder.

The Company agrees that any shares of Common Stock issued upon conversion of the Debentures shall be validly issued, fully paid and non-assessable. Before taking any action that would cause an adjustment reducing the Conversion Price below the then-par value of the shares of Common Stock deliverable upon conversion of the Debentures, the Company will take any corporate action that, in the opinion of its counsel, may be necessary in order that the Company may validly and legally issue fully-paid and nonassessable shares of Common Stock at such adjusted Conversion Price.

The Company shall endeavor to list the shares of Common Stock required to be delivered upon conversion of the Debentures, prior to such delivery, upon each national securities exchange, if any, upon which the outstanding Common Stock is listed at the time of such delivery.

Prior to the delivery of any securities that the Company shall be obligated to deliver upon conversion of the Debentures, the Company shall endeavor to comply with all federal and state laws and regulations thereunder requiring the registration of such securities with, or any approval of or consent to the delivery thereof by, any governmental authority.

The Company will pay any and all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of shares of Common Stock or other securities or property on conversion of the Debentures pursuant to these conversion provisions; provided, however, that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issue or delivery of shares of Common Stock or other securities or property in a name other than that of the holder of the Debentures to be converted and no such issue or delivery shall be made unless and until the person requesting any issue or delivery has paid to the Company the amount of any such tax or established, to the reasonable satisfaction of the Company, that such tax has been paid.

The term "Conversion Price" means the conversion price per share of Common Stock for which the Debentures are convertible, as such Conversion Price may be adjusted. The initial conversion price will be \$143.50.

The term "Current Market Price" of publicly traded shares of Common Stock or any other class of capital stock or other security of the Company or any other issuer for any day shall mean the last reported sales price, regular way, on such day, or, if no sale takes place on such day, the average of the reported closing bid and asked prices on such day, regular way, in either case as reported on the NYSE Composite Tape, or, if such security is not listed or admitted for trading on the NYSE, on the principal national securities exchange on which such security is listed or admitted for trading or, if not listed or admitted for trading on any national securities exchange, on the Nasdaq National Market ("NNM") of the National Association of Securities Dealers, Inc. Automated Quotations System ("Nasdaq") or, if such security is not quoted on such NNM, the average of the closing bid and asked prices on such day in the over-the-counter market as reported by Nasdaq or, if bid and asked prices for such security on such day shall not have been reported through Nasdaq, the average of the bid and asked prices on such

day as furnished by any NYSE member firm regularly making a market in such security selected for such purpose by the Board.

The term "Fair Market Value" means the average of the daily Current Market Prices of a share of Common Stock during the five (5) consecutive Trading Days selected by the Company commencing not more than 20 Trading Days before, and ending not later than, the earlier of the day in question and the day before the "ex" date with respect to the issuance or distribution requiring such computation. The term "ex date," when used with respect to any issuance or distribution, means the first day on which the Common Stock trades regular way, without the right to receive such issuance or distribution, on the exchange or in the market, as the case may be, used to determine that day's Current Market Price.

The term "Principal Amount" shall mean the principal amount of the Debenture.

The term "Rights" means the rights associated with and trading with each share of Common Stock outstanding.

The term "Trading Day" means any day on which the securities in question are traded on the NYSE, or if such securities are not listed or admitted for trading on the NYSE, on the principal national securities exchange on which such securities are listed or admitted, or if not listed or admitted for trading on any national securities exchange, on the NNM, or if such securities are not quoted on such NNM, in the applicable securities market in which the securities are traded.

(7) Redemption. The Debentures may be redeemed, at the option of the Company, in whole or in part, on any date on or after May 1, 1996, upon not less than 30 nor more than 60 days' prior notice given as provided in the Indenture, at the following Redemption Prices (expressed as percentages of the principal amount thereof redeemed), plus accrued and unpaid interest, if any, up to but excluding the redemption date, if redeemed during the twelve-month period commencing May 1 of the years indicated:

Year	Redemption Price	Year	Redemption Price
1996	104.375%	2000	101.875%
1997	103.750%	2001	101.250%
1998	103.125%	2002	100.625%
1999	102.500%	2003 and thereafter	100.000%

(except that interest installments whose Stated Maturity is the Redemption Date will be payable to the Holders of such Debentures, or one or more predecessor Debentures, of record on the relevant Regular Record Date referred to on the face hereof). The Company may exercise this redemption option only if for 20 trading days within any period of 30 consecutive trading days, including the last trading day, the last sale price of the Common Stock of the Company as reported by the New York Stock Exchange Composite Transaction Tape exceeds 120% of the Conversion Price, subject to adjustment as described herein.

(8) Denominations, Transfer, Exchange. The Debentures are issuable only as registered Debentures without coupons in the denominations of \$1,000 and any integral multiple thereof. As provided in the Indenture, and subject to certain limitations therein set forth, Debentures are exchangeable for a like aggregate principal amount of Debentures of different authorized denominations as requested by the Holder surrendering the same and upon surrender of the Debenture for registration of transfer at the office or agency of the Company in the City of New York, the Company will execute, and the Trustee will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Debentures, of authorized denominations and of a like aggregate principal amount and tenor. Every Debenture surrendered for registration of transfer or exchange will, if required by the Company, the Registrar or the Trustee, be duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company, the Registrar and the Trustee duly executed by, the Holder hereof or his attorney duly authorized in writing. No service charge will be made for any

such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

(9) Persons Deemed Owners. Prior to due presentment for registration of transfer of this Debenture, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Debenture is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Debenture is overdue, and neither the Company, the Trustee nor any such agent will be affected by notice to the contrary.

(10) Defaults and Remedies. If an Event of Default as defined in the Indenture shall occur, the principal of all Debentures may be declared due and payable in the manner and with the effect provided in the Indenture.

(11) Subordination. The Company and each Holder, by acceptance hereof, agrees that the payment of the principal of, and premium, if any, and interest on the Debentures is subordinated, to the extent and in the manner provided in the Indenture, to the prior payment in full of the Senior Indebtedness of the Company as defined in the Indenture and this Debenture is issued subject to the provisions of the Indenture with respect thereto. Each Holder of this Debenture, by accepting the same, authorizes and expressly directs the Trustee on his behalf to take such action as may be necessary or appropriate in the discretion of the Trustee to effectuate the subordination so provided and appoints the Trustee his attorney-in-fact for such purpose.

(12) Indebtedness. The Company and, by its acceptance of this Debenture or a beneficial interest herein, the Holder of, and any Person that acquires a beneficial interest in, this Debenture agree that for United States federal, state and local tax purposes it is intended that this Debenture constitute indebtedness.

(13) Amendments and Waivers. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Debentures under the Indenture at any time by the Trustee with the consent of the Holders of a majority of the aggregate principal amount of the Debentures at the time Outstanding. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Debentures at the time Outstanding, on behalf of the Holders of all the Debentures, by notice to the Trustee to waive certain past Defaults or Events of Default and their consequences under the Indenture.

(14) Obligation Absolute. No reference herein to the Indenture and no provision of this 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 premium, if any) and interest on this Debenture at the times, place and rate, and in the coin or currency, hereto prescribed.

(15) No Recourse Against Others. No recourse for the payment of the principal of or interest on this Debenture, or for any claim based hereon or on the Indenture and no recourse under or upon any obligation, covenant or agreement of the Company in the Indenture or any indenture supplemental thereto or in any Debenture, or because of the creation of any indebtedness represented hereby, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, 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.

(16) Governing Law. THIS DEBENTURE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to: UAL Corporation, P.O. Box 66100, Chicago, Illinois 60666, Attention: Treasurer.

FIRST AMENDMENT
OF
UAL CORPORATION
SUPPLEMENTAL ESOP
(Effective as of July 12, 1994)

By virtue and in exercise of the amending power reserved to UAL Corporation (the "Company") under section 5.1 of the UAL Corporation Supplemental ESOP (Effective as of July 12, 1994) (the "Plan"), which amending power thereunder is subject to the approval of the Air Line Pilots Association, International ("ALPA"), the Company hereby amends the Plan, as follows, effective January 1, 1995:

Section 3.1(c)(v) is amended by changing "January 1, 1995" to "February 24, 1995."

IN WITNESS WHEREOF, the Company has caused this First Amendment to be executed on February 22, 1995.

UAL CORPORATION

By: /s/ Stuart I. Oran

Name: Stuart I. Oran
Title: Executive Vice President -
Corporate Affairs and
General Counsel

Agreed and Approved by:

AIR LINE PILOTS ASSOCIATION,
INTERNATIONAL

By: /s/ J. Randolph Babbitt

Name: J. Randolph Babbitt
Title: President

April 3, 1995
6-1162-MMF-077

United Airlines, Inc.
P.O. Box 66100
Chicago, IL 60666

Attention: Mr. Jerry Pollock
Senior Staff Specialist, Aircraft Purchasing

facsimile: (708) 952-5204

Subject: [*CONFIDENTIAL MATERIAL OMITTED AND FILED
SEPARATELY WITH THE SECURITIES AND
EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR
CONFIDENTIAL TREATMENT]

Dear Jerry,
As discussed earlier today, the purpose of this letter
is to obtain your concurrence in United's
acknowledgment of potential excusable delay in regards
to the production of the subject commercial.

United agrees that 1) [*CONFIDENTIAL MATERIAL OMITTED
AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE
COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL
TREATMENT] was requested by United and 2) should any
damages resulting from negligence on the part of
United, and/or any third party related to the
[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY
WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT] and such damages
result in delay of delivery, United recognizes the
delay as an excusable delay per Purchase Agreement No.
1663, article 6.

Please return a signed copy by facsimile to our office
no later than April 5, 1995.

/s/ M. Monica Fix

Regional Director
Aircraft Contracts
(206) 237-4548
fax: (206) 237-1706

Agreed to this 6th day of April 1995

By: /s/ Douglas A. Hacker

Its: Senior Vice President and Chief Financial Officer

Supplemental Agreement No. 6

to

Purchase Agreement No. 1670

between

THE BOEING COMPANY

and

UNITED AIR LINES, INC.

Relating to Boeing Model 747-422 Aircraft

THIS SUPPLEMENTAL AGREEMENT, entered into as of the 13th day of April 1995, by and between THE BOEING COMPANY, a Delaware corporation (hereinafter called Boeing), and UNITED AIR LINES, INC., a Delaware corporation, and UNITED WORLDWIDE CORPORATION (collectively hereinafter called Buyer);

W I T N E S S E T H:

WHEREAS, the parties entered into that certain Purchase Agreement No. 1670, dated as of December 18, 1990, relating to the purchase and sale of Boeing Model 747-422 aircraft (hereinafter referred to as "The Aircraft", or the "Firm Aircraft", "[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Aircraft" or the "Option Aircraft", as such capitalized terms, and any other capitalized terms used herein, unless otherwise specifically defined herein, are defined in the "Purchase Agreement" (as such term is defined below)), which agreement, as amended and supplemented, together with all exhibits, specifications and letter agreements related or attached thereto, is hereinafter called the "Purchase Agreement" and;

WHEREAS, Buyer wishes to [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] and accelerate the delivery of two (2) [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] 747 Aircraft;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree to amend the Purchase Agreement as follows:

1. The following Letter Agreement is executed contemporaneously with this Supplemental Agreement and is attached hereto and is part of this Supplemental Agreement.

Agreement No.	Subject
6-1162-DLJ-891R2	[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

2. The parties hereby agree to Buyer's [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] of two (2) [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] 747 Aircraft which are currently scheduled for delivery in February 1997 and May 1997, respectively; and the parties hereby concurrently agree to the acceleration of the scheduled delivery months of these two (2) [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] 747 Aircraft to May 1996 and June 1996, respectively. Article 2, entitled Delivery of Aircraft; Title and Risk of Loss, paragraph 2.1 is hereby deleted in its entirety and replaced with a new paragraph 2.1 which reflects February and May 1997 Aircraft accelerating to May and June 1996. Such revised paragraph is attached hereto as Attachment 1 and incorporated into the Purchase

Agreement by this reference.

3. Article 5, entitled Payment, paragraph 5.1, entitled Advance Payment Base Price, is hereby deleted and replaced with a new paragraph 5.1, which reflects the revised Advance Payment Base Price for the May and June 1996 Aircraft. Such revised paragraph is attached hereto as Attachment 2 and incorporated into the Purchase Agreement by this reference.

4. Letter Agreement 1670-5 entitled Option Aircraft is revised by deleting in its entirety paragraph 5 entitled Option Exercise and substituting a new paragraph 5 to [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]. Such new paragraph is attached hereto as Attachment 3 and incorporated into the Purchase Agreement by this reference.

5. Letter Agreement 6-1162-DLJ-891R1 entitled [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] is hereby deleted in its entirety and replaced with a new Letter Agreement 6-1162-DLJ-891R2. Such new letter agreement reflects changes to 1) paragraph 11 entitled [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]. All other paragraphs carry forward into the new Letter Agreement unchanged. Letter Agreement 6-1162-DLJ-891R2 is attached hereto and incorporated into the Purchase Agreement by this reference.

6. The following "Months to be Utilized in Determining the Value of H & W" are hereby added to the table on page 3 of Exhibit D, entitled Price Adjustment due to Economic Fluctuations.

Month of Scheduled Aircraft Delivery as Set Forth in Article 2.1 of the Agreement	Months to be Utilized Determining the Value of H & W
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[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

7. This paragraph is intentionally deleted and not used.

8. Buyer agrees that the invoice for each of the 747 Aircraft in this Supplemental Agreement will contain a One Hundred and Eight Thousand Dollars (\$108,000) charge pursuant to paragraph No. 13 of Letter Agreement No. 6-1162-TML-1205.

9. Boeing agrees to [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] pursuant to paragraph 7 of Letter Agreement No. 6-1162-TML-1205 in the [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] at the time Buyer takes delivery of the two (2) rescheduled Converted 747 Aircraft that are the subject of this Agreement.

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

12. This Supplemental Agreement is subject to the confidentiality provisions of Letter Agreement 6-1162-DLJ-886.

13. The Purchase Agreement shall be deemed amended to the extent herein provided and as amended shall continue in full force and effect.

EXECUTED IN DUPLICATE as of the day and year first above written.

THE BOEING COMPANY

UNITED AIR LINES, INC.

By: /s/ M. Monica Fix
Its: Attorney in Fact

By: /s/ Douglas A. Hacker
Its: Senior Vice President - Finance

UNITED WORLDWIDE CORPORATION

By: /s/ Douglas A. Hacker
Its: Senior Vice President - Finance

Attachment 1 to
Supplemental Agreement No. 6

ARTICLE 2. Delivery of Aircraft; Title and Risk of Loss.

2.1 Time of Delivery. Each Aircraft shall be delivered to Buyer assembled and ready for flight, and Buyer shall accept delivery of such Aircraft, during or, if mutually agreed, before the months set forth in the following schedule:

Month and Year of Delivery	Quantity of Aircraft
August 1992	One (1)
October 1992	One (1)
December 1992	One (1)
April 1993	Two (2)
June 1993	One (1)
August 1993	One (1)
June 1994*	One (1)
July 1994*	One (1)
May 1996*	One (1)
June 1996*	One (1)
June 1996	One (1)
August 1996	One (1)
[*CONF.TREAT.REQ.]	One (1)
[*CONF.TREAT.REQ.]	One (1)
[*CONF.TREAT.REQ.]	One (1)
[*CONF.TREAT.REQ.]	One (1)
[*CONF.TREAT.REQ.]	One (1)
[*CONF.TREAT.REQ.]	One (1)
[*CONF.TREAT.REQ.]	One (1)
[*CONF.TREAT.REQ.]	One (1)
[*CONF.TREAT.REQ.]	One (1)
[*CONF.TREAT.REQ.]	One (1)
[*CONF.TREAT.REQ.]	One (1)
[*CONF.TREAT.REQ.]	One (1)

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

If Boeing gives Buyer at least ten (10) days' advance notice of the delivery date for an Aircraft, and delivery is delayed beyond such date due to Buyer's fault or responsibility, Buyer shall promptly reimburse Boeing for all costs and expenses incurred by Boeing as a result of such delay, including but not limited to reasonable amounts for storage, insurance, taxes, preservation or protection of the Aircraft, and interest on payments due.

Attachment 2 to
Supplemental Agreement No. 6

ARTICLE 5. Payment.

5.1 Advance Payment Base Price. The advance payment base price of each Aircraft, depending on the month and year of scheduled delivery, is indicated below:

Month and Year of Scheduled Delivery	Advance Payment Base Price per Aircraft
August 1992	[*CONF.TREAT.REQ.]
October 1992	[*CONF.TREAT.REQ.]
December 1992	[*CONF.TREAT.REQ.]
April 1993	[*CONF.TREAT.REQ.]
August 1993	[*CONF.TREAT.REQ.]
November 1993	[*CONF.TREAT.REQ.]
June 1994 *	[*CONF.TREAT.REQ.]
July 1994 *	[*CONF.TREAT.REQ.]
May 1996 *	[*CONF.TREAT.REQ.]
June 1996 *	[*CONF.TREAT.REQ.]
June 1996	[*CONF.TREAT.REQ.]
August 1996	[*CONF.TREAT.REQ.]

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Such advance payment base prices will be used to determine the amount of the first advance payment to be made by Buyer on each Aircraft pursuant to the provisions of Article 5.2. The advance payment base prices of each Aircraft has been established using currently available forecasts of the escalation factors used by Boeing and applicable to the scheduled month and year of Aircraft delivery. The advance payment base prices will be further increased or decreased by Boeing not later than twenty-five (25) months prior to the scheduled month of delivery, as required to reflect the effects of the then-current forecasted escalation factors used by Boeing in accordance with Exhibit D. The advance payment base price of each Aircraft, including any adjustments made thereto, as contemplated herein, is referred to as the "Advance Payment Base Price."

Attachment 3 to
Supplemental Agreement No. 6

Paragraph 5 Option Exercise

5.1 In the event Buyer elects to purchase an Option Aircraft under the provisions contained herein Buyer shall exercise its option by giving written or telegraphic notice to Boeing of such election and specifying the month and year of delivery of such Option Aircraft on or before [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]prior to the first day of the scheduled delivery month of such Option Aircraft.

6-1162-DLJ-891R2

United Air Lines, Inc.
P.O. Box 66100
Chicago, Illinois 60666

Subject: Letter Agreement No. 6-1162-DLJ-891R2
to Purchase Agreement No. 1670 -

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY
WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT]

Gentlemen:

Reference is made to Purchase Agreement No. 1670 dated as of even date herewith (the Purchase Agreement) between The Boeing Company (Boeing), United Air Lines, Inc. (United) and United Worldwide Corporation (Worldwide), relating to the sale by Boeing and the purchase by United and Worldwide (collectively the Buyer) of thirty (30) Model 747-422 aircraft (hereinafter referred to as the Aircraft).

Further reference is made to Letter Agreement 1670-5 dated as of even date herewith to the Purchase Agreement relating to the granting of options to purchase thirty (30) Model 747-422 option aircraft (the Option Aircraft).

This letter, when accepted by Buyer contemporaneously with the execution of the Purchase Agreement, will become part of the Purchase Agreement and will evidence our further agreement with respect to the matters set forth below.

All terms used herein and in the Purchase Agreement, and not defined herein, shall have the same meaning as in the Purchase Agreement.

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE
SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR
CONFIDENTIAL TREATMENT]

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE
SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR
CONFIDENTIAL TREATMENT]

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[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

13. Non-Disclosure.

The parties understand that certain commercial and financial information contained in this letter agreement is considered as privileged and confidential. The parties agree that they will treat such information as privileged and confidential and will not, without prior written consent of the other party, disclose such information to any other person except as may be required by (i) applicable law or governmental regulations, or (ii) for financing the Aircraft in accordance with the provisions of Article 11.2 of the Purchase Agreement. In connection with any such disclosure or filing of such information pursuant to any applicable law or governmental regulations; Buyer shall request and use its best reasonable efforts to obtain confidential treatment of such information. Boeing agrees to cooperate with Buyer in making and supporting its request for confidential treatment. In fulfilling its obligations under this paragraph 11, the parties shall only be required to use the same degree of care to prevent unauthorized disclosure and use of the information contained in this Letter Agreement as they would use to prevent the disclosure and use of its own commercial and financial information of the same or similar nature and which it considers proprietary or confidential.

If the foregoing correctly sets forth your understanding of our

agreement with respect to the matters treated above, please indicate your acceptance and approval below.

Very truly yours,

THE BOEING COMPANY

By /s/ M. Monica Fix

Its Attorney in Fact

ACCEPTED AND AGREED TO this

Date: April 13, 1995

UNITED AIR LINES, INC.

By /s/ Douglas A. Hacker

Its Senior Vice President - Finance

UNITED WORLDWIDE CORPORATION

By Douglas A. Hacker

Its_Senior Vice President

6-1162-MMF-084

United Air Lines, Inc.
P.O. Box 66100
Chicago, IL 60666

Subject: Letter Agreement No. 6-1162-MMF-084 to
Purchase Agreement No. 1670 - [*CONFIDENTIAL
MATERIAL OMITTED AND FILED SEPARATELY WITH THE
SECURITIES AND EXCHANGE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT]

Ladies and Gentlemen:

Reference is made to Purchase Agreement No. 1670 as amended and supplemented, including all letter agreements thereto, the "Purchase Agreement" between The Boeing Company (Boeing) and United Air Lines, Inc. (Buyer) relating to the sale by Boeing and the purchase by Buyer of new Boeing model 747-400 aircraft.

This letter agreement (Letter Agreement), when accepted by Buyer, will become part of the Purchase Agreement and will evidence our further agreement with respect to the matters set forth below.

All terms used herein and in the Purchase Agreement, and not defined herein, shall have the same meaning as in the Purchase Agreement. If there is any inconsistency between the terms of this Letter Agreement and the Purchase Agreement, the terms of this Letter Agreement will govern.

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

WHEREAS, Supplemental Agreement No. 6 to the Purchase Agreement, which Buyer and Seller are simultaneously signing and delivering, effects the [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] and acceleration of the delivery of two (2) new Boeing model 747-400 to May and June 1996 (1996 747-400), and

WHEREAS, in consideration of the purchase of the two (2) new 1996 747-400s by Buyer and Buyer's desire [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] as discussed herein in paragraph 1 below, for each 747-400 [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] in Supplemental Agreement No. 6 to the Purchase Agreement,

NOW, THEREFORE, in consideration of the foregoing premises and the agreements hereinafter set forth, the parties hereto agree as follows:

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT

5. This Letter Agreement contains the entire agreement of the parties with respect to the subject matter hereof and supersedes any previous proposals, understandings, commitments or representations whatsoever, oral or written. This Letter Agreement shall not be varied except by written agreement of the same or subsequent date signed on behalf of Buyer and Boeing by their respective duly authorized representatives.

If the foregoing correctly sets forth your understanding of our agreement with respect to the matters addressed above, please indicate your acceptance and approval below.

Very truly yours,

THE BOEING COMPANY

By /s/ M. Monica Fix
Its Attorney in Fact

ACCEPTED AND AGREED TO this

Date: April 13, 1995

UNITED AIR LINES, INC.

By /s/ Douglas A. Hacker
Its Senior Vice President - Finance

April 12, 1995
6-1162-RCN-870

United Air Lines, Inc.
Executive Offices
P. O. Box 66100
Chicago, IL 60666-0100

Attention: J. L. Pollock
Sr. Staff Representative
Aircraft Purchasing

Subject: [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] for the Matters Discussed in Letter Agreement No.6-1162-TML-1205

Reference: Letter Agreement No. 6-1162-TML-1205, dated April 28, 1993; Subject: [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Dear Jerry:

The reference Letter Agreement converted [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] for these and other matters addressed in the reference Letter Agreement.

1. The following Supplemental Agreements contain either [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Aircraft (as defined in the referenced Letter Agreement).

Supplemental Agreement No. 5 to P.A. 1670
Supplemental Agreement No. 5 to P.A. 1485
Supplemental Agreement No. 6 to P.A. 1670
Supplemental Agreement No. 11 to P.A. 1602

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] given below is for the effect of the above Supplemental Agreements with respect to the matters discussed in the Reference Letter.

2. A total of [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] pursuant to paragraph no. 4 of the reference Letter Agreement. The status of these [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] is as follows:

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

3. Buyer has [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] pursuant to paragraph 6 of the reference Letter Agreement. The status of the [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] is as follows:

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

4. Buyer agreed to [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] pursuant to paragraph no. 7 of the Reference Letter Agreement. The status of the [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE

SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] is as follows:

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]
[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

5. Buyer agreed to [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] pursuant to paragraph 13 of the Reference Letter Agreement. The status of the [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] is as follows:

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

6. Pursuant to the terms of paragraph no. 3 of the Reference Letter Agreement, Buyer can [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

8. This letter is subject to the confidentiality provisions of Letter Agreements 6-1162-GKW-132 for Purchase Agreement 1485, Letter Agreement 6-1162-GKW-653 for Purchase Agreement 1595, Letter Agreement 6-1162-DLJ-886 for Purchase Agreement 1670, Letter Agreement 6-1162-DLJ-467 for Purchase Agreement 1602, and Letter Agreement 6-1162-DLJ-832 for Purchase Agreement 1663.

If the foregoing correctly sets forth your understanding of our agreement with respect to the matters addressed above, please indicate your acceptance and approval below.

Very truly yours,

THE BOEING COMPANY

By /s/ R. C. Nelson

Its Attorney-In-Fact

ACCEPTED AND AGREED TO this

Date: April 13, 1995

UNITED AIRLINES, INC.

By /s/ Douglas A. Hacker

Its Senior Vice President - Finance

CHANGE ORDER NO. 1
TO
PURCHASE AGREEMENT NO. 1670
BETWEEN
THE BOEING COMPANY
AND
UNITED AIR LINES, INC.

Purchase Agreement No. 1670 between The Boeing Company and United Air Lines, Inc. is hereby amended in accordance with Article 7.3 as follows:

I. CHANGES TO DETAIL SPECIFICATION D6-35273UAL

The effects of the changes listed below are hereby incorporated into Detail Specification D6-35273UAL under Revision "A" dated August 15, 1993.

A. MASTER CHANGES

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

B. MISCELLANEOUS CHANGES

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY
WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT]

II. CUMULATIVE EFFECT ON AIRCRAFT WEIGHT

The cumulative effects of the foregoing changes on the
Model 747-422 airplane weight as reflected in Detail
Specification Paragraph 3-60-00 are:

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY
WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT]

III. EFFECT ON PURCHASE AGREEMENT NO. 1670

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY
WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT]

Signed as of the day and year first above written.

THE BOEING COMPANY

UNITED AIR LINES, INC.

By /s/ R. C. Nelson
Title: Attorney-in-Fact

By /s/ Douglas A. Hacker
Title: Senior Vice President - Finance

Enclosure: One advance copy of Detail Specification
D6-35273UAL, Revision A, dated August 15, 1993

Supplemental Agreement No. 5

to

Purchase Agreement No. 1485

between

The Boeing Company

and

UNITED AIR LINES, INC.

Relating to Boeing Model 757-222 Aircraft

THIS SUPPLEMENTAL AGREEMENT, entered into as of the 13th day of April 1995, by and between THE BOEING COMPANY, a Delaware corporation (hereinafter called Boeing), and UNITED AIR LINES, INC., a Delaware corporation with its principal office in Elk Grove Township, Illinois (hereinafter called Buyer);

W I T N E S S E T H:

WHEREAS, the parties hereto entered into Purchase Agreement 1485 dated as of October 25, 1988, relating to Boeing Model 757-222 aircraft, which agreement, as amended, together with all exhibits and specifications attached thereto and made a part thereof, is hereinafter called the "Purchase Agreement," (all capitalized terms used herein, unless otherwise specifically defined herein, shall have the meaning given to them in the Purchase Agreement) and

WHEREAS, Buyer [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] four (4) Model 757 Aircraft contained in this Purchase Agreement in lieu of [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT],

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. ARTICLE 1, Subject Matter of Sale, is hereby deleted in its entirety and replaced with a new Article 1 as follows:

"ARTICLE 1. Subject Matter of Sale, Boeing shall sell and deliver to Buyer, and Buyer shall purchase from Boeing, ninety-four (94) Boeing Model 757-222 aircraft. Such aircraft are referred to individually and collectively as the "Block A Aircraft", "Block B Aircraft", "Block C Aircraft", "Block D Aircraft", "Block E Aircraft", "Block F Aircraft (as such aircraft are allocated variously among the separate groupings defined as Blocks A,B,C,D,E and F in Article 2 of this Purchase Agreement (or in Letter Agreement 1485-5 hereto)), "Aircraft" or "AIRCRAFT". The Block A, B, C, D and F Aircraft will be manufactured by Boeing in accordance with Boeing Detail Specification D6-44010-68 dated February 29, 1988 and the Block E Aircraft will be manufactured by Boeing in accordance with Boeing Detail Specification D6-44010-68, Rev. H, dated November 29, 1993 (as described in Exhibit A attached hereto) as they may be modified from time to time in accordance with the terms and conditions of Article 7 herein. Such Detail Specifications as so modified are by this reference incorporated in this Agreement and is hereinafter referred to as the "Detail Specification" or "Detail Specifications" as applicable. In connection with the sale and purchase of the Aircraft, Boeing shall also deliver to Buyer other things under this Agreement including data, documents, training and services.

2. ARTICLE 2, Delivery of Aircraft; Title and Risk of Loss, is hereby modified by inserting between the schedules

contained in section 2.1 for the Block D Aircraft and the Block F Aircraft the following schedule:

"Block E Aircraft

April 1996	One (1)
May 1996	One (1)
June 1996	Two (2)"

3. ARTICLE 3, Price of Aircraft, is hereby modified by inserting after Article 3.1 (i)(c) and immediately before 3.1 (ii) the following:

"(d) [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT],"

4. ARTICLE 5, Payment, is hereby modified by inserting between the schedules contained in Article 5.1 for the Block D Aircraft and the Block F Aircraft the following schedule:

"Block E Aircraft

April 1996	[*CONF.TREAT.REQ.]
May 1996	
June 1996	
June 1996	[*CONF.TREAT.REQ.]"

5. In order to separate the Blocks A, B, C, D and F configuration from the Block E configuration, Exhibit A to the Purchase Agreement is hereby deleted and replaced with two new Exhibits A-1 and A-2, which are Attachments No. 1 and 2 hereto, and incorporated herein by this reference.

6. In order to separate the Blocks A, B, C, and D Engine Price Adjustment provisions [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] from the Block E Engine Price Adjustment provisions [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT], page 6 of Exhibit D is hereby deleted in its entirety and replaced by the new language contained in Attachment No. 3 hereto, which contains a new page 6. Such new page 6 is the same as the previous page 6 except that the new page 6 now includes references to Block A,B,C,D, and F. Exhibit D is also hereby modified by adding to the end of such Exhibit D the Engine Price Adjustment provisions for the Block E Aircraft which are contained in Attachment 4 hereto. Such Attachments No. 3 and 4 are incorporated herein by this reference.

7. Boeing and Buyer agree that for purposes of Paragraph 1.2 of Letter Agreement No. 6-1162-TML-388, the four 757 Aircraft which are the subject of this Supplemental Agreement [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

8. The four 757 Aircraft which are the subject of this Supplemental Agreement are

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Such deposit will be applied to the advance payments owed Boeing for the 757 Aircraft which are the subject of this Supplemental Agreement.

9. Paragraph 3.3 of Letter Agreement No. 6-1162-TML-388 provides that the

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

10. Buyer agrees that the invoice for each of the four (4) 757 Aircraft which are the subject of this Supplemental Agreement will contain a [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] pursuant to paragraph No. 13 of Letter Agreement No. 6-1162-TML-1205.

11. Boeing and Buyer agree that the provisions of paragraph 4, Adjustment Credits, to Letter Agreement No. 6-1162-TML-388[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] which are the subject of this Supplemental Agreement.

12. Boeing agrees to [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] pursuant to paragraph 7 of Letter Agreement No. 6-1162-TML-1205 in the[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

13. It is hereby agreed that this Supplemental Agreement shall be treated as privileged and confidential under the terms of Letter Agreement 6-162-GKW-132.

14. The Purchase Agreement shall be deemed to be supplemented to the extent herein provided and as so supplemented shall continue in full force and effect.

EXECUTED IN DUPLICATE as of the day and year first above written.

THE BOEING COMPANY

UNITED AIR LINES, INC.

By: /s/ M. Monica Fix

By: /s/ Douglas A. Hacker

Its: Attorney-In-Fact

Its: Senior Vice President- Finance

Attachment No. 1
Supplemental Agreement No. 5
Purchase Agreement No. 1485

EXHIBIT A-1

to

PURCHASE AGREEMENT NO. 1485

between

THE BOEING COMPANY

and

UNITED AIR LINES, INC.

BLOCKS A, B, C, D and F AIRCRAFT CONFIGURATION

The Detail Specification, referred to in Article 1 of the Purchase Agreement for the Blocks A, B, C, D and F Aircraft, is Boeing Detail Specification D6-44010-68 dated even date herewith. Such Detail Specification shall be comprised of Boeing Detail Specification D6-44010, dated February 29, 1988, as amended to incorporate the changes set forth in the Change Requests listed below, including the effects of such changes on Manufacturer's Empty Weight (MEW) and Operating Empty Weight (OEW). Such Change Requests are set forth in Boeing Document D6-48159. As soon as practicable, Boeing shall furnish to Buyer copies of the

Detail Specification, which copies shall reflect such changes. It is understood and agreed that the basic price of the Blocks A, B, C, D and F Aircraft, as set forth in Article 3 of this Agreement, reflects and includes all applicable price effects of such changes.

Attachment No. 2
Supplemental Agreement No. 5
Purchase Agreement No. 1485

EXHIBIT A-2

to

PURCHASE AGREEMENT NO. 1485

between

THE BOEING COMPANY

and

UNITED AIR LINES, INC.

BLOCK E AIRCRAFT CONFIGURATION

The Detail Specification, referred to in Article 1 of the Purchase Agreement for the Block E Aircraft, is Boeing Detail Specification D6-44010-68, Rev. H, dated November 29, 1993, as defined for airplanes NE091 through NE094 and as revised to include Pratt & Whitney (PW PW2037 engines and which includes a Maximum Takeoff Gross Weight of 230,000 pounds.

ENGINE PRICE ADJUSTMENT - PRATT & WHITNEY

BLOCKS A, B, C, D and F AIRCRAFT

(a) The basic price of each Block A, B, C, D and F Aircraft set forth in Article 3.1 of the Purchase Agreement includes an aggregate price for PW2037 engines and all accessories, equipment and parts therefor provided by the engine manufacturer (collectively in this Exhibit D called "Engines") of[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]. The adjustment in Engine price applicable to each Block A, B, C, D and F Aircraft ("Engine Price Adjustment" herein) shall be determined at the time of each Block A, B, C, D and F Aircraft (hereinafter "Aircraft") delivery in accordance with the following formula:

$$Pa = (P + F) (AA + BB + CC) - P$$

(b) The following definitions shall apply herein:

Pa = Engine Price Adjustment

P = Aggregate Engine Base Price [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

$$AA = .60 \times \frac{L}{\$13.09}$$

$$BB = .30 \times \frac{M}{103.9}$$

$$CC = .10 \times \frac{E}{92.3}$$

In determining the value of AA, BB and CC, the ratio of L divided by \$13.09, M divided by 103.9 and E divided by 92.3 shall be expressed as a decimal and rounded to the nearest ten-thousandth but the decimal value resulting from multiplying such ratios by the respective constants (.60, .30 and .10) shall not be rounded. The value of the sum of AA + BB + CC shall also be rounded to the nearest ten-thousandth.

L = Labor Index, which is the "Hourly Earnings of Aircraft Engines and Engine Parts Production Workers, SIC 3724 published by the Bureau of Labor Statistics, U.S. Department of Labor, for the seventh month preceding the month of scheduled Aircraft delivery.

ENGINE PRICE ADJUSTMENT - PRATT & WHITNEY

BLOCK E AIRCRAFT

(a) The Aircraft Basic Price of each Block E Aircraft set forth in this Agreement includes an aggregate price for PW2037 engines and all accessories, equipment and parts therefor provided by the engine manufacturer (collectively in this Exhibit B called "Engines") of[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]. The adjustment in Engine price applicable to each Block E Aircraft ("Engine Price Adjustment" herein) will be determined at the time of each Block E Aircraft (hereinafter "Aircraft") delivery in accordance with the following formula:

$$Pa = (P + F) (AA + BB + CC) - P$$

(b) The following definitions will apply herein:

Pa = Engine Price Adjustment

P = Aggregate Engine Base Price as set forth in paragraph (a) above.

$$AA = .60 \times \frac{L}{\$17.13}$$

$$BB = .30 \times \frac{M}{120.2}$$

$$CC = .10 \times \frac{E}{74.7}$$

In determining the value of AA, BB and CC, the ratio of L divided by \$17.13, M divided by 120.2 and E divided by 74.7 will be expressed as a decimal and rounded to the nearest ten-thousandth but the decimal value resulting from multiplying such ratios by the respective constants (.60, .30 and .10) will not be rounded. The value of the sum of AA + BB + CC will also be rounded to the nearest ten-thousandth.

L = Labor Index, which is the "Hourly Earnings of Aircraft Engines and Engine Parts Production Workers, SIC 3724" published by the Bureau of Labor Statistics, U.S. Department of Labor, for the seventh month preceding the month of scheduled Aircraft delivery.

\$17.13 = Published Labor Index (SIC 3724) for December, 1993.

M = Material Index, which is the "Producer Price Index - Code 10, Metals and Metal Products," (Base Year 1982 = 100) published by the Bureau of Labor Statistics, U.S. Department of Labor, for the seventh month preceding the month of scheduled Aircraft delivery.

120.2 = Published Material Index (Code 10) for December, 1993.

E = Fuel Index, which is the "Producer Price Index - Code 5, Fuels and Related Products and Power" (Base Year 1982 = 100) published for the Bureau of Labor Statistics, U.S. Department of Labor, for the seventh month preceding the month of scheduled Aircraft delivery.

74.7 = Published Fuel Index (Code 5) for

December, 1993.

$F = 0.005 (N)(P)$. Where N = the calendar year of scheduled Engine delivery, minus 1994. For purposes of this calculation, Engine delivery is assumed to be 3 months prior to the month of scheduled Aircraft delivery.

The Engine Price Adjustment will not be made if it would result in a decrease in the aggregate Engine base price.

(c) The value of the Labor, Material and Fuel Index used in determining the Engine Price Adjustment will be those published by the Bureau of Labor Statistics, U.S. Department of Labor as of a date 30 days prior to the scheduled Aircraft delivery to Buyer. Such Index values will be considered final and no revision to the Engine Price Adjustment will be made after Aircraft delivery for any subsequent changes in published Index values.

(d) If the Bureau of Labor Statistics, U. S. Department of Labor, (i) substantially revises the methodology (in contrast to benchmark adjustments or other corrections of previously published data) or (ii) discontinues publication of any of the data referred to above, Pratt & Whitney Aircraft (P&WA) agrees to meet with Boeing and jointly select a substitute for the revised or discontinued data, such substitute data to lead in application to the same adjustment result, insofar as possible, as would have been achieved by continuing the use of the original data as it may have fluctuated had it not been revised or discontinued. Appropriate revision of the Engine Price Adjustment provisions set forth above will be made to accomplish this result for affected Engines.

In the event the Engine Price Adjustment escalation provisions of this Agreement are made non-enforceable or otherwise rendered null and void by any agency of the United States Government, P&WA agrees to meet with Boeing and jointly agree, to the extent that they may lawfully do so, to adjust equitably the Purchase Price of any affected Engine(s) to reflect an allowance for increases in labor, material and fuel costs that occurred from December, 1993 to the seventh month preceding the month of scheduled delivery of the applicable Aircraft.

NOTES: Any rounding of a number, as required under this Exhibit D with respect to escalation of the Engine price, will be accomplished as follows: if the first digit of the portion to be dropped from the number to be rounded is five or greater, the preceding digit will be raised to the next higher number.

Supplemental Agreement No. 11
to
Purchase Agreement No. 1602
between
THE BOEING COMPANY
and
UNITED AIR LINES, INC.

Relating to Boeing Model 767-322ER Aircraft

THIS SUPPLEMENTAL AGREEMENT, entered into as of the 13th day of April 1995, by and between THE BOEING COMPANY, a Delaware corporation (hereinafter called Boeing), and UNITED AIR LINES, INC., a Delaware corporation, and UNITED WORLDWIDE CORPORATION (collectively hereinafter called Buyer);

W I T N E S S E T H:

WHEREAS, the parties entered into that certain Purchase Agreement No. 1602, dated as of March 1, 1990, relating to the purchase and sale of Boeing Model 767-322ER aircraft (hereinafter referred to as "The Aircraft", or the "Firm Aircraft", "[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Aircraft" or the "Option Aircraft", as such capitalized terms, and any other capitalized terms used herein, unless otherwise specifically defined herein, are defined in the "Purchase Agreement" (as such term is defined below)), which agreement, as amended and supplemented, together with all exhibits, specifications and letter agreements related or attached thereto, is hereinafter called the "Purchase Agreement" and;

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree to amend the Purchase Agreement as follows:

1. The following Letter Agreement is executed contemporaneously with this Supplemental Agreement and is attached hereto and are part of this Supplemental Agreement:

Agreement Number	Subject
------------------	---------

6-1162-DLJ-472R2	[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]
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[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

6. This Supplemental Agreement is subject to the confidentiality provisions of Letter Agreement 6-1162-DLJ-467.

7. The Purchase Agreement shall be deemed amended to the extent herein provided and as amended shall continue in full force and effect.

EXECUTED IN DUPLICATE as of the day and year first above written.

THE BOEING COMPANY

UNITED AIR LINES, INC.

By: /s/ M. Monica Fix
Its: Attorney-in-Fact

By: /s/ Douglas A. Hacker
Its: Senior Vice President - Finance

UNITED WORLDWIDE CORPORATION

By: /s/ Douglas A. Hacker

Its: President

Attachment 1 to
Supplemental Agreement 11 to
Purchase Agreement 1602

ARTICLE 1. Subject Matter of Sale.

1.3 Boeing shall sell and deliver to Buyer, and Buyer shall purchase from Boeing, six (6) 767-322ER Block C aircraft. Such aircraft are referred to individually and collectively as the "the Aircraft" or the "Block C Aircraft." The Block C Aircraft will be manufactured by Boeing in accordance with Boeing Detail Specification D6T10330UAL, Revision C, dated March 3, 1992, (as described in Exhibit A-2 attached hereto) as it may be modified from time to time in accordance with the terms and conditions of Article 7 herein. Such Detail Specification as so modified is by this reference incorporated in this Agreement and is hereinafter referred to as the "Detail Specification." In connection with the sale and purchase of the Block C Aircraft, Boeing shall also deliver to Buyer other things under this Agreement including data, documents, training and services.

Attachment 2 to
Supplemental Agreement 11 to
Purchase Agreement 1602

ARTICLE 2. Delivery of Aircraft; Title and Risk of Loss.

2.1 Each Aircraft shall be delivered to Buyer assembled and ready for flight, and Buyer shall accept delivery of such Aircraft during, or if mutually agreed, before the months set forth in the following schedule:

Month and Year
of Delivery

Quantity of Aircraft

767 Aircraft

Block A Aircraft

February 1991	One (1)
March 1991	Two (2)
April 1991	One (1)
August 1991	One (1)
March 1992	One (1)
April 1992	One (1)
July 1992	Two (2)
September 1992	One (1)
October 1992	Three (3)
November 1992	One (1)

December 1992 One (1)
February 1993 One (1)

Block B Aircraft

March 1993 Two (2)
April 1993 One (1)
May 1993 One (1)
July 1993 One (1)
August 1993 Two (2)

Block C Aircraft

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH
THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A
REQUEST FOR CONFIDENTIAL TREATMENT]

Attachment 3 to
Supplemental Agreement 11 to
Purchase Agreement 1602

ARTICLE 5. Payment.

5.1 Advance Payment Base Price. The advance
payment base price of each Aircraft, depending on the
month and year of scheduled delivery, is indicated below:

Month and Year of Scheduled Delivery	Advance Payment Base Price per Aircraft
February 1991	[*CON TREAT REQ]
March 1991	[*CON TREAT REQ]
April 1991	[*CON TREAT REQ]
August 1991	[*CON TREAT REQ]
March 1992	[*CON TREAT REQ]
April 1992	[*CON TREAT REQ]
July 1992	[*CON TREAT REQ]
September 1992	[*CON TREAT REQ]
October 1992	[*CON TREAT REQ]
November 1992	[*CON TREAT REQ]
December 1992	[*CON TREAT REQ]
February 1993	[*CON TREAT REQ]
March 1993	[*CON TREAT REQ]
April 1993	[*CON TREAT REQ]
May 1993	[*CON TREAT REQ]
July 1993	[*CON TREAT REQ]
August 1993	[*CON TREAT REQ]

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Such advance payment base prices, as indicated above, may
be adjusted pursuant to the provisions of (i) this
Agreement, including Article 7 (Changes to Detail
Specification) and Article 8 (FAA Requirements), and (ii)
other written agreements executed by Boeing and Buyer.
The advance payment base price of each Aircraft including
any adjustment made thereto, is hereinafter referred to as
the "Advance Payment Base Price".

6-1162-DLJ-472R2

United Air Lines, Inc.
P.O. Box 66100
Chicago, Illinois 60666

Subject: Letter Agreement No. 6-1162-DLJ-472R2 to
Purchase Agreement No. 1602 -

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY
WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT
TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Gentlemen:

Reference is made to Purchase Agreement No. 1602 dated
as of March 1, 1990 (the Purchase Agreement) between The
Boeing Company (Boeing) and United Air Lines, Inc.
(Buyer) relating to the sale by Boeing and the purchase
by Buyer of fourteen (14) 767-322ER aircraft (sometimes
referred to as the Aircraft, Firm Aircraft or the
Reconfirmation Aircraft). Further reference is made to
Letter Agreement 1602-5 dated as of March 1, 1990 to the
Purchase Agreement relating to the granting of options
to purchase fourteen (14) 767-322ER option aircraft
(the Option Aircraft).

This letter, when accepted by Buyer contemporaneously
with the execution of Supplemental Agreement No. 10 to
the Purchase Agreement, will become part of the
Purchase Agreement and will evidence our further
agreement with respect to the matters set forth below.

All terms used herein and in the Purchase Agreement,
and not defined herein, shall have the same meaning as
in the Purchase Agreement.

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[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY
WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT
TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY
WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT
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12. Non-Disclosure.

Buyer understands that certain commercial and financial information contained in this letter agreement is considered by Boeing as privileged and confidential. Buyer agrees that it will treat such information as privileged and confidential and will not without prior written consent of Boeing, disclose such information to any other person except as may be required by (i) applicable law or governmental regulations, or (ii) for financing the Aircraft in accordance with the provisions of Article 11.2 of the Purchase Agreement. In connection with any such disclosure or filing of such information pursuant to any applicable law or governmental regulations; Buyer shall request and use its best reasonable efforts to obtain confidential treatment of such information. Boeing agrees to cooperate with Buyer in making and supporting its request for confidential treatment. In fulfilling its obligations under this paragraph 11, Buyer shall only be required to use the same degree of care to prevent unauthorized disclosure and use of the information contained in this Letter Agreement as Buyer would use to prevent the disclosure and use of its own commercial and financial information of the same or similar nature and which it considers proprietary or confidential.

If the foregoing correctly sets forth your understanding of our agreement with respect to the matters treated above, please indicate your acceptance and approval below.

Very truly yours,

THE BOEING COMPANY

By /s/ M. Monica Fix

Its Attorney-in-Fact

ACCEPTED AND AGREED TO this

Date: April 13, 1995

UNITED AIR LINES, INC.

By /s/ Douglas A. Hacker

Its Senior Vice President - Finance

Attachment A

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH
THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A
REQUEST FOR CONFIDENTIAL TREATMENT]

AGREEMENT

THIS AGREEMENT (the "Agreement") is made and entered into as of March 24, 1995 between United Air Lines, Inc. and UAL Corporation (sometimes collectively referred to as "United") and JAMES M. GUYETTE residing at 9 Polo Drive, South Barrington, Illinois 60010 (sometimes referred to as "Executive").

WHEREAS, Executive has served and is presently serving as Executive Vice President - Marketing and Planning, as a member of the board of directors of United, and in other various positions in subsidiaries or affiliates of UAL Corporation or United or other entities on their behalf (hereinafter referred to as "Executive Positions"); and

WHEREAS, Executive is desirous of pursuing interests outside of the airline business; and

WHEREAS, both Executive and United acknowledge and affirm that circumstances of a qualifying termination under the 35 page agreement between Executive and UAL Corporation dated as of July 1, 1993 (the "UAL Agreement") have not occurred or otherwise caused to be applicable; and

WHEREAS, because of Executive's long tenure with United, United wishes to facilitate Executive's desires as stated above but also to retain Executive's services on the basis described herein and to enable Executive to retire from the company upon reaching age 55; and

WHEREAS, Executive has agreed to provide such services and to release United from any liability arising out of his hire and employment with United, and his resignation from his present position;

WHEREAS, the parties are entering into this Agreement to facilitate and in connection with Executive's retirement upon reaching age 55 as contemplated by this Agreement; and

NOW, THEREFORE, it is agreed by and between United and Executive as follows:

1. Resignation; Continued Employment: Executive hereby resigns from all Executive Positions effective as of April 1, 1995. Executive will continue to be actively employed by United, but will perform services for United by being "on call" and subject to such assignments consistent with Executive's experience as may be reasonably requested by United's President and reasonably acceptable to Executive. Executive and United hereby agree and affirm that circumstances constituting a termination of employment under the UAL Agreement has not arisen or are otherwise applicable and that further this Agreement shall not constitute such circumstances.

2. Time Period of Employment: United agrees to employ Executive and Executive agrees to be employed by United on the basis stated in Paragraph 1 through April 30, 2000, subject to sooner termination for any reason listed in Paragraph 4 herein.

3. Payments and Benefits: A. United will pay Executive during the term of his employment as herein defined as follows:

(i) During the period of April 1, 1995 through June 15, 1995, inclusive, Executive will be deemed to be on vacation and to use all vacation accrued in 1994 for use in 1995 as well as vacation accrued in 1995 before April 1, 1995 for use in 1996, and during such two and one-half month period Executive will receive payments at a rate equal to his monthly rate of pay as of January 1, 1995.

(ii) During the period of June 16, 1995 through April 30, 2000, inclusive, Executive will receive payments totaling \$20,000 per month.

All payments under this Paragraph 3.A will be made on the same schedule as actively employed officers of United, currently, the 15th and last day of each month. Any monthly amounts will be prorated for any partial month. All payments will be subject to

withholding for taxes and other purposes as required by applicable law. Executive will not be entitled to any increase nor subject to any decrease in payments during Executive's employment under this Agreement.

B. (i) By May 15, 1995, United will provide or cause to be provided to Executive data relating to the possible alternatives regarding Executive's participation or termination (including termination with a lump sum payment based on estimated company cash flows up to age 65) in the Officer's Split Dollar Life Insurance. All such alternatives will be on a cost neutral basis as compared with termination with a lump sum payment based on estimated company cash flows up to age 65. By July 1, 1995 Executive will advise United of his decision as to which option he has elected. Until July 1, 1995 or such earlier day as Executive may elect, Executive will continue to participate in the Officer's Split Dollar Life Insurance, at which time his election will become effective.

(ii) Because Executive is receiving amounts at a base rate greater than that which he had received after the commencement of the UAL Stock Ownership Plan ("ESOP"), all parties acknowledge and agree that, in accordance with the terms and conditions of the ESOP, Executive is no longer eligible to participate in the ESOP after June 15, 1995, but he will retain whatever stock or other benefit rights he may have accrued prior to that date, all in accordance with the ESOP's terms and conditions.

C. Except as otherwise stated in this Agreement and notwithstanding what may be provided to other active employees of United, Executive is entitled to only the following benefits during the term of his employment under this Agreement:

1. Free and Reduced Rate Transportation: United shall provide to Executive and his eligibles free and reduced rate transportation of the type granted to actively employed officers in accordance with company regulations as revised from time to time. Executive's parents will be eligible for unlimited space available travel and subject to service charges on the same basis as for non-officer employees.
2. United Air Lines, Inc. Retirement Income Plans: Executive shall continue to participate in (i) the Retirement Income Plan and (ii) The United Air Lines, Inc. Supplemental Retirement Plan in accordance with their terms (hereinafter collectively the "Retirement Plans").
3. Management Medical/Dental: Executive and his eligible dependents shall continue to be covered by the Management Medical/Dental Plan in the same manner as other active employees.
4. Group Life Insurance: Executive shall continue to be covered by Group Life Insurance including Contributory Life Insurance (if so covered), on the same basis as other active employees, provided the appropriate payroll deductions are authorized and in accordance with the terms of the policies.
5. Officer's Accidental Death and Dismemberment: Executive's Officer's Accidental Death and Dismemberment coverage of \$250,000 will continue until the termination of this Agreement as provided in Paragraph 4 herein.
6. Disability Income Benefits: Executive, provided he is qualified under the terms of the Plan, and provided he makes such payments as may be required by the Plan Administrator, will be eligible for any disability income benefits from company disability insurance plans.
7. Stock Option: Executive shall continue to participate in the UAL, Corporation 1981 Incentive Stock Plan (the "Program"). Termination of employment pursuant to Paragraph 4 of the Agreement will be a cessation of employment within the meaning of the Program. Nothing in this Agreement will increase or diminish the right of Executive to exercise any stock option that is then

exercisable according to the terms of the Program and the relevant option, whether before or after termination. Notwithstanding the foregoing, the parties hereby agree that the Stock Option Agreement with Executive dated as of July 13, 1994 is hereby amended such that the options awarded therein will no longer vest equally over a four year period, but, rather, will all vest in full on April 30, 2000 if this Agreement does not terminate prior to that date.

8. Other Benefits: Executive will continue to be eligible to participate in the stock purchase plan, 401(k) plan, Flexible Spending Account, and be eligible for payroll savings bonds on the same basis as other active employees. Executive will also be eligible to utilize the Credit Union subject to its rules.
9. During the calendar year 1995 only, Executive will continue to be eligible to utilize the same financial planning services provided to actively employed officers of United.

D. Executive has no entitlement to any other benefits, including but not limited to ICP awards, stock option or stock awards or Vacation:

1. Incentive Compensation Plan: If an Incentive Compensation Plan (ICP) award is granted for 1995 performance or thereafter, Executive will not be eligible under the Plan for any award.
2. Vacation and Holidays: Executive agrees no paid vacation or holiday time will be accrued or taken after April 1, 1995.
3. Stock Grants: If stock options or restricted stock are awarded on or after April 1, 1995, Executive will not be entitled to any such award.

D. Executive may retain any country club memberships provided to him by United, but on and after April 1, 1995 Executive will be responsible, and United will not be responsible, for all financial and other obligations associated with any and all of those country club memberships. Executive will be entitled to retain the company owned car provided to him by United. In addition, United will pay off all amounts due under the lease pertaining to the vehicle, and United will cause title in the vehicle to be conveyed to Executive. To the extent there is any imputed income as a result of the conveyance of title or the liquidation of the lease or both, Executive will be deemed to have received such imputed income, and United may make withholdings for taxes and other purposes as required by applicable law.

4. Termination of Employment Under Agreement:

A. Non-Election of Executive: Executive's employment and this Agreement, excepting Paragraphs 4 and 6 through 11, shall terminate, and Executive agrees that he will no longer have the status of an active employee of United and will no longer be entitled to any of the benefits of this Agreement (including the entitlement to benefits described in Paragraph 3 herein), on the happening of the earliest of the following events:

- (i) Executive's death.
- (ii) Executive's discharge for cause.

Discharge for "cause" shall mean termination upon (A) willful and continued failure by Executive to substantially perform the duties set forth in Paragraph 1 of this Agreement (other than any such failure resulting from Executive's incapacity due to physical or mental illness) after written demand for substantial performance is delivered to you by the Board of Directors of UAL Corporation, which demand specifically identifies the manner in which that Board believes Executive has not substantially performed such duties, or (B) the willful engaging by Executive in conduct which is demonstrably and materially injurious to United or its subsidiaries or affiliates monetarily or otherwise, or (C) any willful breach by Executive of this Agreement, or (D) any willful action or communication by Executive that adversely

reflects upon United or the service it provides. For purposes of this definition, no act, or failure to act, on Executive's part shall be deemed "willful" unless done, or omitted to be done, by Executive not in good faith and without the reasonable belief that such action or omission was in the best interest of United or its subsidiaries or affiliates. Executive shall not be deemed to have been terminated for "cause" unless and until there shall have been delivered to Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the Board of Directors of UAL Corporation at a meeting of the Board called and held for such purpose (after reasonable notice to Executive and an opportunity for Executive, together with counsel, to be heard before the Board), finding that in the good faith opinion of the Board Executive was guilty of conduct set forth in clause (A), (B), (C), or (D), above, and specifying the particulars thereof in detail.

B. Upon Retirement If this Agreement and Executive's employment under it have not otherwise terminated pursuant to Paragraph 4 as of midnight April 30, 2000, then effective as of that time and day Executive hereby retires from United, and (i) Executive will be entitled to the benefits of a retired United officer, as such may be revised from time to time, and (ii) by May 15, 2000, United will pay Executive \$85,000 (less applicable withholding) in consideration for Executive not taking a Competitive Position (as defined below) with a Competitor (as defined below) on or before April 30, 2000.

C. Election of Executive: If, at any time during Executive's employment with United under this Agreement, he elects to become employed by, a member of the board of directors of, a consultant, or otherwise provide services of any nature (a "Competitive Position) to a Competitor (as defined below), directly or indirectly, prior to midnight April 30, 2000, then this Agreement (excepting this paragraph 4 and paragraphs 6 through 11) will terminate immediately upon Executive's election, and Executive will receive a one time lump sum payment (subject to withholding for taxes and other purposes as required by applicable laws) in an amount equal to the sum of the remaining monthly payments payable under Paragraph 3.A of this Agreement between the date of Executive's election and April 30, 2000, but Executive will no longer be entitled to (i) receive any benefits under paragraphs 3.B and 3.C, (ii) retire from United and receive any resulting retirement benefits, or (iii) receive the payment specified in paragraph 4.B(ii), above. Immediately upon such election, Executive must so notify United in writing by registered mail addressed to the President of United at its World Headquarters offices.

D. For purposes of paragraphs 4.B and 4.C, a "Competitor" means any airline or air carrier or computerized reservations system, or any company affiliated, directly or indirectly, with another airline or air carrier or computerized reservations system.

5. Regulations: Executive, during his employment, will be governed by applicable United regulations.

6. Confidentiality:

A. Executive agrees to keep any proprietary or confidential information concerning United which he has gained through his employment confidential. Executive agrees that money damages could not adequately compensate United in case of a breach or threatened breach of this promise of confidentiality and that, therefore, United would be entitled to injunctive relief upon such breach. Executive understands that it is United's intent to have this promise of confidentiality enforced to its fullest extent. Accordingly, Executive and United agree that, if any portion of this promise of confidentiality is unenforceable, the court should still construe and enforce this promise of confidentiality to the fullest extent permitted by law.

B. Executive agrees to keep the terms of this Agreement, and of his working arrangement, as defined herein, confidential except that the source and amount of his income may be revealed as necessary for tax, loan purposes and the like.

7. Assent and Release: Executive agrees that he has entered into this Agreement on a purely voluntary basis, and in consideration of the benefits provided to Executive herein, Executive further agrees to release United, its parent, and affiliated companies and their directors, officers, agents and employees (with respect to all of the foregoing both in their individual and representative capacities), from and against any and all claims, lawsuits, damages and/or liabilities whatsoever (including, but not limited to, claims or charges of employment discrimination) arising out of or in connection with his hire, employment relationship, resignation of his position, or separation of his employment relationship with United. It is agreed that this paragraph shall survive termination of the Agreement.

Executive expressly acknowledges and agrees that, by entering into this Agreement, Executive is waiving any and all rights or claims that he may have arising under the Age Discrimination in Employment Act of 1967, as amended, which have arisen on or before the date of execution of this Agreement. Executive further expressly acknowledges and agrees that:

A. In return for this Agreement, Executive will receive compensation beyond that which he was already entitled to receive before entering into this Agreement;

B. Executive has been advised by United to consult with an attorney before signing this Agreement;

C. Executive was given a copy of this Agreement on March 23, 1995, and informed that Executive had twenty-one (21) days within which to consider the Agreement; and

D. Executive was informed that Executive had seven (7) days following the date of execution of the Agreement in which to revoke the Agreement. After seven (7) days this Agreement will become effective, enforceable and irrevocable unless written revocation is received by the undersigned from Executive on or before the close of business on the seventh (7th) day after Executive executed this Agreement. If Executive revokes this Agreement it shall not be effective or enforceable and Executive will not receive the compensation or benefits described in this Agreement.

8. Non-Assignability; Assignment in the Event of Acquisition or Merger: This Agreement and the benefits hereunder are not assignable or transferable by Executive; the rights and obligations of United under this Agreement will automatically be deemed to be assigned by United to any corporation or entity into which United may be merged or consolidate.

9. Applicable Law: This Agreement shall be construed in accordance with the laws of the State of Illinois, and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and governed by the laws of the State of Illinois, without regard to principles of conflict of laws.

10. Severability: If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provisions or application in accordance with the essential intent and purposes of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

11. Supersedes Prior Agreement(s): This Agreement supersedes and voids any prior oral or written agreement relating in any way to Executive's employment with United or UAL which may have been entered into between the parties hereto, including, without limitation, the UAL Agreement. Any change to this Agreement after its effective date must be in writing and must be executed by United, UAL, and Executive.

United, UAL, and Executive, having read and understood this Agreement and, having consulted with others as appropriate, hereby agree to be bound by its terms.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of March 24, 1995 at the World Headquarters of

United Air Lines, Inc., 1200 East Algonquin Road, Elk Grove Twp.,
Illinois 60007.

UAL Corporation and
United Air Lines, Inc.

By: /s/ John A. Edwardson
John A. Edwardson
President

/s/ James M. Guyette
James M. Guyette

The effectiveness of this Agreement is subject to approval by the
UAL Board of Directors. /s/ JAE /s/ JMG

UAL Corporation and Subsidiary Companies
 Calculation of Fully Diluted Net Earnings Per Share
 (In Millions, Except Per Share)

	Three Months Ended March 31	
	1995(1)	1994(1)
Earnings or loss:		
Earnings (loss) before cumulative effect of accounting change	\$ 3	\$ (71)
Preferred stock dividends	(10)	-
Loss before cumulative effect of accounting change for fully diluted calculation	(7)	(71)
Cumulative effect of accounting change	-	(26)
 Net earnings (loss) for fully-diluted calculation	 \$ (7)	 \$ (97)
Shares:		
Average number of shares of common stock outstanding during the period	12.3	24.5
Additional shares assumed issued at the beginning of the period (or at the date of issuance) for conversion of preferred stock	3.7	3.8
Additional shares assumed issued at the beginning of the period for conversion of Air Wis convertible debentures	0.1	0.1
Additional shares assumed issued at the beginning of the period (or at the date of issuance) for exercises of dilutive stock options and stock award plans (after deducting shares assumed purchased under the treasury stock method)	0.4	0.3
Average number of shares for fully diluted calculation	16.5	28.7
Fully diluted per share amounts:		
Loss before cumulative effect of accounting change	\$ (0.40)	\$ (2.48)
Cumulative effect of accounting change	-	(0.90)
 Net loss	 \$ (0.40)	 \$ (3.38)

(1) This calculation is submitted in accordance with Regulation S-K item 601(b)(11), although it is contrary to paragraph 40 of APB Opinion No. 15 because it produces an antidilutive result.

UAL Corporation and Subsidiary Companies

Computation of Ratio of Earnings to Fixed Charges

	Three Months Ended	
	March 31	
	1995	1994
	(In Millions)	
Earnings:		
Earnings (loss) before income taxes	\$ 6	\$ (108)
Fixed charges, from below	282	256
Undistributed earnings of affiliates	(14)	-
Interest capitalized	(12)	(10)
Earnings	\$ 262	\$ 138
Fixed charges:		
Interest expense	\$ 102	\$ 83
Portion of rental expense representative of the interest factor	180	173
Fixed charges	\$ 282	\$ 256
Ratio of earnings to fixed charges	(a)	(a)

(a) Earnings were inadequate to cover fixed charges by \$20 million in the first quarter of 1995 and \$118 million in the first quarter of 1994.

UAL Corporation and Subsidiary Companies
 Computation of Ratio of Earnings to Fixed Charges
 and Preferred Stock Dividend Requirements

	Three Months Ended March 31	
	1995	1994
	(In Millions)	
Earnings:		
Earnings (loss) before income taxes	\$ 6	\$ (108)
Fixed charges, from below	310	270
Undistributed earnings of affiliates	(14)	-
Interest capitalized	(12)	(10)
Earnings	\$ 290	\$ 152
Fixed charges:		
Interest expense	\$ 102	\$ 83
Preferred stock dividend requirements	28	14
Portion of rental expense representative of the interest factor	180	173
Fixed charges and preferred stock dividend requirements	\$ 310	\$ 270
Ratio of earnings to fixed charges and preferred stock dividend requirements	(a)	(a)

(a) Earnings were inadequate to cover fixed charges and preferred stock dividend requirements by \$20 million in the first quarter of 1995 and \$118 million in the first quarter of 1994.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM UAL CORPORATION'S STATEMENT OF CONSOLIDATED OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 1995 AND CONDENSED STATEMENT OF CONSOLIDATED FINANCIAL POSITION AS OF MARCH 31, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

	DEC-31-1995	
	JAN-01-1995	
	MAR-31-1995	
	3-MOS	529
	1,176	
	988	
	0	
	294	
	3,407	
		11,985
	5,357	
	11,821	
4,910		
		3,592
0		
		0
		0
		(229)
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		0
	3,296	
	0	
	0	
102		
	6	
		3
3		
	0	
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		3
	(1.05)	
	0	