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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

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PLAINS ALL AMERICAN PIPELINE, L.P  
PAA FINANCE CORP.  
(and certain subsidiaries identified in footnote (\*) below)  
(Exact name of registrant as specified in its charter)

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

76-0669671  
76-0582150  
(I.R.S. Employer  
Identification No.)

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333 Clay Street, Suite 2900  
Houston, Texas 77002  
(713) 646-4100  
(Address, including zip code, and telephone number, including area code, of  
registrant's principal executive offices)

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Tim Moore  
Vice President  
Plains All American GP LLC  
333 Clay Street, Suite 2900  
Houston, Texas 77002  
(713) 646-4100  
(Name, address, including zip code, and telephone number, including area code,  
of agent for service)

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Copy to:  
Vinson & Elkins L.L.P.  
1001 Fannin, Suite 2300  
Houston, Texas 77002  
(713) 758-2222  
Attn: David P. Oelman

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Primary Offering.....				
Common units representing limited partner interests.....				
Debt Securities(1)(2)..				
Guarantees of Debt Securities(2).....				
			\$ 700,000,000(3)(4)(5)	\$ 175,000(6)
Secondary Offering				
Common units(7).....	17,490,247 units	(8)	\$ 504,418,724(9)	\$ 126,105
Total.....			\$1,204,418,724	\$ 301,105(10)

- (1) If any debt securities are issued at an original issue discount, then the offering price of such debt securities shall be in such amount as shall result in an aggregate initial offering price not to exceed \$700,000,000 less the dollar amount of any registered securities previously issued.
- (2) If a series of debt securities is guaranteed, such series will be guaranteed by all subsidiaries other than "minor" subsidiaries as such term is interpreted in securities regulations governing financial reporting for guarantors. Pursuant to Rule 457(n), no separate fee is payable with respect to the guarantees of the debt securities being registered.
- (3) We have estimated the proposed maximum aggregate offering price solely to calculate the registration fee under Rule 457(o).
- (4) The proposed maximum aggregate offering price for each class of securities to be registered is not specified pursuant to General Instruction II.D. of Form S-3.
- (5) The proposed maximum offering price per unit will be determined from time to time by the registrants in connection with, and at the time of, the issuance by the registrants of the securities registered hereunder.
- (6) Calculated pursuant to Rule 457(o). Of this amount, \$5,416 was previously paid in respect of \$21,667,465 of unsold securities registered on Form S-3 (Registration No. 333-59224) filed by Plains All American Pipeline, L.P. on April 19, 2001. Accordingly, pursuant to Rule 457(p), the fee being paid herewith in connection with the primary offering is \$169,584.
- (7) Includes the resale of 10,864,239 common units issuable upon the conversion of subordinated units and Class B common units into common units.
- (8) The proposed maximum offering price per common unit will be determined from time to time by the registrants in connection with, and at the time of, the issuance by the registrants of the securities registered hereunder.
- (9) Estimated solely for the purpose of determining the registration fee on the basis of the average high and low prices of the common units on the New York Stock Exchange on August 13, 2001.
- (10) Of this amount, \$5,416 was previously paid as described in footnote (6) above. Accordingly, pursuant to Rule 457(p), the total filing fee paid herewith is \$295,689.

\* The following are co-registrants that may guarantee the debt securities: Plains Marketing, L.P., a Delaware limited partnership (76-0684572); All American Pipeline, L.P., a Texas limited partnership (76-0587185); Plains Marketing GP Inc., a Delaware corporation (76-0684572); Plains Marketing Canada LLC, a Delaware limited liability company (76-0653735); Plains Marketing Canada, L.P., a Canadian limited partnership (GST #892946211); PMC (Nova Scotia) Company, a Nova Scotia unlimited liability company (GST #894798610).

The registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registrants file a further amendment specifically stating that this registration statement is effective in accordance with Section 8(a) of the Securities Act of 1933. Otherwise, this registration statement will become effective on the date the Commission, acting pursuant to said Section 8(a), determines.

+++++  
+The information in this prospectus is not complete and may be changed. We may +  
+not sell these securities until the registration statement filed with the +  
+Securities and Exchange Commission is effective. This prospectus is not an +  
+offer to sell these securities, and it is not soliciting an offer to buy +  
+these securities in any state where the offer or sale is not permitted. +  
+++++  
SUBJECT TO COMPLETION, DATED AUGUST 27, 2001

PROSPECTUS

\$700,000,000

Plains All American Pipeline, L.P.  
PAA Finance Corp.

-----  
Common Units  
Debt Securities  
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We may from time to time offer the following securities under this prospectus:

- .common units representing limited partner interests in Plains All American Pipeline, L.P.; and
- .debt securities of Plains All American Pipeline, L.P.

PAA Finance Corp. may act as co-issuer of the debt securities, and all other subsidiaries of Plains All American Pipeline, L.P., other than "minor" subsidiaries as such item is interpreted in securities regulations governing financial reporting for guarantors, may guarantee the debt securities.

Our common units are traded on the New York Stock Exchange under the symbol "PAA."

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Each time we sell securities we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read this prospectus and any prospectus supplement carefully before you invest. You should also read the documents we have referred you to in the "Where You Can Find More Information" section of this prospectus for information on us and for our financial statements.

The selling unitholders may offer and sell from time to time up to 17,490,247 of our common units in connection with this prospectus. Unless otherwise provided in a prospectus supplement, we will not receive any proceeds from the sale of common units by the selling unitholders.

Limited partnerships are inherently different from corporations. You should consider each of the factors described under "Risk Factors," which begin on page 2, in deciding whether or not to buy any of our securities.

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

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The date of this prospectus is \_\_\_\_\_, 2001.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission using a "shelf" registration process. Under this shelf process, we may offer from time to time up to \$700,000,000 of our securities and the selling securityholders may sell up to 17,490,247 common units. Each time we or the selling securityholders offer securities, we will provide you with a prospectus supplement that will describe, among other things, the specific amounts and prices of the securities being offered and the terms of the offering, including, in the case of debt securities, the specific terms of the securities. The prospectus supplement may also add, update or change information contained in this prospectus. Therefore, before you invest in our securities, you should read this prospectus and any attached prospectus supplements.

In this registration statement, the terms "we," "our," "ours," and "us" refer to Plains All American Pipeline, L.P. and its subsidiaries, unless otherwise indicated or the context requires otherwise.

#### WHERE YOU CAN FIND MORE INFORMATION

Plains All American Pipeline files annual, quarterly and special reports and other information with the Securities and Exchange Commission under the Securities Exchange Act of 1934. You can inspect and/or copy these reports and other information at offices maintained by the SEC, including:

- . the principal offices of the SEC located at Judiciary Plaza, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549;
- . the Regional Offices of the SEC located at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511;
- . the Regional Offices of the SEC located at 7 World Trade Center, New York, New York 10048; and
- . the SEC's website at <http://www.sec.gov>.

In addition, please call the SEC at 1-800-732-0330 for further information on their public reference room.

Further, our common units are listed on the New York Stock Exchange, and you can inspect similar information at the offices of the New York Stock Exchange, located at 20 Broad Street, New York, New York 10005.

The SEC allows us to incorporate by reference information we file with it into this prospectus. This procedure means that we can disclose important information to you by referring you to documents on file or to be filed with the SEC. The information we incorporate by reference is part of this prospectus and later information that we file with the SEC will automatically update and supersede this information. Therefore, before you decide to invest in a particular offering under this shelf registration, you should always check for SEC reports we may have filed after the date of this prospectus. We incorporate by reference the documents listed below and any future filings made by Plains All American Pipeline with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until all offerings under this shelf registration are completed:

- . Annual Report on Form 10-K for the year ended December 31, 2000 (except for the financial statements which are included in the Current Report on Form 8-K dated August 24, 2001 and listed below);
- . Quarterly Report on Form 10-Q for the quarters ended March 31, 2001 and June 30, 2001;
- . Current Reports on Form 8-K filed with the SEC on April 19, 2001, May 10, 2001, May 25, 2001, June 11, 2001, June 25, 2001, June 27, 2001, July 2, 2001, July 10, 2001 and August 27, 2001; and
- . the description of our common units contained in our Form 8-A/A dated November 3, 1998.

You may request a copy of these filings at no cost by making written or telephone requests for copies to:

Plains All American Pipeline, L.P.  
333 Clay Street, Suite 2900  
Houston, Texas 77002  
Attention: Tim Moore  
Telephone: (713) 646-4100

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. We have not authorized anyone else to provide you with any information. You should not assume that the information incorporated by reference or provided in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of each document.

## FORWARD-LOOKING STATEMENTS

Some of the information included in this prospectus, the accompanying prospectus supplement and the documents we incorporate by reference contain forward-looking statements. These statements use forward-looking words such as "may," "will," "anticipate," "believe," "expect," "project" or other similar words. These statements discuss goals, intentions and expectations as to future trends, plans, events, results of operations or financial condition or state other "forward-looking" information. These statements reflect Plains All American Pipeline's current views with respect to future events and are subject to various risks, uncertainties and assumptions including, but not limited, to the following:

- . availability of acquisition opportunities on terms that are favorable to us;
- . successful integration and future performance of recently acquired assets;
- . the success of our risk management activities;
- . our levels of indebtedness and our ability to receive credit on satisfactory terms;
- . the availability of adequate supplies of and demand for crude oil in the areas in which we operate;
- . successful third party drilling efforts and completion of announced oil-sands projects;
- . the impact of crude oil price fluctuations;
- . the effects of competition;
- . unanticipated shortages or cost increases of materials or labor;
- . weather interferences with business operations or project construction;
- . governmental regulatory policies that may adversely affect our business operations; and
- . environmental liabilities not covered by indemnity or insurance.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe we have chosen these assumptions or bases in good faith and that they are reasonable. However, we caution you that assumed facts or bases almost always vary from actual results, and the differences between assumed facts or bases and actual results can be material, depending on the circumstances. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this prospectus, any prospectus supplement and the documents we have incorporated by reference. We will not update these statements unless the securities laws require us to do so.

## WHO WE ARE

We are engaged in interstate and intrastate marketing, transportation and terminalling of crude oil. Our operations are concentrated in Texas, Oklahoma, California, Louisiana, Illinois, the Gulf of Mexico, and in the Canadian provinces of Alberta and Saskatchewan.

Our business strategy is to capitalize on regional crude oil supply and demand imbalances that exist in the United States and Canada by combining the strategic location and unique capabilities of our transportation and terminalling assets with our extensive marketing and distribution expertise to generate sustainable earnings and cash flow.

We intend to execute our business strategy by:

- . increasing and optimizing throughput on our various pipeline and gathering assets and realizing cost efficiencies through operational improvements and potential strategic alliances;
- . utilizing and expanding our Cushing Terminal and our other assets to service the needs of refiners and to profit from merchant activities that take advantage of crude oil pricing and quality differentials;
- . pursuing strategic and accretive acquisitions of crude oil transportation assets, including pipelines, gathering systems, terminalling and storage facilities and other assets that complement our existing asset base and distribution capabilities; and
- . optimizing and expanding our Canadian operations in order to take advantage of anticipated increases in the volume and improvements in the quality of crude oil produced in, and exported from, Canada.

We regularly evaluate potential acquisitions of assets and businesses that would complement our existing business. Because our general partner receives incentive distributions when our operations generate distributions that exceed the minimum quarterly distribution of \$0.45 per common unit, our management has a strong incentive to maximize distributions through the successful growth of our business.

Plains All American Pipeline, L.P. is a Delaware limited partnership. PAA Finance was incorporated under the laws of the State of Delaware in February 2001, is indirectly wholly owned by Plains All American Pipeline, and has no material assets or any liabilities other than as a co-issuer of debt securities. Its activities will be limited to co-issuing debt securities and engaging in other activities incidental thereto. Plains AAP, L.P., a Delaware limited partnership, serves as our general partner. Plains All American GP LLC is the general partner of Plains AAP, L.P. Our U.S. operations are conducted through, and our operating assets are owned by, Plains Marketing, L.P., a Delaware limited partnership, and All American Pipeline, L.P., a Texas limited partnership. Our Canadian operations are conducted through, and our Canadian operating assets are owned by, Plains Marketing Canada, L.P., a Canadian limited partnership.

Our principal executive offices are located at 333 Clay Street, Suite 2900, Houston, Texas 77002, and our phone number is (713) 646-4100.

## RISK FACTORS

You should carefully consider the following risk factors together with all of the other information included or incorporated by reference in this prospectus in evaluating an investment in Plains All American Pipeline. If any of the following risks were actually to occur, our business, financial condition or results of operations could be materially adversely affected. When we offer and sell any securities pursuant to a prospectus supplement, we may include additional risk factors relevant to such securities in the prospectus supplement.

### Risks Inherent in Our Business

Potential future acquisitions and expansions, if any, may affect our business by substantially increasing the level of our indebtedness and contingent liabilities and increasing our risks of being unable to effectively integrate these new operations.

From time to time, we evaluate and acquire assets and businesses that we believe complement our existing assets and businesses. Acquisitions may require substantial capital or the incurrence of substantial indebtedness. If we consummate any future acquisitions, our capitalization and results of operations may change significantly and you will not have the opportunity to evaluate the economic, financial and other relevant information that we will consider in determining the application of these funds and other resources.

Cash distributions are not guaranteed and may fluctuate with our performance and the establishment of financial reserves.

Because distributions on the common units are dependent on the amount of cash we generate, distributions may fluctuate based on our performance. We cannot guarantee that we will be able to pay the minimum quarterly distributions of \$0.45 per common unit in each quarter. The actual amount of cash that is available to be distributed each quarter will depend upon numerous factors, some of which are beyond our control and the control of our general partner. Cash distributions are dependent primarily on cash flow, including cash flow from financial reserves and working capital borrowings, and not solely on profitability, which is affected by non-cash items. Therefore, cash distributions might be made during periods when we record losses and might not be made during periods when we record profits.

Our profitability is dependent upon an adequate supply of crude oil from fields located offshore and onshore California. Production from these offshore fields has experienced substantial production declines since 1995.

A significant portion of our gross margin is derived from the Santa Ynez and Point Arguello fields located offshore California. For the six months ended June 30, 2001, gross revenues less fuel and power expenses attributable to the Santa Ynez field were \$13.7 million, or 19.8%, of our gross margin, and gross revenues less fuel and power expenses attributable to the Point Arguello field were approximately \$4.6 million, or 6.7% of our gross margin. Although we have entered into contracts with the producers of most of the production from these fields under which they have agreed to ship all of their production from these fields on the All American Pipeline through August 2007, they are not obligated to produce or ship any minimum volumes. Volumes received from the Santa Ynez and Point Arguello fields have declined from 86,000 and 61,000 average daily barrels, respectively, for the second quarter of 1995 to 52,000 and 16,000 average daily barrels, respectively, for the second quarter of 2001. We expect that there will continue to be natural production declines from each of these fields. In addition, any production disruption from these fields due to production problems, transportation problems or other reasons could have a material adverse effect on our business.

In 1999, we suffered a large loss from unauthorized crude oil trading by a former employee. A loss of this kind could occur again in the future in spite of our efforts to prevent it.

Generally, it is our policy that as we purchase crude oil, we establish a margin by selling crude oil for physical delivery to third-party users, such as independent refiners or major oil companies, or by entering into a



future delivery obligation under futures contracts on the NYMEX. Through these transactions, we seek to maintain a position that is substantially balanced between purchases, on the one hand, and sales or future delivery obligations, on the other hand. Our policy is not to acquire and hold crude oil, futures contracts or derivative products for the purpose of speculating on price changes. We discovered in November 1999 that this policy was violated by one of our former employees, which resulted in losses of approximately \$174.0 million, including estimated associated costs and legal expenses. In 2000, we recognized an additional \$7.0 million charge for litigation related to the unauthorized trading losses. We have taken steps within our organization to enhance our processes and procedures to prevent future unauthorized trading. We cannot assure you, however, that these steps will detect and prevent all violations of our trading policies and procedures, particularly if deception or other intentional misconduct is involved.

We have substantial leverage that may limit our ability to borrow additional funds, make distributions to unitholders, comply with the terms of our indebtedness or capitalize on business opportunities.

Our leverage is significant in relation to our partners' capital. As of August 8, 2001, our total outstanding long-term debt was approximately \$439.8 million. Our credit facilities include:

- . a bank credit facility consisting of:
  - a \$500 million revolving credit facility maturing April 30, 2005;
  - a \$100 million five-year term loan maturing May 5, 2006; and
  - a U.S. dollar equivalent \$30 million revolving credit facility maturing April 30, 2005; and
- . a \$200 million senior secured letter of credit and inventory facility maturing April 30, 2004.

Our debt may:

- . adversely affect our ability to finance future operations and capital needs;
- . limit our ability to pursue acquisitions and other business opportunities; and
- . make our results of operations more susceptible to adverse economic or operating conditions.

Our payment of principal and interest on the debt will reduce the cash available for distribution on the units. We will be prohibited from making cash distributions during an event of default under any of our indebtedness. Various limitations in our indebtedness may reduce our ability to incur additional debt, to engage in some transactions and to capitalize on business opportunities. Any subsequent refinancing of our current indebtedness or any new indebtedness could have similar or greater restrictions.

The success of our business strategy to increase and optimize throughput on our pipeline and gathering assets is dependent upon our securing additional supplies of crude oil.

Our operating results are dependent upon securing additional supplies of crude oil from increased production by oil companies and aggressive lease gathering efforts. The ability of producers to increase production is dependent on the prevailing market price of oil, the exploration and production budgets of the major and independent oil companies, the depletion rate of existing reservoirs, the success of new wells drilled, environmental concerns, regulatory initiatives and other matters beyond our control. There can be no assurance that production of crude oil will rise to sufficient levels to cause an increase in the throughput on our pipeline and gathering assets.

Our operations are dependent upon demand for crude oil by refiners in the Midwest and on the Gulf Coast. Any decrease in this demand could adversely affect our business.

Demand also depends on the ability and willingness of shippers having access to our transportation assets to satisfy their demand by deliveries through those assets, and any decrease in this demand could adversely

affect our business. Demand for crude oil is dependent upon the impact of future economic conditions, fuel conservation measures, alternative fuel requirements, governmental regulation or technological advances in fuel economy and energy generation devices, all of which could reduce demand.

We face intense competition in our terminalling and storage activities and gathering and marketing activities.

Our competitors include other crude oil pipelines, the major integrated oil companies, their marketing affiliates and independent gatherers, brokers and marketers of widely varying sizes, financial resources and experience. Some of these competitors have capital resources many times greater than ours and control substantially greater supplies of crude oil.

The profitability of our gathering and marketing activities depends primarily on the volumes of crude oil we purchase and gather.

To maintain the volumes of crude oil we purchase, we must continue to contract for new supplies of crude oil to offset volumes lost because of natural declines in crude oil production from depleting wells or volumes lost to competitors. Replacement of lost volumes of crude oil is particularly difficult in an environment where production is low and competition to gather available production is intense. Generally, because producers experience inconveniences in switching crude oil purchasers, such as delays in receipt of proceeds while awaiting the preparation of new division orders, producers typically do not change purchasers on the basis of minor variations in price. Thus, we may experience difficulty acquiring crude oil at the wellhead in areas where there are existing relationships between producers and other gatherers and purchasers of crude oil.

We are exposed to the credit risk of our customers in the ordinary course of our gathering and marketing activities.

In those cases where we provide division order services for crude oil purchased at the wellhead, we may be responsible for distribution of proceeds to all parties. In other cases, we pay all of or a portion of the production proceeds to an operator who distributes these proceeds to the various interest owners. These arrangements expose us to operator credit risk. Therefore, we must determine that operators have sufficient financial resources to make such payments and distributions and to indemnify and defend us in case of a protest, action or complaint. Even if our credit review and analysis mechanisms work properly, there can be no assurance that we will not experience losses in dealings with other parties.

Our operations are subject to federal, state and provincial environmental and safety laws and regulations relating to environmental protection and operational safety.

Our pipeline, gathering, storage and terminalling facilities operations are subject to the risk of incurring substantial environmental and safety related costs and liabilities. These costs and liabilities could arise under increasingly strict environmental and safety laws in the U.S. and Canada, including regulations and enforcement policies, or claims for damages to property or persons resulting from our operations. If we were not able to recover such resulting costs through insurance or increased tariffs and revenues, cash distributions to unitholders could be adversely affected.

The transportation and storage of crude oil results in a risk that crude oil and other hydrocarbons may be suddenly or gradually released into the environment, potentially causing substantial expenditures for a response action, significant government penalties, liability for natural resources damages to government agencies, personal injury or property damage to private parties and significant business interruption.

Our Canadian pipeline assets are subject to federal and provincial regulation.

The Partnership's Canadian pipeline assets are subject to regulation by the National Energy Board and by provincial agencies in Saskatchewan and Alberta. With respect to a pipeline over which it has jurisdiction, each of these agencies has the power to determine the rates we are allowed to charge for transportation on such pipeline. The extent to which regulatory agencies can override existing transportation contracts has not been fully decided.

Our pipeline systems are dependent upon their interconnections with other crude oil pipelines to reach end markets.

Reduced throughput on these interconnecting pipelines as a result of testing, line repair, reduced operating pressures or other causes could result in reduced throughput on our pipeline systems that would adversely affect our profitability.

Changes in currency exchange rates and foreign currency restrictions and shortages could adversely affect our operating results.

Because we conduct operations outside the U.S., we are exposed to currency fluctuations and exchange rate risks that may adversely affect our results of operations. In addition, legal restrictions or shortages in currencies outside the U.S. may prevent us from converting sufficient local currency to enable us to comply with our currency payment obligations not denominated in local currency or to meet our operating needs and debt service requirements.

#### Risks Inherent in an Investment in Plains All American Pipeline

Cost reimbursements due to our general partner may be substantial and will reduce our cash available for distribution to you.

Prior to making any distribution on the common units, we will reimburse our general partner and its affiliates, including officers and directors of the general partner, for all expenses incurred on our behalf. The reimbursement of expenses and the payment of fees could adversely affect our ability to make distributions. The general partner has sole discretion to determine the amount of these expenses. In addition, our general partner and its affiliates may provide us services for which we will be charged reasonable fees as determined by the general partner.

You may not be able to remove our general partner even if you wish to do so.

Our general partner manages and operates Plains All American Pipeline. Unlike the holders of common stock in a corporation, you will have only limited voting rights on matters affecting our business. You will have no right to elect the general partner or the directors of the general partner on an annual or other continuing basis. Because the owners of our general partner own more than one-third of our outstanding units, these owners have the practical ability to prevent the removal of our general partner.

In addition, the following provisions of the partnership agreement may discourage a person or group from attempting to remove our general partner or otherwise change our management:

- . if the holders, including the general partner and its affiliates, of at least 66 $\frac{2}{3}$ % of the units vote to remove the general partner without cause, all remaining subordinated units will automatically convert into common units and will share distributions with the existing common units pro rata, existing arrearages on the common units will be extinguished and the common units will no longer be entitled to arrearages if we fail to pay the minimum quarterly distribution in any quarter. Cause is narrowly defined to mean that a court of competent jurisdiction has entered a final, non-appealable judgment finding the general partner liable for actual fraud, gross negligence or willful or wanton misconduct in its capacity as our general partner.
- . any units held by a person that owns 20% or more of any class of units then outstanding, other than our general partner and its affiliates, cannot be voted on any matter; and
- . the partnership agreement contains provisions limiting the ability of unitholders to call meetings or to acquire information about our operations, as well as other provisions limiting the unitholders' ability to influence the manner or direction of management.

These provisions may discourage a person or group from attempting to remove our general partner or otherwise change our management. As a result of these provisions, the price at which the common units will trade may be lower because of the absence or reduction of a takeover premium in the trading price.

We may issue additional common units without your approval, which would dilute your existing ownership interests.

During the subordination period, our general partner may cause us to issue up to approximately ten million additional common units for any purpose without your approval. In addition, our general partner may cause us to issue an unlimited number of common units, without your approval, in the following circumstances:

- . the issuance of common units in connection with acquisitions that increase cash flow from operations per unit on a pro forma basis;
- . the conversion of subordinated units into common units;
- . the conversion of the general partner interest and the incentive distribution rights into common units as a result of the withdrawal of our general partner; or
- . issuances of common units under our long-term incentive plan.

The issuance of additional common units or other equity securities of equal or senior rank will have the following effects:

- . your proportionate ownership interest in Plains All American Pipeline will decrease;
- . the amount of cash available for distribution on each unit may decrease;
- . since a lower percentage of total outstanding units will be subordinated units, the risk that a shortfall in the payment of the minimum quarterly distribution will be borne by the common unitholders will increase;
- . the relative voting strength of each previously outstanding unit may be diminished; and
- . the market price of the common units may decline.

After the end of the subordination period, we may issue an unlimited number of limited partner interests of any type without the approval of the unitholders. In addition, we may issue at any time an unlimited number of equity securities ranking junior to the common units without the approval of the unitholders.

Our general partner has a limited call right that may require you to sell your units at an undesirable time or price.

If at any time our general partner and its affiliates own 80% or more of the common units, the general partner will have the right, but not the obligation, which it may assign to any of its affiliates, to acquire all, but not less than all, of the remaining common units held by unaffiliated persons at a price generally equal to the then current market price of the common units. As a result, you may be required to sell your common units at a time when you may not desire to sell them or at a price that is less than the price you would like to receive. You may also incur a tax liability upon a sale of your common units.

You may not have limited liability if a court finds that unitholder actions constitute control of our business.

Under Delaware law, you could be held liable for our obligations to the same extent as a general partner if a court determined that the right of unitholders to remove our general partner or to take other action under our partnership agreement constituted participation in the "control" of our business.

Our general partner generally has unlimited liability for our obligations, such as our debts and environmental liabilities, except for those contractual obligations that are expressly made without recourse to our general partner.

In addition, Section 17-607 of the Delaware Revised Uniform Limited Partnership Act provides that under some circumstances, a unitholder may be liable to us for the amount of a distribution for a period of three years from the date of the distribution.

Conflicts of interest could arise among our general partner and the partnership or the unitholders.

These conflicts may include the following:

- . we do not have any employees and we rely solely on employees of the general partner and its affiliates;
- . under the partnership agreement, we reimburse the general partner for the costs of managing and operating the partnership;
- . the amount of cash expenditures, borrowings and reserves in any quarter may affect available cash to pay quarterly distributions to unitholders;
- . the general partner tries to avoid being liable for partnership obligations. The general partner is permitted to protect its assets in this manner by the partnership agreement. Under the partnership agreement the general partner would not breach its fiduciary duty by avoiding liability for partnership obligations even if the partnership can obtain more favorable terms without limiting the general partner's liability;
- . under the partnership agreement, the general partner may pay its affiliates for any services rendered on terms fair and reasonable to the partnership. The general partner may also enter into additional contracts with any of its affiliates on behalf of the partnership. Agreements or contracts between the partnership and the general partner (and its affiliates) are not the result of arms length negotiations; and
- . the general partner would not breach the partnership agreement by exercising its call rights to purchase limited partnership interests or by assigning its call rights to one of its affiliates or to the partnership.

#### Risks Related to the Debt Securities

We have a holding company structure in which our subsidiaries conduct our operations and own our operating assets.

We have a holding company structure, and our subsidiaries conduct all of our operations and own all of our operating assets. We have no significant assets other than the ownership interests in our subsidiaries. As a result, our ability to make required payments on the debt securities depends on the performance of our subsidiaries and their ability to distribute funds to us. The ability of our subsidiaries to make distributions to us may be restricted by, among other things, credit facilities and applicable state partnership laws and other laws and regulations. Pursuant to the credit facilities, we may be required to establish cash reserves for the future payment of principal and interest on the amounts outstanding under the credit facilities. If we are unable to obtain the funds necessary to pay the principal amount at maturity of the debt securities, or to repurchase the debt securities upon the occurrence of a change of control, we may be required to adopt one or more alternatives, such as a refinancing of the debt securities. We cannot assure you that we would be able to refinance the debt securities.

We do not have the same flexibility as other types of organizations to accumulate cash, which may limit cash available to service the debt securities or to repay them at maturity.

Unlike a corporation, our partnership agreement requires us to distribute, on a quarterly basis, 100% of our available cash to our unitholders of record and our general partner. Available cash is generally all of our cash receipts adjusted for cash distributions and net changes to reserves. Our general partner will determine the amount and timing of such distributions and has broad discretion to establish and make additions to our reserves or the reserves of our operating partnerships in amounts the general partner determines in its reasonable discretion to be necessary or appropriate:

- . to provide for the proper conduct of our business and the businesses of our operating partnerships (including reserves for future capital expenditures and for our anticipated future credit needs),
- . to provide funds for distributions to our unitholders and the general partner for any one or more of the next four calendar quarters, or

. to comply with applicable law or any of our loan or other agreements.

Although our payment obligations to our unitholders are subordinate to our payment obligations to debtholders, the value of our units will decrease in direct correlation with decreases in the amount we distribute per unit. Accordingly, if we experience a liquidity problem in the future, we may not be able to issue equity to recapitalize.

#### Tax Risks to Common Unitholders

You should read "Tax Considerations" for a more complete discussion of the following expected material federal income tax consequences of owning and disposing of common units.

The IRS could treat us as a corporation for tax purposes, which would substantially reduce the cash available for distribution to you.

The anticipated after-tax benefit of an investment in the common units depends largely on our being treated as a partnership for federal income tax purposes. We have not requested, and do not plan to request, a ruling from the IRS on this or any other matter affecting us.

If we were classified as a corporation for federal income tax purposes, we would pay federal income tax on our income at the corporate tax rate, which is currently a maximum of 35%. Distributions to you would generally be taxed again to you as corporate distributions, and no income, gains, losses, deductions or credits would flow through to you. Because a tax would be imposed upon us as a corporation, the cash available for distribution to you would be substantially reduced. Treatment of us as a corporation would result in a material reduction in the after-tax return to the unitholders, likely causing a substantial reduction in the value of the common units.

Current law may change so as to cause us to be taxed as a corporation for federal income tax purposes or otherwise subject us to entity-level taxation. The partnership agreement provides that, if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to entity-level taxation for federal, state or local income tax purposes, then the minimum quarterly distribution and the target distribution levels will be decreased to reflect that impact on us.

A successful IRS contest of the federal income tax positions we take may adversely impact the market for common units.

We have not requested a ruling from the IRS with respect to any matter affecting us. The IRS may adopt positions that differ from the conclusions of our counsel expressed in this registration statement or from the positions we take. It may be necessary to resort to administrative or court proceedings to sustain our counsel's conclusions or the positions we take. A court may not concur with our counsel's conclusions or the positions we take. Any contest with the IRS may materially and adversely impact the market for common units and the price at which they trade. In addition, the costs of any contest with the IRS, principally legal, accounting and related fees, will be borne by us and directly or indirectly by the unitholders and the general partner.

You may be required to pay taxes even if you do not receive any cash distributions.

You will be required to pay federal income taxes and, in some cases, state and local income taxes on your share of our taxable income even if you do not receive any cash distributions from us. You may not receive cash distributions from us equal to your share of our taxable income or even equal to the actual tax liability that results from your share of our taxable income.

Tax gain or loss on disposition of common units could be different than expected.

If you sell your common units, you will recognize gain or loss equal to the difference between the amount realized and your tax basis in those common units. Prior distributions in excess of the total net taxable income

you were allocated for a common unit, which decreased your tax basis in that common unit, will, in effect, become taxable income to you if the common unit is sold at a price greater than your tax basis in that common unit, even if the price you receive is less than your original cost. A substantial portion of the amount realized, whether or not representing gain, may be ordinary income to you. Should the IRS successfully contest some positions we take, you could recognize more gain on the sale of units than would be the case under those positions, without the benefit of decreased income in prior years. Also, if you sell your units, you may incur a tax liability in excess of the amount of cash you receive from the sale.

If you are not an individual residing in the United States, you may have adverse tax consequences from owning common units.

Investment in common units by tax-exempt entities, regulated investment companies or mutual funds and foreign persons raises issues unique to them. For example, virtually all of our income allocated to organizations exempt from federal income tax, including individual retirement accounts and other retirement plans, will be unrelated business taxable income and will be taxable to them. Very little of our income will be qualifying income to a regulated investment company or mutual fund. Distributions to foreign persons will be reduced by withholding taxes at the highest effective U.S. federal income tax rate for individuals, and foreign persons will be required to file federal income tax returns and pay tax on their share of our taxable income.

We are registered as a tax shelter. This may increase the risk of an IRS audit of us or a unitholder.

We are registered with the IRS as a "tax shelter." Our tax shelter registration number is 99061000009. The IRS requires that some types of entities, including some partnerships, register as "tax shelters" in response to the perception that they claim tax benefits that the IRS may believe to be unwarranted. As a result, we may be audited by the IRS and tax adjustments could be made. Any unitholder owning less than a 1% profits interest in us has very limited rights to participate in the income tax audit process. Further, any adjustments in our tax returns will lead to adjustments in the unitholders' tax returns and may lead to audits of unitholders' tax returns and adjustments of items unrelated to us. You will bear the cost of any expense incurred in connection with an examination of your personal tax return.

We treat a purchaser of units as having the same tax benefits without regard to the units purchased. The IRS may challenge this treatment, which could adversely affect the value of the units.

Because we cannot match transferors and transferees of common units, we have adopted depreciation and amortization positions that do not conform with all aspects of the Treasury regulations. A successful IRS challenge to those positions could adversely affect the amount of tax benefits available to you. It also could affect the timing of these tax benefits or the amount of gain from your sale of common units and could have a negative impact on the value of the common units or result in audit adjustments to your tax returns. Please read "Tax Considerations--Uniformity of Units" in this prospectus for further discussion of the effect of the depreciation and amortization positions we have adopted.

You will likely be subject to foreign, state and local taxes in jurisdictions where you do not live as a result of an investment in units.

In addition to federal income taxes, you will likely be subject to other taxes, including foreign taxes, state and local taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which we do business or own property and in which you do not reside. We will own property or conduct business in Canada and in most states in the United States. You may be required to file Canadian federal income tax returns and to pay Canadian federal and provincial income taxes and to file state and local income tax returns and pay state and local income taxes in many or all of the jurisdictions in which we do business or own property. Further, you may be subject to penalties for failure to comply with those requirements. It is your responsibility to file all federal, state, local and foreign tax returns. Our counsel has not rendered an opinion on the foreign, state or local tax consequences of an investment in the common units.

USE OF PROCEEDS

Unless otherwise indicated to the contrary in an accompanying prospectus supplement, we will use the net proceeds from the sale of securities covered by this prospectus for general corporate purposes, which may include repayment of indebtedness, the acquisition of businesses and other capital expenditures and additions to working capital. Unless otherwise provided in a prospectus supplement, we will not receive any proceeds from the sale of common units by the selling unitholders.

RATIOS OF EARNINGS TO FIXED CHARGES

Predecessor		Plains All American Pipeline				
Year Ended December 31,	January 1 to November 22, 1998	November 23, 1998 to December 31, 1998	Year Ended December 31,	Year Ended December 31,	Six Months Ended June 30,	
1996	1997	1998	1999	2000	2001	

Ratio of earnings to fixed charges(1)(2).... 1.53x 1.74x 1.58x 2.19x -- 3.78x 2.13x

- (1) For purposes of computing the ratio of earnings to fixed charges, "earnings" consist of pretax income from continuing operations plus fixed charges (excluding capitalized interest). "Fixed charges" represent interest incurred (whether expensed or capitalized), amortization of debt expense, and that portion of rental expense on operating leases deemed to be the equivalent of interest.
- (2) In 1999, available earnings failed to cover fixed charges by \$101.8 million. Included in the earnings for 1999 was \$166.4 million in unauthorized trading losses, a \$16.5 million gain on the sale of linefill and restructuring expenses of \$1.4 million. Income from continuing operations before extraordinary items used to calculate the ratio of earnings to fixed charges for the year ended December 31, 2000 includes gains on sales of assets of \$48.2 million.



## DESCRIPTION OF OUR DEBT SECURITIES

### General

The debt securities will be:

- . our direct general obligations;
- . either senior debt securities or subordinated debt securities; and
- . issued under separate indentures among us and First Union National Bank, as Trustee.

Plains All American Pipeline may issue debt securities in one or more series, and PAA Finance may be a co-issuer of one or more series of debt securities. PAA Finance was incorporated under the laws of the State of Delaware in February 2001, is indirectly wholly owned by Plains All American Pipeline, and has no material assets or any liabilities other than as a co-issuer of debt securities. Its activities will be limited to co-issuing debt securities and engaging in other activities incidental thereto. When used in this section "Description of the Debt Securities," the terms "we," "us," "our" and "issuers" refer jointly to Plains All American Pipeline and PAA Finance, and the terms "Plains All American Pipeline" and "PAA Finance" refer strictly to Plains All American Pipeline, L.P. and PAA Finance Corp., respectively.

If we offer senior debt securities, we will issue them under a senior indenture. If we issue subordinated debt securities, we will issue them under a subordinated indenture. A form of each indenture is filed as an exhibit to the latest registration statement of which this prospectus is a part. We have not restated either indenture in its entirety in this description. You should read the relevant indenture because it, and not this description, controls your rights as holders of the debt securities. Capitalized terms used in the summary have the meanings specified in the indentures.

### Specific Terms of Each Series of Debt Securities in the Prospectus Supplement

A prospectus supplement and a supplemental indenture or authorizing resolutions relating to any series of debt securities being offered will include specific terms relating to the offering. These terms will include some or all of the following:

- . whether PAA Finance will be a co-issuer of the debt securities;
- . the guarantors of the debt securities, if any;
- . whether the debt securities are senior or subordinated debt securities;
- . the title of the debt securities;
- . the total principal amount of the debt securities;
- . the assets, if any, that are pledged as security for the payment of the debt securities;
- . whether we will issue the debt securities in individual certificates to each holder in registered form, or in the form of temporary or permanent global securities held by a depository on behalf of holders;
- . the prices at which we will issue the debt securities;
- . the portion of the principal amount that will be payable if the maturity of the debt securities is accelerated;
- . the currency or currency unit in which the debt securities will be payable, if not U.S. dollars;
- . the dates on which the principal of the debt securities will be payable;
- . the interest rate that the debt securities will bear and the interest payment dates for the debt securities;
- . any conversion or exchange provisions;

- . any optional redemption provisions;
- . any sinking fund or other provisions that would obligate us to repurchase or otherwise redeem the debt securities;
- . any changes to or additional events of default or covenants; and
- . any other terms of the debt securities.

We may offer and sell debt securities, including original issue discount debt securities, at a substantial discount below their principal amount. The prospectus supplement will describe special U.S. federal income tax and any other considerations applicable to those securities. In addition, the prospectus supplement may describe certain special U.S. federal income tax or other considerations applicable to any debt securities that are denominated in a currency other than U.S. dollars.

#### Guarantees

If specified in the prospectus supplement respecting a series of debt securities, the subsidiaries of Plains All American Pipeline specified in the prospectus supplement will unconditionally guarantee to each holder and the Trustee, on a joint and several basis, the full and prompt payment of principal of, premium, if any, and interest on the debt securities of that series when and as the same become due and payable, whether at maturity, upon redemption or repurchase, by declaration of acceleration or otherwise. If a series of debt securities is guaranteed, such series will be guaranteed by all subsidiaries other than "minor" subsidiaries as such term is interpreted in securities regulation governing financial reporting for guarantors. The prospectus supplement will describe any limitation on the maximum amount of any particular guarantee and the conditions under which guarantees may be released.

The guarantees will be general obligations of the guarantors. Guarantees of subordinated debt securities will be subordinated to the Senior Indebtedness of the guarantors on the same basis as the subordinated debt securities are subordinated to the Senior Indebtedness of Plains All American Pipeline.

#### Consolidation, Merger or Asset Sale

Each indenture will, in general, allow us to consolidate or merge with or into another domestic entity. It will also allow each issuer to sell, lease, transfer or otherwise dispose of all or substantially all of its assets to another domestic entity. If this happens, the remaining or acquiring entity must assume all of the issuer's responsibilities and liabilities under the indenture including the payment of all amounts due on the debt securities and performance of the issuer's covenants in the indenture.

However, each indenture will impose certain requirements with respect to any consolidation or merger with or into an entity, or any sale, lease, transfer or other disposition of all or substantially all of an issuer's assets, including:

- . the remaining or acquiring entity must be organized under the laws of the United States, any state or the District of Columbia;
- . the remaining or acquiring entity must assume the issuer's obligations under the indenture; and
- . immediately after giving effect to the transaction, no Default or Event of Default (as defined under "--Events of Default and Remedies" below) may exist.

The remaining or acquiring entity will be substituted for the issuer in the indenture with the same effect as if it had been an original party to the indenture, and the issuer will be relieved from any further obligations under the indenture.

#### No Protection in the Event of a Change of Control

Unless otherwise set forth in the prospectus supplement, the debt securities will not contain any provisions that protect the holders of the debt securities in the event of a change of control of us or in the event of a highly leveraged transaction, whether or not such transaction results in a change of control of us.

## Modification of Indentures

We may supplement or amend an indenture if the holders of a majority in aggregate principal amount of the outstanding debt securities of all series issued under the indenture affected by the supplement or amendment consent to it. Further, the holders of a majority in aggregate principal amount of the outstanding debt securities of any series may waive past defaults under the indenture and compliance by us with our covenants with respect to the debt securities of that series only. Those holders may not, however, waive any default in any payment on any debt security of that series or compliance with a provision that cannot be supplemented or amended without the consent of each holder affected. Without the consent of each outstanding debt security affected, no modification of the indenture or waiver may:

- . reduce the principal amount of debt securities whose holders must consent to an amendment, supplement or waiver;
- . reduce the principal of or change the fixed maturity of any debt security;
- . reduce or waive the premium payable upon redemption or alter or waive the provisions with respect to the redemption of the debt securities (except as may be permitted in the case of a particular series of debt securities);
- . reduce the rate of or change the time for payment of interest on any debt security;
- . waive a Default or an Event of Default in the payment of principal of or premium, if any, or interest on the debt securities (except a rescission of acceleration of the debt securities by the holders of at least a majority in aggregate principal amount of the debt securities and a waiver of the payment default that resulted from such acceleration);
- . except as otherwise permitted under the indenture, release any security that may have been granted with respect to the debt securities;
- . make any debt security payable in currency other than that stated in the debt securities;
- . in the case of any subordinated debt security, make any change in the subordination provisions that adversely affects the rights of any holder under those provisions;
- . make any change in the provisions of the indenture relating to waivers of past Defaults or the rights of holders of debt securities to receive payments of principal of or premium, if any, or interest on the debt securities;
- . waive a redemption payment with respect to any debt security (except as may be permitted in the case of a particular series of debt securities);
- . except as otherwise permitted in the indenture, release any guarantor from its obligations under its guarantee or the indenture or change any guarantee in any manner that would adversely affect the rights of holders; or
- . make any change in the preceding amendment, supplement and waiver provisions (except to increase any percentage set forth therein).

We may supplement or amend an indenture without the consent of any holders of the debt securities in certain circumstances, including:

- . to establish the form of terms of any series of debt securities;
- . to cure any ambiguity, defect or inconsistency;
- . to provide for the assumption of an issuer's or guarantor's obligations to holders of debt securities in the case of a merger or consolidation or disposition of all or substantially all of such issuer's or guarantor's assets;

- . in the case of any subordinated debt security, to make any change in the subordination provisions that limits or terminates the benefits applicable to any holder of Senior Indebtedness of Plains All American Pipeline;
- . to add or release guarantors pursuant to the terms of the indenture;
- . to make any changes that would provide any additional rights or benefits to the holders of debt securities or that do not, taken as a whole, adversely affect the rights under the indenture of any holder of debt securities;
- . to evidence or provide for the acceptance of appointment under the indenture of a successor Trustee;
- . to add any additional Events of Default; or
- . to secure the debt securities and/or the guarantees.

#### Events of Default and Remedies

"Event of Default," when used in an indenture, will mean any of the following with respect to the debt securities of any series:

- . failure to pay when due the principal of or any premium on any debt security of that series;
- . failure to pay, within 60 days of the due date, interest on any debt security of that series;
- . failure to pay when due any sinking fund payment with respect to any debt securities of that series;
- . failure on the part of the issuers to comply with the covenant described under "--Consolidation, Merger or Asset Sale";
- . failure to perform any other covenant in the indenture that continues for 30 days after written notice is given to the issuers;
- . certain events of bankruptcy, insolvency or reorganization of an issuer; or
- . any other Event of Default provided under the terms of the debt securities of that series.

An Event of Default for a particular series of debt securities will not necessarily constitute an Event of Default for any other series of debt securities issued under an indenture. The Trustee may withhold notice to the holders of debt securities of any default (except in the payment of principal, premium, if any, or interest) if it considers such withholding of notice to be in the best interests of the holders.

If an Event of Default for any series of debt securities occurs and continues, the Trustee or the holders of at least 25% in aggregate principal amount of the debt securities of the series may declare the entire principal of, and accrued interest on, all the debt securities of that series to be due and payable immediately. If this happens, subject to certain conditions, the holders of a majority in the aggregate principal amount of the debt securities of that series can rescind the declaration.

Other than its duties in case of a default, a Trustee is not obligated to exercise any of its rights or powers under either indenture at the request, order or direction of any holders, unless the holders offer the Trustee reasonable security or indemnity. If they provide this reasonable security or indemnification, the holders of a majority in aggregate principal amount of any series of debt securities may direct the time, method and place of conducting any proceeding or any remedy available to the Trustee, or exercising any power conferred upon the Trustee, for that series of debt securities.

#### No Limit on Amount of Debt Securities

The indenture will not limit the amount of debt securities that we may issue, unless we indicate otherwise in a prospectus supplement. The indenture will allow us to issue debt securities of any series up to the aggregate principal amount that we authorize.

## Registration of Notes

We will issue debt securities of a series only in registered form, without coupons, unless otherwise indicated in the prospectus supplement.

## Minimum Denominations

Unless the prospectus supplement states otherwise, the debt securities will be issued only in principal amounts of \$1,000 each or integral multiples of \$1,000.

## No Personal Liability

None of the past, present or future partners, incorporators, managers, members, directors, officers, employees, unitholders or stockholders of either issuer, the general partner of Plains All American Pipeline or any guarantor will have any liability for the obligations of the issuers or any guarantors under the indenture or the debt securities or for any claim based on such obligations or their creation. Each holder of debt securities by accepting a debt security waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the debt securities. The waiver may not be effective under federal securities laws, however.

## Payment and Transfer

The Trustee will initially act as paying agent and registrar under each indenture. The issuers may change the paying agent or registrar without prior notice to the holders of debt securities, and the issuers or any of their subsidiaries may act as paying agent or registrar.

If a holder of debt securities has given wire transfer instructions to the issuers, the issuers will make all payments on the debt securities in accordance with those instructions. All other payments on the debt securities will be made at the corporate trust office of the Trustee, unless the issuers elect to make interest payments by check mailed to the holders at their addresses set forth in the debt security register.

The Trustee and any paying agent will repay to us upon request any funds held by them for payments on the debt securities that remain unclaimed for two years after the date upon which that payment has become due. After payment to us, holders entitled to the money must look to us for payment as general creditors.

## Exchange, Registration and Transfer

Debt securities of any series will be exchangeable for other debt securities of the same series, the same total principal amount and the same terms but in different authorized denominations in accordance with the indenture. Holders may present debt securities for exchange or registration of transfer at the office of the registrar. The registrar will effect the transfer or exchange when it is satisfied with the documents of title and identity of the person making the request. We will not charge a service charge for any registration of transfer or exchange of the debt securities. We may, however, require the payment of any tax or other governmental charge payable for that registration.

We will not be required:

- . to issue, register the transfer of, or exchange debt securities of a series either during a period beginning 15 business days prior to the selection of debt securities of that series for redemption and ending on the close of business on the day of mailing of the relevant notice of redemption or repurchase, or between a record date and the next succeeding interest payment date; or
- . to register the transfer of or exchange any debt security called for redemption or repurchase, except the unredeemed portion of any debt security we are redeeming or repurchasing in part.

#### Provisions Relating only to the Senior Debt Securities

The senior debt securities will rank equally in right of payment with all of our other senior and unsubordinated debt. The senior debt securities will be effectively subordinated, however, to all of our secured debt to the extent of the value of the collateral for that debt. We will disclose the amount of our secured debt in the prospectus supplement.

#### Provisions Relating only to the Subordinated Debt Securities

##### Subordinated Debt Securities Subordinated to Senior Indebtedness

The subordinated debt securities will rank junior in right of payment to all of the Senior Indebtedness of Plains All American Pipeline. "Senior Indebtedness" will be defined in a supplemental indenture or authorizing resolutions respecting any issuance of a series of subordinated debt securities, and the definition will be set forth in the prospectus supplement.

##### Payment Blockages

The subordinated indenture will provide that no payment of principal, interest and any premium on the subordinated debt securities may be made in the event:

- . we or our property is involved in any voluntary or involuntary liquidation or bankruptcy;
- . we fail to pay the principal, interest, any premium or any other amounts on any Senior Indebtedness of Plains All American Pipeline within any applicable grace period or the maturity of such Senior Indebtedness is accelerated following any other default, subject to certain limited exceptions set forth in the subordinated indenture; or
- . any other default on any Senior Indebtedness of Plains All American Pipeline occurs that permits immediate acceleration of its maturity, in which case a payment blockage on the subordinated debt securities will be imposed for a maximum of 179 days at any one time.

##### No Limitation on Amount of Senior Debt

The subordinated indenture will not limit the amount of Senior Indebtedness that Plains All American Pipeline may incur, unless otherwise indicated in the prospectus supplement.

#### Book Entry, Delivery and Form

The debt securities of a particular series may be issued in whole or in part in the form of one or more global certificates that will be deposited with the Trustee as custodian for The Depository Trust Company, New York, New York ("DTC") This means that we will not issue certificates to each holder. Instead, one or more global debt securities will be issued to DTC, who will keep a computerized record of its participants (for example, your broker) whose clients have purchased the debt securities. The participant will then keep a record of its clients who purchased the debt securities. Unless it is exchanged in whole or in part for a certificated debt security, a global debt security may not be transferred, except that DTC, its nominees and their successors may transfer a global debt security as a whole to one another.

Beneficial interests in global debt securities will be shown on, and transfers of global debt securities will be made only through, records maintained by DTC and its participants.

DTC has provided us the following information: DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the United States Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered under the provisions of Section 17A of

the Securities Exchange Act of 1934. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also records the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through computerized records for Direct Participants' accounts. This eliminates the need to exchange certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

DTC's book-entry system is also used by other organizations such as securities brokers and dealers, banks and trust companies that work through a Direct Participant. The rules that apply to DTC and its participants are on file with the SEC.

DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., The American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc.

We will wire all payments on the global debt securities to DTC's nominee. We and the Trustee will treat DTC's nominee as the owner of the global debt securities for all purposes. Accordingly, we, the Trustee and any paying agent will have no direct responsibility or liability to pay amounts due on the global debt securities to owners of beneficial interests in the global debt securities.

It is DTC's current practice, upon receipt of any payment on the global debt securities, to credit Direct Participants' accounts on the payment date according to their respective holdings of beneficial interests in the global debt securities as shown on DTC's records. In addition, it is DTC's current practice to assign any consenting or voting rights to Direct Participants whose accounts are credited with debt securities on a record date, by using an omnibus proxy. Payments by participants to owners of beneficial interests in the global debt securities, and voting by participants, will be governed by the customary practices between the participants and owners of beneficial interests, as is the case with debt securities held for the account of customers registered in "street name." However, payments will be the responsibility of the participants and not of DTC, the Trustee or us.

Debt securities represented by a global debt security will be exchangeable for certificated debt securities with the same terms in authorized denominations only if:

- . DTC notifies us that it is unwilling or unable to continue as depository or if DTC ceases to be a clearing agency registered under applicable law and in either event a successor depository is not appointed by us within 90 days; or
- . we determine not to require all of the debt securities of a series to be represented by a global debt security.

#### Satisfaction and Discharge; Defeasance

Each indenture will be discharged and will cease to be of further effect as to all outstanding debt securities of any series issued thereunder, when:

(a) either:

(1) all outstanding debt securities of that series that have been authenticated (except lost, stolen or destroyed debt securities that have been replaced or paid and debt securities for whose payment money has theretofore been deposited in trust and thereafter repaid to us) have been delivered to the Trustee for cancellation; or

(2) all outstanding debt securities of that series that have not been delivered to the Trustee for cancellation have become due and payable by reason of the giving of a notice of redemption or otherwise or will become due and payable at their stated maturity within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee and in any case we have irrevocably deposited or caused to be irrevocably deposited with the Trustee as trust funds in trust cash in U.S. dollars, non-callable U.S. Government Obligations or a combination thereof, in

such amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness of such debt securities not delivered to the Trustee for cancellation, for principal, premium, if any, and accrued interest to the date of such deposit (in the case of debt securities that have been due and payable) or the stated maturity or redemption date;

(b) we have paid or caused to be paid all other sums payable by us under the indenture; and

(c) we have delivered an officers' certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

The debt securities of a particular series will be subject to legal or covenant defeasance to the extent, and upon the terms and conditions, set forth in the prospectus supplement.

#### The Trustee

First Union National Bank will be the initial Trustee under each indenture. We maintain a banking relation in the ordinary course of business with First Union National Bank and some of its affiliates.

#### Limitations on Trustee if it is a Creditor

Each indenture will limit the right of the Trustee thereunder, in the event that it becomes a creditor of an issuer or guarantor, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise.

#### Certificates and Opinions to be Furnished to Trustee

Each indenture will provide that, in addition to other certificates or opinions that may be specifically required by other provisions of the indenture, every application by us for action by the Trustee must be accompanied by a certificate of certain of our officers and an opinion of counsel (who may be our counsel) stating that, in the opinion of the signers, all conditions precedent to such action have been complied with by us.

#### Governing Law

Each indenture and all of the debt securities will be governed by the laws of the State of New York.



## DESCRIPTION OF OUR COMMON UNITS

Generally, our common units represent limited partner interests that entitle the holders to participate in our cash distributions and to exercise the rights and privileges available to limited partners under our partnership agreement. For a description of the relative rights and preferences of holders of common units, holders of subordinated units and our general partner in and to cash distributions, together with a description of the circumstances under which subordinated units convert into common units, see "Cash Distribution Policy" in this prospectus.

Our outstanding common units are listed on the NYSE under the symbol "PAA." Any additional common units we issue will also be listed on the NYSE.

The transfer agent and registrar for our common units is American Stock Transfer & Trust Company.

### Meetings/Voting

Each holder of common units is entitled to one vote for each common unit on all matters submitted to a vote of the unitholders.

### Status as Limited Partner or Assignee

Except as described below under "--Limited Liability," the common units will be fully paid, and unitholders will not be required to make additional capital contributions to us.

Each purchaser of common units offered by this prospectus must execute a transfer application whereby the purchaser requests admission as a substituted limited partner and makes representations and agrees to provisions stated in the transfer application. If this action is not taken, a purchaser will not be registered as a record holder of common units on the books of our transfer agent or issued a common unit certificate. Purchasers may hold common units in nominee accounts.

An assignee, pending its admission as a substituted limited partner, is entitled to an interest in us equivalent to that of a limited partner with respect to the right to share in allocations and distributions, including liquidating distributions. Our general partner will vote and exercise other powers attributable to common units owned by an assignee who has not become a substituted limited partner at the written direction of the assignee. Transferees who do not execute and deliver transfer applications will be treated neither as assignees nor as record holders of common units and will not receive distributions, federal income tax allocations or reports furnished to record holders of common units. The only right the transferees will have is the right to admission as a substituted limited partner in respect of the transferred common units upon execution of a transfer application in respect of the common units. A nominee or broker who has executed a transfer application with respect to common units held in street name or nominee accounts will receive distributions and reports pertaining to its common units.

### Limited Liability

Assuming that a limited partner does not participate in the control of our business within the meaning of the Delaware Revised Uniform Limited Partnership Act (the "Delaware Act") and that he otherwise acts in conformity with the provisions of our partnership agreement, his liability under the Delaware Act will be limited, subject to some possible exceptions, generally to the amount of capital he is obligated to contribute to us in respect of his units plus his share of any undistributed profits and assets.

Under the Delaware Act, a limited partnership may not make a distribution to a partner to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities of the partnership, other than liabilities to partners on account of their partnership interests and liabilities for which the recourse of creditors is limited to specific property of the partnership, exceed the fair value of the assets of the limited partnership.

For the purposes of determining the fair value of the assets of a limited partnership, the Delaware Act provides that the fair value of the property subject to liability of which recourse of creditors is limited shall be included in the assets of the limited partnership only to the extent that the fair value of that property exceeds the nonrecourse liability. The Delaware Act provides that a limited partner who receives a distribution and knew at the time of the distribution that the distribution was in violation of the Delaware Act is liable to the limited partnership for the amount of the distribution for three years from the date of the distribution.

#### Reports and Records

As soon as practicable, but in no event later than 120 days after the close of each fiscal year, our general partner will furnish or make available to each unitholder of record (as of a record date selected by our general partner) an annual report containing our audited financial statements for the past fiscal year. These financial statements will be prepared in accordance with generally accepted accounting principles. In addition, no later than 45 days after the close of each quarter (except the fourth quarter), our general partner will furnish or make available to each unitholder of record (as of a record date selected by our general partner) a report containing our unaudited financial statements and any other information required by law.

Our general partner will use all reasonable efforts to furnish each unitholder of record information reasonably required for tax reporting purposes within 90 days after the close of each fiscal year. Our general partner's ability to furnish this summary tax information will depend on the cooperation of unitholders in supplying information to our general partner. Each unitholder will receive information to assist him in determining his U.S. federal and state and Canadian federal and provincial tax liability and filing his U.S. federal and state and Canadian federal and provincial income tax returns.

A limited partner can, for a purpose reasonably related to the limited partner's interest as a limited partner, upon reasonable demand and at his own expense, have furnished to him:

- . a current list of the name and last known address of each partner;
- . a copy of our tax returns;
- . information as to the amount of cash and a description and statement of the agreed value of any other property or services, contributed or to be contributed by each partner and the date on which each became a partner;
- . copies of our partnership agreement, our certificate of limited partnership, amendments to either of them and powers of attorney which have been executed under our partnership agreement;
- . information regarding the status of our business and financial condition; and
- . any other information regarding our affairs as is just and reasonable.

Our general partner may, and intends to, keep confidential from the limited partners trade secrets and other information the disclosure of which our general partner believes in good faith is not in our best interest or which we are required by law or by agreements with third parties to keep confidential.

#### CASH DISTRIBUTION POLICY

One of our principal objectives is to generate cash from our operations and to distribute cash to our partners each quarter. We are required to distribute to our partners 100% of our available cash each quarter. Our available cash is defined in our partnership agreement and is generally the sum of the cash we receive in a quarter less cash disbursements, adjusted for net changes in reserves.

During the subordination period the holders of our common units are entitled to receive each quarter a minimum quarterly distribution of \$0.45 per unit (\$1.80 annualized) prior to any distribution of available cash to holders of our subordinated units. The subordination period is defined generally as the period that will end

on the first day of any quarter beginning after December 31, 2003 if (1) we have distributed at least the minimum quarterly distribution on all outstanding units with respect to each of the immediately preceding three consecutive, non-overlapping four-quarter periods and (2) our adjusted operating surplus, as defined in our partnership agreement, during such periods equals or exceeds the amount that would have been sufficient to enable us to distribute the minimum quarterly distribution on all outstanding units on a fully diluted basis and the related distribution on the 2% general partner interest during those periods. In addition, one-quarter of the subordinated units may convert to common units on a one-for-one basis after December 31, 2002 if we meet the tests set forth in our partnership agreement.

During the subordination period, our cash is distributed first 98% to the holders of common units and 2% to our general partner until there has been distributed to the holders of common units an amount equal to the minimum quarterly distribution and any arrearages in the payment of the minimum quarterly distribution on the common units for any prior quarter. Any additional cash is distributed 98% to the holders of subordinated units and 2% to our general partner until there has been distributed to the holders of subordinated units an amount equal to the minimum quarterly distribution. If the subordination period ends, the rights of the holders of subordinated units will no longer be subordinated to the rights of the holders of common units and the subordinated units may be converted into common units.

Our general partner is entitled to incentive distributions if the amount we distribute with respect to any quarter exceeds levels specified in our partnership agreement. Under the quarterly incentive distribution provisions, generally our general partner is entitled to 15% of amounts we distribute in excess of \$0.45 per common unit, 25% of amounts we distribute in excess of \$0.495 per common unit and 50% of amounts we distribute in excess of \$0.675 per common unit.

## DESCRIPTION OF OUR PARTNERSHIP AGREEMENT

The following is a summary of the material provisions of our partnership agreement. Our amended and restated partnership agreement has been filed with the Securities and Exchange Commission, and is incorporated by reference in this prospectus. The following provisions of our partnership agreement are summarized elsewhere in this prospectus:

- . distributions of our available cash are described under "Cash Distribution Policy";
- . allocations of taxable income and other tax matters are described under "Tax Considerations"; and
- . rights of holders of common units are described under "Description of Our Common Units."

### Purpose

Our purpose under our partnership agreement is to serve as a partner of our operating partnerships and to engage in any business activities that may be engaged in by our operating partnerships or that is approved by our general partner. The partnership agreements of our operating partnerships provide that they may engage in any activity that was engaged in by our predecessors at the time of our initial public offering or reasonably related thereto and any other activity approved by our general partner.

### Power of Attorney

Each limited partner, and each person who acquires a unit from a unitholder and executes and delivers a transfer application, grants to our general partner and, if appointed, a liquidator, a power of attorney to, among other things, execute and file documents required for our qualification, continuance or dissolution. The power of attorney also grants the authority for the amendment of, and to make consents and waivers under, our partnership agreement.

### Reimbursements of Our General Partner

Our general partner does not receive any compensation for its services as our general partner. It is, however, entitled to be reimbursed for all of its costs incurred in managing and operating our business. Our partnership agreement provides that our general partner will determine the expenses that are allocable to us in any reasonable manner determined by our general partner in its sole discretion.

### Issuance of Additional Securities

Our partnership agreement authorizes us to issue an unlimited number of additional limited partner interests and other equity securities that are equal in rank with or junior to our common units on terms and conditions established by our general partner in its sole discretion without the approval of any limited partners. During the subordination period, however, except as set forth in the following paragraph, we may not issue an aggregate of more than approximately 10 million additional common units or an equivalent number of units that are equal in rank with our common units, in each case, without the approval of at least a majority of our outstanding common units (excluding common units owned by the general partner and its affiliates).

During the subordination period, we may issue an unlimited number of common units to finance an acquisition or a capital improvement that would have resulted, on a pro forma basis, in an increase in per unit adjusted operating surplus, as provided in our partnership agreement.

In no event may we issue partnership interests during the subordination period that are senior to our common units without the approval of the holders of a majority of our outstanding common units (excluding common units owned by the general partner and its affiliates).

It is possible that we will fund acquisitions through the issuance of additional common units or other equity securities. Holders of any additional common units we issue will be entitled to share equally with the

then-existing holders of common units in our cash distributions. In addition, the issuance of additional partnership interests may dilute the value of the interests of the then-existing holders of common units in our net assets.

In accordance with Delaware law and the provisions of our partnership agreement, we may also issue additional partnership interests that, in the sole discretion of our general partner, may have special voting rights to which common units are not entitled.

Our general partner has the right, which it may from time to time assign in whole or in part to any of its affiliates, to purchase common units, subordinated units or other equity securities whenever, and on the same terms that, we issue those securities to persons other than our general partner and its affiliates, to the extent necessary to maintain their percentage interests in us that existed immediately prior to the issuance. The holders of common units will not have preemptive rights to acquire additional common units or other partnership interests in us.

#### Amendments to Our Partnership Agreement

Amendments to our partnership agreement may be proposed only by our general partner. Any amendment that materially and adversely affects the rights or preferences of any type or class of limited partner interests in relation to other types or classes of limited partner interests or our general partner interest will require the approval of at least a majority of the type or class of limited partner interests or general partner interests so affected. However, in some circumstances, more particularly described in our partnership agreement, our general partner may make amendments to our partnership agreement without the approval of our limited partners or assignees.

#### Withdrawal or Removal of Our General Partner

Our general partner has agreed not to withdraw voluntarily as our general partner prior to December 31, 2008 without obtaining the approval of the holders of a majority of our outstanding common units, excluding those held by our general partner and its affiliates, and furnishing an opinion of counsel regarding limited liability and tax matters. On or after December 31, 2008, our general partner may withdraw as general partner without first obtaining approval of any unitholder by giving 90 days' written notice, and that withdrawal will not constitute a violation of our partnership agreement. In addition, our general partner may withdraw without unitholder approval upon 90 days' notice to our limited partners if at least 50% of our outstanding common units are held or controlled by one person and its affiliates other than our general partner and its affiliates.

Upon the voluntary withdrawal of our general partner, the holders of a majority of our outstanding common units, excluding the common units held by the withdrawing general partner and its affiliates, may elect a successor to the withdrawing general partner. If a successor is not elected, or is elected but an opinion of counsel regarding limited liability and tax matters cannot be obtained, we will be dissolved, wound up and liquidated, unless within 90 days after that withdrawal, the holders of a majority of our outstanding units, excluding the common units held by the withdrawing general partner and its affiliates, and the holders of a majority of the subordinated units, voting as separate classes, agree to continue our business and to appoint a successor general partner.

Our general partner may not be removed unless that removal is approved by the vote of the holders of not less than two-thirds of our outstanding units, including units held by our general partner and its affiliates, and we receive an opinion of counsel regarding limited liability and tax matters. Any removal of this kind is also subject to the approval of a successor general partner by the vote of the holders of a majority of our outstanding common units, including those held by our general partner and its affiliates, and the holders of a majority of the subordinated units, voting as separate classes.

While our partnership agreement limits the ability of our general partner to withdraw, it allows the general partner interest and incentive distribution rights to be transferred to an affiliate or to a third party in conjunction

with a merger or sale of all or substantially all of the assets of our general partner. In addition, our partnership agreement expressly permits the sale, in whole or in part, of the ownership of our general partner. Our general partner may also transfer, in whole or in part, the common units and subordinated units it owns.

#### Liquidation and Distribution of Proceeds

Upon our dissolution, unless we are reconstituted and continued as a new limited partnership, the person authorized to wind up our affairs (the liquidator) will, acting with all the powers of our general partner that the liquidator deems necessary or desirable in its good faith judgment, liquidate our assets. The proceeds of the liquidation will be applied as follows:

- . first, towards the payment of all of our creditors and the creation of a reserve for contingent liabilities; and
- . then, to all partners in accordance with the positive balance in the respective capital accounts.

Under some circumstances and subject to some limitations, the liquidator may defer liquidation or distribution of our assets for a reasonable period of time. If the liquidator determines that a sale would be impractical or would cause a loss to our partners, our general partner may distribute assets in kind to our partners.

#### Change of Management Provisions

Our partnership agreement contains the following specific provisions that are intended to discourage a person or group from attempting to remove our general partner or otherwise change management:

- . if the holders, including the general partner and its affiliates, of at least 66 $\frac{2}{3}$ % of the units vote to remove the general partner without cause, all remaining subordinated units will automatically convert into common units and will share distributions with the existing common units pro rata, existing arrearages on the common units will be extinguished and the common units will no longer be entitled to arrearages if we fail to pay the minimum quarterly distribution in any quarter. Cause is narrowly defined to mean that a court of competent jurisdiction has entered a final, non-appealable judgment finding the general partner liable for actual fraud, gross negligence or willful or wanton misconduct in its capacity as our general partner.
- . any units held by a person that owns 20% or more of any class of units then outstanding, other than our general partner and its affiliates, cannot be voted on any matter; and
- . the partnership agreement contains provisions limiting the ability of unitholders to call meetings or to acquire information about our operations, as well as other provisions limiting the unitholders' ability to influence the manner or direction of management.

#### Limited Call Right

If at any time our general partner and its affiliates own 80% or more of the issued and outstanding limited partner interests of any class, our general partner will have the right to purchase all, but not less than all, of the outstanding limited partner interests of that class that are held by non-affiliated persons. The record date for determining ownership of the limited partner interests would be selected by our general partner on at least 10 but not more than 60 days' notice. The purchase price in the event of a purchase under these provisions would be the greater of (1) the current market price (as defined in our partnership agreement) of the limited partner interests of the class as of the date three days prior to the date that notice is mailed to the limited partners as provided in the partnership agreement and (2) the highest cash price paid by our general partner or any of its affiliates for any limited partner interest of the class purchased within the 90 days preceding the date our general partner mails notice of its election to purchase the units.

## Indemnification

Under our partnership agreement, in most circumstances, we will indemnify our general partner, its affiliates and their officers and directors to the fullest extent permitted by law, from and against all losses, claims or damages any of them may suffer by reason of their status as general partner, officer or director, as long as the person seeking indemnity acted in good faith and in a manner believed to be in or not opposed to our best interest. Any indemnification under these provisions will only be out of our assets. Our general partner shall not be personally liable for, or have any obligation to contribute or loan funds or assets to us to enable us to effectuate any indemnification. We are authorized to purchase insurance against liabilities asserted against and expenses incurred by persons for our activities, regardless of whether we would have the power to indemnify the person against liabilities under our partnership agreement.

## Registration Rights

Under our partnership agreement, we have agreed to register for resale under the Securities Act and applicable state securities laws any common units, subordinated units or other partnership securities proposed to be sold by our general partner or any of its affiliates or their assignees if an exemption from the registration requirements is not otherwise available. We are obligated to pay all expenses incidental to the registration, excluding underwriting discounts and commissions.

## TAX CONSIDERATIONS

This section is a summary of the material tax considerations that may be relevant to prospective unitholders who are individual citizens or residents of the United States and, unless otherwise noted in the following discussion, expresses the opinion of Vinson & Elkins L.L.P., special counsel to the general partner and us, insofar as it relates to matters of United States federal income tax law and legal conclusions with respect to those matters. If we offer and sell any debt securities pursuant to a prospectus supplement, we may include in the prospectus supplement a discussion of the material tax considerations that may be relevant to prospective holders of the debt securities.

This section is based upon current provisions of the Internal Revenue Code, existing and proposed regulations and current administrative rulings and court decisions, all of which are subject to change. Later changes in these authorities may cause the tax consequences to vary substantially from the consequences described below.

No attempt has been made in the following discussion to comment on all federal income tax matters affecting us or our unitholders. Moreover, the discussion focuses on unitholders who are individual citizens or residents of the United States and has only limited application to corporations, estates, trusts, nonresident aliens or other unitholders subject to specialized tax treatment, such as tax-exempt institutions, foreign persons, individual retirement accounts (IRAs), real estate investment trusts (REITs) or mutual funds. Accordingly, we recommend that each prospective unitholder consult, and depend on, his own tax advisor in analyzing the federal, state, local and foreign tax consequences particular to him of the ownership or disposition of common units.

All statements as to matters of law and legal conclusions, but not as to factual matters, contained in this section, unless otherwise noted, are the opinion of counsel and are based on the accuracy of the factual representations made by us.

No ruling has been or will be requested from the IRS regarding any matter affecting us or prospective unitholders. An opinion of counsel represents only that counsel's best legal judgment and does not bind the IRS or the courts. Accordingly, the opinions and statements made here may not be sustained by a court if contested by the IRS. Any contest of this sort with the IRS may materially and adversely impact the market for the common units and the prices at which common units trade. In addition, the costs of any contest with the IRS will be borne directly or indirectly by the unitholders and the general partner. Furthermore, the treatment of us, or an investment in us, may be significantly modified by future legislative or administrative changes or court decisions. Any modifications may or may not be retroactively applied.

For the reasons described below, counsel has not rendered an opinion with respect to the following specific federal income tax issues:

(1) the treatment of a unitholder whose common units are loaned to a short seller to cover a short sale of common units (please read "--Tax Consequences of Unit Ownership--Treatment of Short Sales" in this prospectus);

(2) whether our monthly convention for allocating taxable income and losses is permitted by existing Treasury Regulations (please read "--Disposition of Common Units--Allocations Between Transferors and Transferees" in this prospectus); and

(3) whether our method for depreciating Section 743 adjustments is sustainable (please read "--Tax Consequences of Unit Ownership--Section 754 Election" in this prospectus).

### Partnership Status

A partnership is not a taxable entity and incurs no federal income tax liability. Instead, each partner of a partnership is required to take into account his share of items of income, gain, loss and deduction of the



partnership in computing his federal income tax liability, regardless of whether cash distributions are made to him by the partnership. Distributions by a partnership to a partner are generally not taxable unless the amount of cash distributed is in excess of the partner's adjusted basis in his partnership interest.

No ruling has been or will be sought from the IRS and the IRS has made no determination as to our status or the status of the operating partnerships as partnerships for federal income tax purposes or whether our operations generate "qualifying income" under Section 7704 of the Code. Instead, we will rely on the opinion of counsel that, based upon the Internal Revenue Code, its regulations, published revenue rulings and court decisions and the representations described below, we and the operating partnerships will be classified as a partnership for federal income tax purposes.

In rendering its opinion, counsel has relied on factual representations made by us and the general partner. The representations made by us and our general partner upon which counsel has relied are:

(a) neither we nor the operating partnerships will elect to be treated as a corporation;

(b) for each taxable year, more than 90% of our gross income will be income from sources that our counsel has opined or will opine is "qualifying income" within the meaning of Section 7704(d) of the Internal Revenue Code.

Section 7704 of the Internal Revenue Code provides that publicly-traded partnerships will, as a general rule, be taxed as corporations. However, an exception, referred to as the "Qualifying Income Exception," exists with respect to publicly-traded partnerships of which 90% or more of the gross income for every taxable year consists of "qualifying income." Qualifying income includes income and gains derived from the transportation and marketing of crude oil, natural gas and products thereof. Other types of qualifying income include interest (other than from a financial business), dividends, gains from the sale of real property and gains from the sale or other disposition of assets held for the production of income that otherwise constitutes qualifying income. We estimate that less than 3% of our current income is not qualifying income; however, this estimate could change from time to time. Based upon and subject to this estimate, the factual representations made by us and the general partner and a review of the applicable legal authorities, counsel is of the opinion that at least 90% of our current gross income constitutes qualifying income.

If we fail to meet the Qualifying Income Exception, other than a failure which is determined by the IRS to be inadvertent and that is cured within a reasonable time after discovery, we will be treated as if we had transferred all of our assets, subject to liabilities, to a newly formed corporation, on the first day of the year in which we fail to meet the Qualifying Income Exception, in return for stock in that corporation, and then distributed that stock to the unitholders in liquidation of their interests in us. This contribution and liquidation should be tax-free to unitholders and us so long as we, at that time, do not have liabilities in excess of the tax basis of our assets. Thereafter, we would be treated as a corporation for federal income tax purposes.

If we were taxable as a corporation in any taxable year, either as a result of a failure to meet the Qualifying Income Exception or otherwise, our items of income, gain, loss and deduction would be reflected only on our tax return rather than being passed through to our unitholders, and our net income would be taxed to us at corporate rates. In addition, any distribution made to a unitholder would be treated as either taxable dividend income, to the extent of our current or accumulated earnings and profits, or, in the absence of earnings and profits, a nontaxable return of capital, to the extent of the unitholder's tax basis in his common units, or taxable capital gain, after the unitholder's tax basis in his common units has been reduced to zero. Accordingly, taxation as a corporation would result in a material reduction in a unitholder's cash flow and after-tax return and thus would likely result in a substantial reduction of the value of the units.

The discussion below is based on the conclusion that we will be classified as a partnership for federal income tax purposes.

## Limited Partner Status

Unitholders who have become limited partners of Plains All American Pipeline will be treated as partners of Plains All American Pipeline for federal income tax purposes. Also:

- . assignees who have executed and delivered transfer applications, and are awaiting admission as limited partners and
- . unitholders whose common units are held in street name or by a nominee and who have the right to direct the nominee in the exercise of all substantive rights attendant to the ownership of their common units,

will be treated as partners of Plains All American Pipeline for federal income tax purposes. As there is no direct authority addressing assignees of common units who are entitled to execute and deliver transfer applications and become entitled to direct the exercise of attendant rights, but who fail to execute and deliver transfer applications, counsel's opinion does not extend to these persons. Furthermore, a purchaser or other transferee of common units who does not execute and deliver a transfer application may not receive some federal income tax information or reports furnished to record holders of common units unless the common units are held in a nominee or street name account and the nominee or broker has executed and delivered a transfer application for those common units.

A beneficial owner of common units whose units have been transferred to a short seller to complete a short sale would appear to lose his status as a partner with respect to those units for federal income tax purposes. Please read "--Tax Consequences of Unit Ownership--Treatment of Short Sales" in this prospectus.

Income, gain, deductions or losses would not appear to be reportable by a unitholder who is not a partner for federal income tax purposes, and any cash distributions received by a unitholder who is not a partner for federal income tax purposes would therefore be fully taxable as ordinary income. These holders should consult their own tax advisors with respect to their status as partners in Plains All American Pipeline for federal income tax purposes.

## Tax Consequences of Unit Ownership

**Flow-through of Taxable Income.** We will not pay any federal income tax. Instead, each unitholder will be required to report on his income tax return his share of our income, gains, losses and deductions without regard to whether corresponding cash distributions are received by that unitholder. Consequently, we may allocate income to a unitholder even if he has not received a cash distribution. Each unitholder will be required to include in income his share of our income, gains, losses and deductions for our taxable year ending with or within his taxable year.

**Treatment of Distributions.** Distributions by us to a unitholder generally will not be taxable to the unitholder for federal income tax purposes to the extent of his tax basis in his common units immediately before the distribution. Our cash distributions in excess of a unitholder's tax basis generally will be considered to be gain from the sale or exchange of the common units, taxable in accordance with the rules described under "--Disposition of Common Units" below. Any reduction in a unitholder's share of our liabilities for which no partner, including the general partner, bears the economic risk of loss, known as "nonrecourse liabilities," will be treated as a distribution of cash to that unitholder. To the extent our distributions cause a unitholder's "at risk" amount to be less than zero at the end of any taxable year, he must recapture any losses deducted in previous years. Please read "--Limitations on Deductibility of Losses" in this prospectus.

A decrease in a unitholder's percentage interest in us because of our issuance of additional common units will decrease his share of our nonrecourse liabilities, and thus will result in a corresponding deemed distribution of cash. A non-pro rata distribution of money or property may result in ordinary income to a unitholder, regardless of his tax basis in his common units, if the distribution reduces the unitholder's share of

our "unrealized receivables," including depreciation recapture, and/or substantially appreciated "inventory items," both as defined in Section 751 of the Internal Revenue Code, and collectively, "Section 751 Assets." To that extent, he will be treated as having been distributed his proportionate share of the Section 751 Assets and having exchanged those assets with us in return for the non-pro rata portion of the actual distribution made to him. This latter deemed exchange will generally result in the unitholder's realization of ordinary income. That income will equal the excess of (1) the non-pro rata portion of that distribution over (2) the unitholder's tax basis for the share of Section 751 Assets deemed relinquished in the exchange.

**Basis of Common Units.** A unitholder's initial tax basis for his common units will be the amount he paid for the common units plus his share of our nonrecourse liabilities. That basis will be increased by his share of our income and by any increases in his share of our nonrecourse liabilities. That basis will be decreased, but not below zero, by distributions from us, by the unitholder's share of our losses, by any decreases in his share of our nonrecourse liabilities and by his share of our expenditures that are not deductible in computing taxable income and are not required to be capitalized. A limited partner will have no share of our debt which is recourse to the general partner, but will have a share, generally based on his share of profits, of our nonrecourse liabilities. Please read "--Disposition of Common Units-- Recognition of Gain or Loss" in this prospectus.

**Limitations on Deductibility of Losses.** The deduction by a unitholder of his share of our losses will be limited to the tax basis in his units and, in the case of an individual unitholder or a corporate unitholder, if more than 50% of the value of its stock is owned directly or indirectly by five or fewer individuals or some tax-exempt organizations, to the amount for which the unitholder is considered to be "at risk" with respect to our activities, if that is less than his tax basis. A unitholder must recapture losses deducted in previous years to the extent that distributions cause his at risk amount to be less than zero at the end of any taxable year. Losses disallowed to a unitholder or recaptured as a result of these limitations will carry forward and will be allowable to the extent that his tax basis or at risk amount, whichever is the limiting factor, is subsequently increased. Upon the taxable disposition of a unit, any gain recognized by a unitholder can be offset by losses that were previously suspended by the at risk limitation but may not be offset by losses suspended by the basis limitation. Any excess loss above that gain previously suspended by the at risk or basis limitations will no longer be utilizable.

In general, a unitholder will be at risk to the extent of the tax basis of his units, excluding any portion of that basis attributable to his share of our nonrecourse liabilities, reduced by any amount of money he borrows to acquire or hold his units, if the lender of those borrowed funds owns an interest in us, is related to the unitholder or can look only to the units for repayment. A unitholder's at risk amount will increase or decrease as the tax basis of the unitholder's units increases or decreases, other than tax basis increases or decreases attributable to increases or decreases in his share of our nonrecourse liabilities.

The passive loss limitations generally provide that individuals, estates, trusts and some closely-held corporations and personal service corporations can deduct losses from passive activities, which are generally activities in which the taxpayer does not materially participate, only to the extent of the taxpayer's income from those passive activities. The passive loss limitations are applied separately with respect to each publicly-traded partnership. Consequently, any passive losses we generate will only be available to offset our passive income generated in the future and will not be available to offset income from other passive activities or investments, including our investments or investments in other publicly-traded partnerships, or salary or active business income. Passive losses that are not deductible because they exceed a unitholder's share of income we generate may be deducted in full when he disposes of his entire investment in us in a fully taxable transaction with an unrelated party. The passive activity loss rules are applied after other applicable limitations on deductions, including the at risk rules and the basis limitation.

A unitholder's share of our net income may be offset by any suspended passive losses, but it may not be offset by any other current or carryover losses from other passive activities, including those attributable to other publicly-traded partnerships.

Limitations on Interest Deductions. The deductibility of a non-corporate taxpayer's "investment interest expense" is generally limited to the amount of that taxpayer's "net investment income." The IRS has announced that Treasury Regulations will be issued that characterize net passive income from a publicly-traded partnership as investment income for purposes of the limitations on the deductibility of investment interest. In addition, the unitholder's share of our portfolio income will be treated as investment income. Investment interest expense includes:

- . interest on indebtedness properly allocable to property held for investment;
- . our interest expense attributed to portfolio income; and
- . the portion of interest expense incurred to purchase or carry an interest in a passive activity to the extent attributable to portfolio income.

The computation of a unitholder's investment interest expense will take into account interest on any margin account borrowing or other loan incurred to purchase or carry a unit. Net investment income includes gross income from property held for investment and amounts treated as portfolio income under the passive loss rules, less deductible expenses, other than interest, directly connected with the production of investment income, but generally does not include gains attributable to the disposition of property held for investment.

Entity-Level Collections. If we are required or elect under applicable law to pay any federal, state or local income tax on behalf of any unitholder or the general partner or any former unitholder, we are authorized to pay those taxes from our funds. That payment, if made, will be treated as a distribution of cash to the partner on whose behalf the payment was made. If the payment is made on behalf of a person whose identity cannot be determined, we are authorized to treat the payment as a distribution to all current unitholders. We are authorized to amend the partnership agreement in the manner necessary to maintain uniformity of intrinsic tax characteristics of units and to adjust later distributions, so that after giving effect to these distributions, the priority and characterization of distributions otherwise applicable under the partnership agreement is maintained as nearly as is practicable. Payments by us as described above could give rise to an overpayment of tax on behalf of an individual partner in which event the partner would be required to file a claim in order to obtain a credit or refund.

Allocation of Income, Gain, Loss and Deduction. In general, if we have a net profit, our items of income, gain, loss and deduction will be allocated among the general partner and the unitholders in accordance with their percentage interests in us. At any time that distributions are made on the common units in excess of distributions on the subordinated units, or incentive distributions are made to the general partner, gross income will be allocated to the recipients to the extent of these distributions. If we have a net loss for the entire year, that loss will be allocated first to the general partner and the unitholders in accordance with their percentage interests in us to the extent of their positive capital accounts and, second, to the general partner.

Specified items of our income, gain, loss and deduction will be allocated to account for the difference between the tax basis and fair market value of property contributed to us by the general partner, referred to in this discussion as "Contributed Property," and to account for the difference between the fair market value of our assets and their carrying value on our books at the time of an offering. The effect of these allocations to a unitholder purchasing common units in an offering will be essentially the same as if the tax basis of our assets were equal to their fair market value at the time of the offering. In addition, items of recapture income will be allocated to the extent possible to the partner who was allocated the deduction giving rise to the treatment of that gain as recapture income in order to minimize the recognition of ordinary income by some unitholders. Finally, although we do not expect that our operations will result in the creation of negative capital accounts, if negative capital accounts nevertheless result, items of our income and gain will be allocated in an amount and manner to eliminate the negative balance as quickly as possible.

An allocation of items of our income, gain, loss or deduction, other than an allocation required by the Internal Revenue Code to eliminate the difference between a partner's "book" capital account, credited with

the fair market value of Contributed Property, and "tax" capital account, credited with the tax basis of Contributed Property referred to in this discussion as the "Book-Tax Disparity", will generally be given effect for federal income tax purposes in determining a partner's share of an item of income, gain, loss or deduction only if the allocation has substantial economic effect. In any other case, a partner's share of an item will be determined on the basis of the partner's interest in us, which will be determined by taking into account all the facts and circumstances, including the partner's relative contributions to us, the interests of all the partners in profits and losses, the interest of all the partners in cash flow and other nonliquidating distributions and rights of the partners to distributions of capital upon liquidation.

Counsel is of the opinion that, with the exception of the issues described in "--Tax Consequences of Unit Ownership--Section 754 Election" and "--Disposition of Common Units--Allocations Between Transferors and Transferees," in this prospectus, respectively, allocations under our partnership agreement will be given effect for federal income tax purposes in determining a partner's share of an item of income, gain, loss or deduction.

Treatment of Short Sales. A unitholder whose units are loaned to a "short seller" to cover a short sale of units may be considered as having disposed of those units. If so, he would no longer be a partner with respect to those units during the period of the loan and may recognize gain or loss from the disposition. As a result, during this period:

- . any of our income, gain, loss or deduction with respect to those units would not be reportable by the unitholder;
- . any cash distributions received by the unitholder for those units would be fully taxable; and
- . all of these distributions would appear to be ordinary income.

Counsel has not rendered an opinion regarding the treatment of a unitholder where common units are loaned to a short seller to cover a short sale of common units; therefore, unitholders desiring to ensure their status as partners and avoid the risk of gain recognition from a loan to a short seller should modify any applicable brokerage account agreements to prohibit their brokers from borrowing their units. The IRS has announced that it is actively studying issues relating to the tax treatment of short sales of partnership interests. Please read "--Disposition of Common Units-- Recognition of Gain or Loss" in this prospectus.

Alternative Minimum Tax. Although it is not expected that we will generate significant tax preference items or adjustments, each unitholder will be required to take into account his distributive share of any items of our income, gain, loss or deduction for purposes of the alternative minimum tax. The current minimum tax rate for noncorporate taxpayers is 26% on the first \$175,000 of alternative minimum taxable income in excess of the exemption amount and 28% on any additional alternative minimum taxable income. Prospective unitholders should consult with their tax advisors as to the impact of an investment in units on their liability for the alternative minimum tax.

Tax Rates. In general the highest effective United States federal income tax rate for individuals for 2001 is 39.1% and the maximum United States federal income tax rate for net capital gains of an individual for 2001 is 20% if the asset disposed of was held for more than 12 months at the time of disposition.

Section 754 Election. We have made the election permitted by Section 754 of the Internal Revenue Code. That election is irrevocable without the consent of the IRS. The election will generally permit us to adjust a common unit purchaser's tax basis in our assets ("inside basis") under Section 743(b) of the Internal Revenue Code to reflect his purchase price. This election does not apply to a person who purchases common units directly from us. The Section 743(b) adjustment belongs to the purchaser and not to other partners. For purposes of this discussion, a partner's inside basis in our assets will be considered to have two components: (1) his share of our tax basis in our assets ("common basis") and (2) his Section 743(b) adjustment to that basis.

Treasury regulations under Section 743 of the Internal Revenue Code require, if the remedial allocation method is adopted (which we have adopted), a portion of the Section 743(b) adjustment attributable to recovery property to be depreciated over the remaining cost recovery period for the Section 704(c) built-in gain. Under Treasury Regulation Section 1.167(c)-1(a)(6), a Section 743(b) adjustment attributable to property subject to depreciation under Section 167 of the Internal Revenue Code rather than cost recovery deductions under Section 168 is generally required to be depreciated using either the straight-line method or the 150% declining balance method. Under our partnership agreement, the general partner is authorized to take a position to preserve the uniformity of units even if that position is not consistent with these Treasury Regulations. Please read "--Tax Treatment of Operations-- Uniformity of Units" in this prospectus.

Although counsel is unable to opine as to the validity of this approach because there is no clear authority on this issue, we intend to depreciate the portion of a Section 743(b) adjustment attributable to unrealized appreciation in the value of Contributed Property, to the extent of any unamortized Book-Tax Disparity, using a rate of depreciation or amortization derived from the depreciation or amortization method and useful life applied to the common basis of the property, or treat that portion as non-amortizable to the extent attributable to property the common basis of which is not amortizable. This method is consistent with the regulations under Section 743 but is arguably inconsistent with Treasury Regulation Section 1.167(c)-1(a)(6), which is not expected to directly apply to a material portion of our assets. To the extent this Section 743(b) adjustment is attributable to appreciation in value in excess of the unamortized Book-Tax Disparity, we will apply the rules described in the Treasury Regulations and legislative history. If we determine that this position cannot reasonably be taken, we may take a depreciation or amortization position under which all purchasers acquiring units in the same month would receive depreciation or amortization, whether attributable to common basis or a Section 743(b) adjustment, based upon the same applicable rate as if they had purchased a direct interest in our assets. This kind of aggregate approach may result in lower annual depreciation or amortization deductions than would otherwise be allowable to some unitholders. Please read "--Uniformity of Units" in this prospectus.

A Section 754 election is advantageous if the transferee's tax basis in his units is higher than the units' share of the aggregate tax basis of our assets immediately prior to the transfer. In that case, as a result of the election, the transferee would have, among other items, a greater amount of depreciation and depletion deductions and a smaller share of any gain or loss on a sale of our assets. Conversely, a Section 754 election is disadvantageous if the transferee's tax basis in his units is lower than those units' share of the aggregate tax basis of our assets immediately prior to the transfer. Thus, the fair market value of the units may be affected either favorably or unfavorably by the election.

The calculations involved in the Section 754 election are complex and will be made on the basis of assumptions as to the value of our assets and other matters. The determinations we make may be successfully challenged by the IRS and the deductions resulting from them may be reduced or disallowed altogether. For example, the allocation of the Section 743(b) adjustment among our assets must be made in accordance with the Internal Revenue Code. The IRS could seek to reallocate some or all of any Section 743(b) adjustment allocated by us to our tangible assets to goodwill instead. Goodwill, as an intangible asset, is generally amortizable over a longer period of time or under a less accelerated method than our tangible assets. Should the IRS require a different basis adjustment to be made, and should, in our opinion, the expense of compliance exceed the benefit of the election, we may seek permission from the IRS to revoke our Section 754 election. If permission is granted, a subsequent purchaser of units may be allocated more income than he would have been allocated had the election not been revoked.

#### Tax Treatment of Operations

Accounting Method and Taxable Year. We use the year ending December 31 as our taxable year and the accrual method of accounting for federal income tax purposes. Each unitholder will be required to include in income his share of our income, gain, loss and deduction for our taxable year ending within or with his taxable year. In addition, a unitholder who has a taxable year ending on a date other than December 31 and who

disposes of all of his units following the close of our taxable year but before the close of his taxable year must include his share of our income, gain, loss and deduction in income for his taxable year, with the result that he will be required to include in income for his taxable year his share of more than one year of our income, gain, loss and deduction. Please read "--Disposition of Common Units--Allocations Between Transferors and Transferees" in this prospectus.

**Initial Tax Basis, Depreciation and Amortization.** The tax basis of our assets will be used for purposes of computing depreciation and cost recovery deductions and, ultimately, gain or loss on the disposition of these assets. The federal income tax burden associated with the difference between the fair market value of our assets and their tax basis immediately prior to this offering will be borne by partners holding interests in us prior to this offering. Please read "--Tax Consequences of Unit Ownership--Allocation of Income, Gain, Loss and Deduction" in this prospectus.

To the extent allowable, we may elect to use the depreciation and cost recovery methods that will result in the largest deductions being taken in the early years after assets are placed in service. We are not entitled to any amortization deductions with respect to any goodwill conveyed to us on formation. Property we subsequently acquire or construct may be depreciated using accelerated methods permitted by the Internal Revenue Code.

If we dispose of depreciable property by sale, foreclosure, or otherwise, all or a portion of any gain, determined by reference to the amount of depreciation previously deducted and the nature of the property, may be subject to the recapture rules and taxed as ordinary income rather than capital gain. Similarly, a partner who has taken cost recovery or depreciation deductions with respect to property we own will likely be required to recapture some or all of those deductions as ordinary income upon a sale of his interest in us. Please read "--Tax Consequences of Unit Ownership--Allocation of Income, Gain, Loss and Deduction" and "--Disposition of Common Units--Recognition of Gain or Loss" in this prospectus.

The costs incurred in selling our units (called "syndication expenses") must be capitalized and cannot be deducted currently, ratably or upon our termination. There are uncertainties regarding the classification of costs as organization expenses, which may be amortized by us, and as syndication expenses, which may not be amortized by us. The underwriting discounts and commissions we incur will be treated as syndication expenses.

**Valuation and Tax Basis of Our Properties.** The federal income tax consequences of the ownership and disposition of units will depend in part on our estimates of the relative fair market values, and the initial tax bases, of our assets. Although we may from time to time consult with professional appraisers regarding valuation matters, we will make many of the relative fair market value estimates ourselves. These estimates of basis are subject to challenge and will not be binding on the IRS or the courts. If the estimates of fair market value or basis are later found to be incorrect, the character and amount of items of income, gain, loss or deductions previously reported by unitholders might change, and unitholders might be required to adjust their tax liability for prior years and may incur interest and penalties with respect to those adjustments.

#### Disposition of Common Units

**Recognition of Gain or Loss.** Gain or loss will be recognized on a sale of units equal to the difference between the amount realized and the unitholder's tax basis for the units sold. A unitholder's amount realized will be measured by the sum of the cash or the fair market value of other property received plus his share of our nonrecourse liabilities. Because the amount realized includes a unitholder's share of our nonrecourse liabilities, the gain recognized on the sale of units could result in a tax liability in excess of any cash received from the sale.

Prior distributions from us in excess of cumulative net taxable income for a common unit that decreased a unitholder's tax basis in that common unit will, in effect, become taxable income if the common unit is sold at a price greater than the unitholder's tax basis in that common unit, even if the price is less than his original cost.

Except as noted below, gain or loss recognized by a unitholder, other than a "dealer" in units, on the sale or exchange of a unit held for more than one year will generally be taxable as capital gain or loss. Capital gain recognized by an individual on the sale of units held more than 12 months will generally be taxed a maximum rate of 20%. A portion of this gain or loss, which will likely be substantial, however, will be separately computed and taxed as ordinary income or loss under Section 751 of the Internal Revenue Code to the extent attributable to assets giving rise to depreciation recapture or other "unrealized receivables" or to "inventory items" we own. The term "unrealized receivables" includes potential recapture items, including depreciation recapture. Ordinary income attributable to unrealized receivables, inventory items and depreciation recapture may exceed net taxable gain realized upon the sale of a unit and may be recognized even if there is a net taxable loss realized on the sale of a unit. Thus, a unitholder may recognize both ordinary income and a capital loss upon a sale of units. Capital losses may offset capital gains and no more than \$3,000 of ordinary income in the case of individuals, and may only be used to offset capital gains in the case of corporations.

The IRS has ruled that a partner who acquires interests in a partnership in separate transactions must combine those interests and maintain a single adjusted tax basis for all those interests. Upon a sale or other disposition of less than all of those interests, a portion of that tax basis must be allocated to the interests sold using an "equitable apportionment" method. Although the ruling is unclear as to how the holding period of these interests is determined once they are combined, Treasury regulations allow a selling unitholder who can identify common units transferred with an ascertainable holding period to elect to use the actual holding period of the common units transferred. Thus, according to the ruling, a common unitholder will be unable to select high or low basis common units to sell as would be the case with corporate stock, but, according to the regulations, may designate specific common units sold for purposes of determining the holding period of units transferred. A unitholder electing to use the actual holding period of common units transferred must consistently use that identification method for all subsequent sales or exchanges of common units. A unitholder considering the purchase of additional units or a sale of common units purchased in separate transactions should consult his tax advisor as to the possible consequences of this ruling and application of the regulations.

Specific provisions of the Internal Revenue Code affect the taxation of some financial products and securities, including partnership interests, by treating a taxpayer as having sold an "appreciated" partnership interest, one in which gain would be recognized if it were sold, assigned or terminated at its fair market value, if the taxpayer or related persons enter(s) into:

- . a short sale;
- . an offsetting notional principal contract; or
- . a futures or forward contract with respect to the partnership interest or substantially identical property.

Moreover, if a taxpayer has previously entered into a short sale, an offsetting notional principal contract or a futures or forward contract with respect to the partnership interest, the taxpayer will be treated as having sold that position if the taxpayer or a related person then acquires the partnership interest or substantially identical property. The Secretary of Treasury is also authorized to issue regulations that treat a taxpayer that enters into transactions or positions that have substantially the same effect as the preceding transactions as having constructively sold the financial position.

Allocations Between Transferors and Transferees. In general, our taxable income and losses will be determined annually, will be prorated on a monthly basis and will be subsequently apportioned among the unitholders in proportion to the number of units owned by each of them as of the opening of the NYSE on the first business day of the month (the "Allocation Date"). However, gain or loss realized on a sale or other disposition of our assets other than in the ordinary course of business will be allocated among the unitholders on the Allocation Date in the month in which that gain or loss is recognized. As a result, a unitholder transferring units may be allocated income, gain, loss and deduction realized after the date of transfer.



The use of this method may not be permitted under existing Treasury Regulations. Accordingly, counsel is unable to opine on the validity of this method of allocating income and deductions between unitholders. If this method is not allowed under the Treasury Regulations, or only applies to transfers of less than all of the unitholder's interest, our taxable income or losses might be reallocated among the unitholders. We are authorized to revise our method of allocation between unitholders to conform to a method permitted under future Treasury Regulations.

A unitholder who owns units at any time during a quarter and who disposes of them prior to the record date set for a cash distribution for that quarter will be allocated items of our income, gain, loss and deductions attributable to that quarter but will not be entitled to receive that cash distribution.

**Notification Requirements.** A unitholder who sells or exchanges units is required to notify us in writing of that sale or exchange within 30 days after the sale or exchange. We are required to notify the IRS of that transaction and to furnish specified information to the transferor and transferee. However, these reporting requirements do not apply to a sale by an individual who is a citizen of the United States and who effects the sale or exchange through a broker. Additionally, a transferor and a transferee of a unit will be required to furnish statements to the IRS, filed with their income tax returns for the taxable year in which the sale or exchange occurred, that describe the amount of the consideration received for the unit that is allocated to our goodwill or going concern value. Failure to satisfy these reporting obligations may lead to the imposition of substantial penalties.

**Constructive Termination.** We will be considered to have been terminated for tax purposes if there is a sale or exchange of 50% or more of the total interests in our capital and profits within a 12-month period. A constructive termination results in the closing of our taxable year for all unitholders. In the case of a unitholder reporting on a taxable year other than a fiscal year ending December 31, the closing of our taxable year may result in more than 12 months of our taxable income or loss being includable in his taxable income for the year of termination. We would be required to make new tax elections after a termination, including a new election under Section 754 of the Internal Revenue Code, and a termination would result in a deferral of our deductions for depreciation. A termination could also result in penalties if we were unable to determine that the termination had occurred. Moreover, a termination might either accelerate the application of, or subject us to, any tax legislation enacted before the termination.

#### Uniformity of Units

Because we cannot match transferors and transferees of units, we must maintain uniformity of the economic and tax characteristics of the units to a purchaser of these units. In the absence of uniformity, we may be unable to completely comply with a number of federal income tax requirements, both statutory and regulatory. A lack of uniformity can result from a literal application of Treasury Regulation Section 1.167(c) -1(a)(6). Any non-uniformity could have a negative impact on the value of the units. Please read "--Tax Consequences of Unit Ownership--Section 754 Election" in this prospectus.

We intend to depreciate the portion of a Section 743(b) adjustment attributable to unrealized appreciation in the value of Contributed Property, to the extent of any unamortized Book-Tax Disparity, using a rate of depreciation or amortization derived from the depreciation or amortization method and useful life applied to the common basis of that property, or treat that portion as nonamortizable, to the extent attributable to property the common basis of which is not amortizable, consistent with the regulations under Section 743 even though that portion may be inconsistent with Treasury Regulation Section 1.167(c)-1(a)(6), which is not expected to directly apply to a material portion of our assets. Please read "--Tax Consequences of Unit Ownership --Section 754 Election" in this prospectus. To the extent that the Section 743 (b) adjustment is attributable to appreciation in value in excess of the unamortized Book-Tax Disparity, we will apply the rules described in the Treasury Regulations and legislative history. If we determine that this position cannot reasonably be taken, we

may adopt a depreciation and amortization position under which all purchasers acquiring units in the same month would receive depreciation and amortization deductions, whether attributable to a common basis or Section 743(b) adjustment, based upon the same applicable rate as if they had purchased a direct interest in our property. If this position is adopted, it may result in lower annual depreciation and amortization deductions than would otherwise be allowable to some unitholders and risk the loss of depreciation and amortization deductions not taken in the year that these deductions are otherwise allowable. This position will not be adopted if we determine that the loss of depreciation and amortization deductions will have a material adverse effect on the unitholders. If we choose not to utilize this aggregate method, we may use any other reasonable depreciation and amortization method to preserve the uniformity of the intrinsic tax characteristics of any units that would not have a material adverse effect on the unitholders. The IRS may challenge any method of depreciating the Section 743(b) adjustment described in this paragraph. If this challenge were sustained, the uniformity of units might be affected, and the gain from the sale of units might be increased without the benefit of additional deductions. Please read "--Disposition of Common Units-- Recognition of Gain or Loss" in this prospectus.

#### Tax-Exempt Organizations and Other Investors

Ownership of units by employee benefit plans, other tax-exempt organizations, non-resident aliens, foreign corporations, other foreign persons and regulated investment companies raises issues unique to those investors and, as described below, may have substantially adverse tax consequences to them. Employee benefit plans and most other organizations exempt from federal income tax, including individual retirement accounts and other retirement plans, are subject to federal income tax on unrelated business taxable income. Virtually all of our income allocated to a unitholder which is a tax-exempt organization will be unrelated business taxable income and will be taxable to the unitholder.

A regulated investment company or "mutual fund" is required to derive 90% or more of its gross income from interest, dividends and gains from the sale of stocks or securities or foreign currency or specified related sources. It is not anticipated that any significant amount of our gross income will include that type of income.

Non-resident aliens and foreign corporations, trusts or estates that own units will be considered to be engaged in business in the United States because of the ownership of units. As a consequence they will be required to file federal tax returns to report their share of our income, gain, loss or deduction and pay federal income tax at regular rates on their share of our income or gain. And, under rules applicable to publicly traded partnerships, we will withhold tax at the highest effective U.S. federal income tax rate for individuals from cash distributions made quarterly to foreign unitholders. Each foreign unitholder must obtain a taxpayer identification number from the IRS and submit that number to our transfer agent on a Form W-8 or applicable substitute form in order to obtain credit for these withholding taxes.

In addition, because a foreign corporation that owns units will be treated as engaged in a United States trade or business, that corporation may be subject to United States branch profits tax at a rate of 30%, in addition to regular federal income tax, on its share of our income and gain, as adjusted for changes in the foreign corporation's "U.S. net equity," which is effectively connected with the conduct of a United States trade or business. That tax may be reduced or eliminated by an income tax treaty between the United States and the country in which the foreign corporate unitholder is a "qualified resident." In addition, this type of unitholder is subject to special information reporting requirements under Section 6038C of the Internal Revenue Code.

Under a ruling of the IRS, a foreign unitholder who sells or otherwise disposes of a unit will be subject to federal income tax on gain realized on the disposition of that unit to the extent that this gain is effectively connected with a United States trade or business of the foreign unitholder. Apart from the ruling, a foreign unitholder will not be taxed or subject to withholding upon the disposition of a unit if he has owned less than 5% in value of the units during the five-year period ending on the date of the disposition and if the units are regularly traded on an established securities market at the time of the disposition.

## Administrative Matters

Information Returns and Audit Procedures. We intend to furnish to each unitholder, within 90 days after the close of each calendar year, specific tax information, including a Schedule K-1, which describes his share of our income, gain, loss and deduction for our preceding taxable year. In preparing this information, which will not be reviewed by counsel, we will take various accounting and reporting positions, some of which have been mentioned earlier, to determine the unitholder's share of income, gain, loss and deduction. We cannot assure you that those positions will yield a result that conforms to the requirements of the Internal Revenue Code, regulations or administrative interpretations of the IRS. Neither we nor counsel can assure prospective unitholders that the IRS will not successfully contend in court that those positions are impermissible. Any challenge by the IRS could negatively affect the value of the units.

The IRS may audit our federal income tax information returns. Adjustments resulting from an IRS audit may require each unitholder to adjust a prior year's tax liability, and possibly may result in an audit of that unitholder's own return. Any audit of a unitholder's return could result in adjustments not related to our returns as well as those related to our returns.

Partnerships generally are treated as separate entities for purposes of federal tax audits, judicial review of administrative adjustments by the IRS and tax settlement proceedings. The tax treatment of partnership items of income, gain, loss and deduction are determined in a partnership proceeding rather than in separate proceedings with the partners. The Internal Revenue Code requires that one partner be designated as the "Tax Matters Partner" for these purposes. The partnership agreement appoints the general partner as our Tax Matters Partner.

The Tax Matters Partner has made and will make some elections on our behalf and on behalf of unitholders. In addition, the Tax Matters Partner can extend the statute of limitations for assessment of tax deficiencies against unitholders for items in our returns. The Tax Matters Partner may bind a unitholder with less than a 1% profits interest in us to a settlement with the IRS unless that unitholder elects, by filing a statement with the IRS, not to give that authority to the Tax Matters Partner. The Tax Matters Partner may seek judicial review, by which all the unitholders are bound, of a final partnership administrative adjustment and, if the Tax Matters Partner fails to seek judicial review, judicial review may be sought by any unitholder having at least a 1% interest in profits or by any group of unitholders having in the aggregate at least a 5% interest in profits. However, only one action for judicial review will go forward, and each unitholder with an interest in the outcome may participate. However, if we elect to be treated as a large partnership, a unitholder will not have the right to participate in settlement conferences with the IRS or to seek a refund.

A unitholder must file a statement with the IRS identifying the treatment of any item on his federal income tax return that is not consistent with the treatment of the item on our return. Intentional or negligent disregard of the consistency requirement may subject a unitholder to substantial penalties. However, if we elect to be treated as a large partnership, the unitholders would be required to treat all partnership items in a manner consistent with our return.

Nominee Reporting. Persons who hold an interest in us as a nominee for another person are required to furnish to us:

- . the name, address and taxpayer identification number of the beneficial owner and the nominee;
- . whether the beneficial owner is
  - a person that is not a United States person,
  - a foreign government, an international organization or any wholly owned agency or instrumentality of either of the foregoing, or
  - a tax-exempt entity;
- . the amount and description of units held, acquired or transferred for the beneficial owner; and

. specific information including the dates of acquisitions and transfers, means of acquisitions and transfers, and acquisition cost for purchases, as well as the amount of net proceeds from sales.

Brokers and financial institutions are required to furnish additional information, including whether they are United States persons and specific information on units they acquire, hold or transfer for their own account. A penalty of \$50 per failure, up to a maximum of \$100,000 per calendar year, is imposed by the Internal Revenue Code for failure to report that information to us. The nominee is required to supply the beneficial owner of the units with the information furnished to us.

Registration as a Tax Shelter. The Internal Revenue Code requires that "tax shelters" be registered with the Secretary of the Treasury. The temporary Treasury Regulations interpreting the tax shelter registration provisions of the Internal Revenue Code are extremely broad. It is arguable that we are not subject to the registration requirement on the basis that we will not constitute a tax shelter. However, we have registered as a tax shelter with the Secretary of Treasury in the absence of assurance that we will not be subject to tax shelter registration and in light of the substantial penalties which might be imposed if registration is required and not undertaken.

Issuance of this registration number does not indicate that investment in us or the claimed tax benefits have been reviewed, examined or approved by the IRS.

Our tax shelter registration number is 99061000009. A unitholder who sells or otherwise transfers a unit in a later transaction must furnish the registration number to the transferee. The penalty for failure of the transferor of a unit to furnish the registration number to the transferee is \$100 for each failure. The unitholders must disclose our tax shelter registration number on Form 8271 to be attached to the tax return on which any deduction, loss or other benefit we generate is claimed or on which any of our income is included. A unitholder who fails to disclose the tax shelter registration number on his return, without reasonable cause for that failure, will be subject to a \$250 penalty for each failure. Any penalties discussed are not deductible for federal income tax purposes.

Accuracy-related Penalties. An additional tax equal to 20% of the amount of any portion of an underpayment of tax that is attributable to one or more specified causes, including negligence or disregard of rules or regulations, substantial understatements of income tax and substantial valuation misstatements, is imposed by the Internal Revenue Code. No penalty will be imposed, however, for any portion of an underpayment if it is shown that there was a reasonable cause for that portion and that the taxpayer acted in good faith regarding that portion.

A substantial understatement of income tax in any taxable year exists if the amount of the understatement exceeds the greater of 10% of the tax required to be shown on the return for the taxable year or \$5,000 (\$10,000 for most corporations). The amount of any understatement subject to penalty generally is reduced if any portion is attributable to a position adopted on the return:

- . for which there is, or was, "substantial authority," or
- . as to which there is a reasonable basis and the pertinent facts of that position are disclosed on the return.

More stringent rules apply to "tax shelters," a term that in this context does not appear to include us. If any item of income, gain, loss or deduction included in the distributive shares of unitholders might result in that kind of an "understatement" of income for which no "substantial authority" exists, we must disclose the pertinent facts on our return. In addition, we will make a reasonable effort to furnish sufficient information for unitholders to make adequate disclosure on their returns to avoid liability for this penalty.

A substantial valuation misstatement exists if the value of any property, or the adjusted basis of any property, claimed on a tax return is 200% or more of the amount determined to be the correct amount of the

valuation or adjusted basis. No penalty is imposed unless the portion of the underpayment attributable to a substantial valuation misstatement exceeds \$5,000 (\$10,000 for most corporations). If the valuation claimed on a return is 400% or more than the correct valuation, the penalty imposed increases to 40%.

#### State, Local and Other Tax Considerations

In addition to federal income taxes, you may be subject to other taxes, such as state and local and Canadian federal and provincial taxes, unincorporated business taxes, and estate, inheritance or intangible taxes that may be imposed by the various jurisdictions in which we do business or own property. Although an analysis of those various taxes is not presented herein, each prospective unitholder should consider their potential impact on his investment in us. We will own property or conduct business in Canada and in most states of the United States. A unitholder may be required to file Canadian federal income tax returns and to pay Canadian federal and provincial income taxes and to file state income tax returns and to pay taxes in various states and may be subject to penalties for failure to comply with such requirements. In certain states, tax losses may not produce a tax benefit in the year incurred (if, for example, we have no income from sources within that state) and also may not be available to offset income in subsequent taxable years. Some of the states may require us to withhold a percentage of income from amounts to be distributed to a unitholder who is not a resident of the state. Withholding, the amount of which may be greater or less than a particular unitholder's income tax liability to the state, generally does not relieve the non-resident unitholder from the obligation to file an income tax return. Amounts withheld may be treated as if distributed to unitholders for purposes of determining the amount distributed by us. Please read "-Tax Consequences of Unit Ownership- Entity-Level Collections" in this prospectus. We may also own additional property or do business in other states in the future.

It is the responsibility of each unitholder to investigate the legal and tax consequences, under the laws of pertinent states and localities, including the Canadian provinces and Canada, of his investment in us. Accordingly, each prospective unitholder should consult, and must depend upon, his own tax counsel or other advisor with regard to those matters. Further, it is the responsibility of each unitholder to file all Canadian, Canadian province, state and local, as well as federal tax returns that may be required of him. Counsel has not rendered an opinion on the Canadian federal, Canadian provincial, state or local tax consequences of an investment in us.

SELLING UNITHOLDERS

In addition to covering our offering of securities, this prospectus covers the offering for resale of up to 17,490,247 common units by selling unitholders, including 9,557,049 common units that are issuable upon the conversion of subordinated units and 1,307,190 common units that are issuable upon conversion of Class B common units. The following table sets forth information relating to the selling unitholders' beneficial ownership of our common units and subordinated units that are convertible into common units:

Selling Unitholders	Number of Common Units Owned	Number of Subordinated Units Owned
Plains Holdings LLC.....	6,626,008	4,504,148
Plains Holdings Inc. (Class B Common).....	1,307,190	
Sable Holdings, L.P. ....		1,846,252
Kafu Holdings, L.P. ....		1,595,322
E-Holdings, L.P. ....		874,540
First Union Investors, Inc. ....		328,668
Mark E. Strome Ttee FBO Mark E. Strome Living Trust Dtd 1/15/1997.....		207,298
Strome Hedgecap Fund, L.P. ....		103,650
John T. Raymond.....		97,171

The applicable prospectus supplement will set forth, with respect to the selling unitholders:

- . the name of the selling unitholders;
- . the nature of the position, office or other material relationship which the selling unitholders will have had within the prior three years with us or any of our affiliates;
- . the number of common units owned by the selling unitholders prior to the offering;
- . the amount of common units to be offered for the selling unitholders' account; and
- . the amount and (if one percent or more) the percentage of common units to be owned by the selling unitholders after the completion of the offering.

All expenses incurred with the registration of the common units owned by the selling unitholders will be borne by us.

## PLAN OF DISTRIBUTION

Under this prospectus, both we and the selling unitholders intend to offer our securities to the public:

- . through one or more broker-dealers;
- . through underwriters; or
- . directly to investors.

We will fix a price or prices, and we may change the price of the securities offered from time to time:

- . at market prices prevailing at the time of any sale under this registration statement;
- . prices related to market prices; or
- . negotiated prices.

We and the selling unitholders will pay or allow distributors' or sellers' commissions that will not exceed those customary in the types of transactions involved. Broker-dealers may act as agent or may purchase securities as principal and thereafter resell the securities from time to time:

- . in or through one or more transitions (which may involve crosses and block transactions) or distributions;
- . on the New York Stock Exchange;
- . in the over-the-counter market; or
- . in private transactions.

Broker-dealers or underwriters may receive compensation in the form of underwriting discounts or commissions and may receive commissions from purchasers of the securities for whom they may act as agents. If any broker-dealer purchases the securities as principal, it may effect resales of the securities from time to time to or through other broker-dealers, and other broker-dealers may receive compensation in the form of concessions or commissions from the purchasers of securities for whom they may act as agents.

To the extent required, the names of the specific managing underwriter or underwriters, if any, as well as other important information, will be set forth in prospectus supplements. In that event, the discounts and commissions we and the selling unitholders will allow or pay to the underwriters, if any, and the discounts and commissions the underwriters may allow or pay to dealers or agents, if any, will be set forth in, or may be calculated from, the prospectus supplements. Any underwriters, brokers, dealers and agents who participate in any sale of the securities may also engage in transactions with, or perform services for, us or our affiliates in the ordinary course of their businesses.

In addition, the selling unitholders have advised us that they may sell common units in compliance with Rule 144, if available, or pursuant to other available exemptions from the registration requirements under the Securities Act, rather than pursuant to this prospectus.

To the extent required, this prospectus may be amended or supplemented from time to time to describe a specific plan of distribution.

In connection with offerings under this shelf registration and in compliance with applicable law, underwriters, brokers or dealers may engage in transactions which stabilize or maintain the market price of the securities at levels above those which might otherwise prevail in the open market. Specifically, underwriters, brokers or dealers may over-allot in connection with offerings, creating a short position in the securities for their own accounts. For the purpose of covering a syndicate short position or stabilizing the price of the securities, the underwriters, brokers or dealers may place bids for the securities or effect purchases of the securities in the open market. Finally, the underwriters may impose a penalty whereby selling concessions

allowed to syndicate members or other brokers or dealers for distribution the securities in offerings may be reclaimed by the syndicate if the syndicate repurchases previously distributed securities in transactions to cover short positions, in stabilization transactions or otherwise. These activities may stabilize, maintain or otherwise affect the market price of the securities, which may be higher than the price that might otherwise prevail in the open market, and, if commenced, may be discontinued at any time.

#### LEGAL MATTERS

Vinson & Elkins L.L.P., will pass upon the validity of the securities offered in this registration statement. The selling unitholders' counsel and the underwriters' own legal counsel will advise them about other issues relating to any offering in which they participate.

#### EXPERTS

The consolidated financial statements of Plains All American Pipeline, L.P. for the year ended December 31, 2000 and 1999 and the period from inception (November 23, 1998) to December 31, 1998 and the combined financial statements for the period from January 1, 1998 to November 22, 1998 incorporated in this prospectus by reference to the Current Report on Form 8-K dated August 27, 2001 and the audited balance sheet of Plains AAP, L.P. as of June 8, 2001, included as Exhibit 99.1, to Plains All American Pipeline, L.P.'s Current Report on Form 8-K dated August 27, 2001, have been so incorporated in reliance on the reports of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.



PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

We will incur the following expenses in connection with the issuance and distribution of the securities registered. With the exception of the Securities and Exchange Commission registration fee, the amounts set forth below are estimates:

Securities and Exchange Commission registration fee.....	\$301,105
Legal fees and expenses.....	100,000
Accounting fees and expenses.....	150,000
Fees and expenses of Trustee and Counsel.....	25,000
Fees of rating agencies.....	200,000
Printing and engraving expenses.....	100,000
Miscellaneous.....	3,895
	-----
TOTAL.....	\$880,000
	=====

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 17-108 of the Delaware Revised Limited Partnership Act empowers a Delaware limited partnership to indemnify and hold harmless any partner or other person from and against all claims and demands whatsoever. The partnership agreement of Plains All American Pipeline provides that Plains All American Pipeline will indemnify the general partner, any departing partner, any person who is or was an affiliate of the general partner or any departing partner, and any person who is or was an officer, director, partner or trustee of the general partner or any departing partner or any affiliate of the general partner or any departing partner, or any person who is or was serving at the request of the general partner or any departing partner or any affiliate of the general partner or any departing partner as an officer, director, employee, partner, agent or trustee of another person (each, an "Indemnitee"), to the fullest extent permitted by law, from and against any and all losses, claims, damages, liabilities (joint and several), expenses (including, without limitation, legal fees and expenses), judgments, fines, penalties, interest, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as any of the foregoing; provided that in each case the Indemnitee acted in good faith and in a manner that such Indemnitee reasonably believed to be in or not opposed to the best interests of Plains All American Pipeline and, with respect to any criminal proceeding, had no reasonable cause to believe its conduct was unlawful. Any indemnification under these provisions will be only out of the assets of Plains All American Pipeline, and the general partner shall not be personally liable for, or have any obligation to contribute or loan funds or assets to Plains All American Pipeline to enable it to effectuate, such indemnification. Plains All American Pipeline is authorized to purchase (or to reimburse the general partner or its affiliates for the cost of) insurance against liabilities asserted against and expenses incurred by such persons in connection with Plains All American Pipeline's activities, regardless of whether Plains All American Pipeline would have the power to indemnify such person against such liabilities under the provisions described above.

The underwriting agreements that the partnership may enter into with respect to the offer and sale of securities covered by this registration statement will contain certain provisions for the indemnification of directors and officers of the partnership and the underwriters or sales agent, as applicable, against civil liabilities under the Securities Act.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

- 1.1\* -- Form of Underwriting Agreement
- 3.1 -- Third Amended and Restated Agreement of Limited Partnership of Plains All American Pipeline, L.P. (incorporated by reference to Exhibit 3.1 to Plains All American Pipeline, L.P.'s Current Report on Form 8-K filed on August 27, 2001)
- 3.2 -- Second Amended and Restated Agreement of Limited Partnership of Plains Marketing, L.P. (incorporated by reference to Exhibit 3.2 to Plains All American Pipeline, L.P.'s Current Report on Form 8-K filed on August 27, 2001)
- 3.3 -- Second Amended and Restated Agreement of Limited Partnership of All American Pipeline, L.P. (incorporated by reference to Exhibit 3.3 to Plains All American Pipeline, L.P.'s Current Report on Form 8-K filed on August 27, 2001).
- 3.4 -- Amended and Restated Limited Partnership Agreement of Plains AAP, L.P. (incorporated by reference to Exhibit 3.1 to Plains All American Pipeline, L.P.'s Current Report on Form 8-K filed on June 11, 2001)
- 3.5 -- Amended and Restated Limited Liability Company Agreement of Plains All American GP LLC (incorporated by reference to Exhibit 3.2 to the Plains All American Pipeline, L.P.'s Current Report on Form 8-K filed on June 11, 2001)
- 3.6\*\* -- Certificate of Incorporation of PAA Finance Corp.
- 3.7\*\* -- Bylaws of PAA Finance Corp.
- 4.1\*\* -- Form of Senior Indenture for Senior Debt Securities
- 4.2\*\* -- Form of Subordinated Indenture for Subordinated Debt Securities
- 4.3\* -- Form of Senior Debt Securities
- 4.4\* -- Form of Subordinated Debt Securities
- 5.1\*\* -- Opinion of Vinson & Elkins L.L.P. as to the legality of the securities being registered
- 8.1\*\* -- Opinion of Vinson & Elkins L.L.P. relating to tax matters
- 12.1\*\* -- Calculation of ratio of earnings to fixed charges
- 21.1\*\* -- List of Subsidiaries of Plains All American Pipeline, L.P.
- 23.1\*\* -- Consent of PricewaterhouseCoopers LLP
- 23.2\*\* -- Consent of Vinson & Elkins L.L.P. (contained in Exhibits 5.1 and 8.1)
- 24.1\*\* -- Powers of Attorney (included on the signature page)
- 25.1\*\* -- Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of the trustee under the Senior Indenture
- 25.2\*\* -- Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of the trustee under the Subordinated Indenture

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\* To be filed as an exhibit to a Current Report on Form 8-K or in a post effective amendment to this registration statement.

\*\* Filed herewith.

ITEM 17. UNDERTAKINGS

Each undersigned registrant hereby undertakes:

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

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

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

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

Provided, however, that paragraphs 1(i) and 1(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are incorporated by reference in the registration statement.

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

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

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

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of any registrant pursuant to the provisions described under Item 15 above or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the relevant registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, each Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, State of Texas, on August 27, 2001.

Plains All American Pipeline, L.P.

By: Plains AAP, L.P.,  
its general partner

By: Plains All American GP LLC,  
its general partner

By: \_\_\_\_\_  
/s/ Greg L. Armstrong  
Greg L. Armstrong  
Chairman of the Board and Chief  
Executive Officer

Plains Marketing, L.P.

By: Plains Marketing GP Inc.,  
its general partner

By: \_\_\_\_\_  
/s/ Greg L. Armstrong  
Greg L. Armstrong  
Chairman of the Board and Chief  
Executive Officer

All American Pipeline, L.P.

By: Plains Marketing GP Inc.,  
its general partner

By: \_\_\_\_\_  
/s/ Greg L. Armstrong  
Greg L. Armstrong  
Chairman of the Board and Chief  
Executive Officer

PAA Finance Corp.

By: \_\_\_\_\_  
/s/ Greg L. Armstrong  
Greg L. Armstrong  
Chairman of the Board and Chief  
Executive Officer

Plains Marketing GP Inc.

/s/ Greg L. Armstrong

By: \_\_\_\_\_  
Greg L. Armstrong  
Chairman of the Board and Chief  
Executive Officer

Plains Marketing Canada LLC

By: Plains Marketing, L.P.,  
its sole member

By: Plains Marketing GP Inc.,  
its general partner

/s/ Greg L. Armstrong

By: \_\_\_\_\_  
Greg L. Armstrong  
Chairman of the Board and Chief  
Executive Officer

Plains Marketing Canada L.P.

By: PMC (Nova Scotia) Company,  
its general partner

/s/ Harry N. Pefanis

By: \_\_\_\_\_  
Harry N. Pefanis  
President

PMC (Nova Scotia) Company

/s/ Harry N. Pefanis

By: \_\_\_\_\_  
Harry N. Pefanis  
President

POWER OF ATTORNEY

Each person whose signature appears below appoints Phillip D. Kramer and Tim Moore, and each of them, either of whom may act without the joinder of the other, as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and any Registration Statement (including any amendment thereto) for this offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or would do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them of their or his substitute and substitutes, may lawfully do or cause to be done by virtue hereof.

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

PLAINS ALL AMERICAN GP LLC., for itself and as the general partner of PLAINS AAP, L.P., as the general partner of PLAINS ALL AMERICAN PIPELINE, L.P.,

Signature -----	Title -----	Date ----
/s/ Greg L. Armstrong Greg L. Armstrong	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)	August 27, 2001
/s/ Phillip D. Kramer Phillip D. Kramer	Executive Vice President Chief Financial Officer (Principal Financial and Accounting Officer)	August 27, 2001
/s/ Everardo Goyanes Everardo Goyanes	Director	August 27, 2001
/s/ Arthur L. Smith Arthur L. Smith	Director	August 27, 2001
/s/ Robert V. Sinnott Robert V. Sinnott	Director	August 27, 2001
/s/ Gary R. Petersen Gary R. Petersen	Director	August 27, 2001
/s/ J. Taft Symonds J. Taft Symonds	Director	August 27, 2001
/s/ John T. Raymond John T. Raymond	Director	August 27, 2001

PLAINS MARKETING GP INC., for itself and as the general partner of PLAINS MARKETING, L.P. and ALL AMERICAN PIPELINE, L.P. and as the general partner of PLAINS MARKETING, L.P., the sole member of PLAINS MARKETING CANADA LLC

Signature  
-----

Title  
-----

Date  
-----

/s/ Greg L. Armstrong

\_\_\_\_\_  
Greg L. Armstrong

Chairman of the Board,  
Chief Executive Officer  
and Director (Principal  
Executive Officer)

August 27, 2001

/s/ Harry N. Pefanis

\_\_\_\_\_  
Harry N. Pefanis

President and Director

August 27, 2001

/s/ Phillip D. Kramer

\_\_\_\_\_  
Phillip D. Kramer

Executive Vice President  
and Chief Financial  
Officer (Principal  
Financial and Accounting  
Officer)

August 27, 2001

/s/ Tim Moore

\_\_\_\_\_  
Tim Moore

Vice President, General  
Counsel, Secretary and  
Director

August 27, 2001

PAA FINANCE CORP.

/s/ Greg L. Armstrong

\_\_\_\_\_  
Greg L. Armstrong

President and Director  
(Principal Executive  
Officer)

August 27, 2001

/s/ Phillip D. Kramer

\_\_\_\_\_  
Phillip D. Kramer

Vice President, Chief  
Financial Officer and  
Director (Principal  
Financial and Accounting  
Officer)

August 27, 2001

/s/ Harry N. Pefanis

\_\_\_\_\_  
Harry N. Pefanis

Vice President and  
Director

August 27, 2001

PMC (NOVA SCOTIA) COMPANY, for itself and as the general partner of PLAINS  
MARKETING CANADA, L.P.

Signature  
-----

Title  
-----

Date  
-----

/s/ Harry N. Pefanis

\_\_\_\_\_  
Harry N. Pefanis

President, (Principal  
Executive Officer) and  
Director

August 27, 2001

/s/ Phillip D. Kramer

\_\_\_\_\_  
Phillip D. Kramer

Executive Vice President  
Chief Financial Officer  
(Principal Financial and  
Accounting Officer)

August 27, 2001

/s/ Tim Moore

\_\_\_\_\_  
Tim Moore

Vice President, General  
Counsel and Director

August 27, 2001



CERTIFICATE OF INCORPORATION

OF

PAA FINANCE CORP.

FIRST: The name of the corporation is PAA Finance Corp.

SECOND: The address of its registered office in the State of Delaware is 2711 Centerville Road, Wilmington, Delaware 19808, County of New Castle. The name of its registered agent at such address is Corporation Service Company.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares of all classes of stock which the corporation shall have authority to issue is One Thousand (1,000) shares of Common Stock of the par value of \$0.01 per share.

FIFTH: The name of the incorporator is Heather G. Hardwick and her mailing address is c/o Vinson & Elkins L.L.P., 2300 First City Tower, 1001 Fannin, Houston, Texas 77002-6720.

SIXTH: The names and mailing addresses of the directors, who shall serve until the first annual meeting of stockholders or until successors are elected and qualified, are as follows:

Name	Address
----	-----
Greg L. Armstrong	500 Dallas Street, Suite 700 Houston, Texas 77002
Harry N. Pefanis	500 Dallas Street, Suite 700 Houston, Texas 77002
Phillip D. Kramer	500 Dallas Street, Suite 700 Houston, Texas 77002

The number of directors of the corporation shall be as specified in, or determined in the manner provided in, the bylaws. Election of directors need not be by written ballot.

SEVENTH: In furtherance of, and not in limitation of, the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal the bylaws of the corporation.

EIGHTH: Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

NINTH: No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under

Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

TENTH: The corporation shall have the right, subject to any express provisions or restrictions contained in the certificate of incorporation or bylaws of the corporation, from time to time, to amend the certificate of incorporation or any provision thereof in any manner now or hereafter provided by law, and all rights and powers of any kind conferred upon a director or stockholder of the corporation by the certificate of incorporation or any amendment thereof are subject to such right of the corporation.

[END OF PAGE]

I, the undersigned, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this certificate, hereby declaring that this is my act and deed and that the facts herein stated are true, and accordingly have hereunto set my hand this 12/th/ day of February, 2001.

/s/ Heather G. Hardwick  
-----  
Heather G. Hardwick, Incorporator

BYLAWS

OF

PAA FINANCE CORP.

A Delaware Corporation

Date of Adoption:

February 12, 2001

PAA FINANCE CORP.

BYLAWS

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BYLAWS  
OF  
PAA FINANCE CORP.

ARTICLE I  
OFFICES

Section 1. Registered Office. The registered office of the

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Corporation required by the General Corporation Law of the State of Delaware to be maintained in the State of Delaware, shall be the registered office named in the original Certificate of Incorporation of the Corporation, or such other office as may be designated from time to time by the Board of Directors in the manner provided by law. Should the Corporation maintain a principal office within the State of Delaware such registered office need not be identical to such principal office of the Corporation.

Section 2. Other Offices. The Corporation may also have offices at

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such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II  
STOCKHOLDERS

Section 1. Place of Meetings. All meetings of the stockholders

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shall be held at the principal office of the Corporation, or at such other place within or without the State of Delaware as shall be specified or fixed in the notices or waivers of notice thereof.

Section 2. Quorum; Adjournment of Meetings. Unless otherwise

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required by law or provided in the Certificate of Incorporation or these bylaws, the holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at any meeting of stockholders for the transaction of business and the act of a majority of such stock so represented at any meeting of stockholders at which a quorum is present shall constitute the act of the meeting of stockholders. The stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Notwithstanding the other provisions of the Certificate of Incorporation or these bylaws, the chairman of the meeting or the holders of a majority of the issued and outstanding stock, present in person or represented by proxy, at any meeting of stockholders, whether or not a quorum is present, shall have the power to adjourn such meeting from time to time, without any notice other than



announcement at the meeting of the time and place of the holding of the adjourned meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at such meeting. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally called.

Section 3. Annual Meetings. An annual meeting of the stockholders,

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for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, within or without the State of Delaware, on such date, and at such time as the Board of Directors shall fix and set forth in the notice of the meeting, which date shall be within thirteen (13) months subsequent to the later of the date of incorporation or the last annual meeting of stockholders.

Section 4. Special Meetings. Unless otherwise provided in the

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Certificate of Incorporation, special meetings of the stockholders for any purpose or purposes may be called at any time by the Chairman of the Board (if any), by the President or by a majority of the Board of Directors, or by a majority of the executive committee (if any), and shall be called by the Chairman of the Board (if any), by the President or the Secretary upon the written request therefor, stating the purpose or purposes of the meeting, delivered to such officer, signed by the holder(s) of at least ten percent (10%) of the issued and outstanding stock entitled to vote at such meeting.

Section 5. Record Date. For the purpose of determining stockholders

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entitled to notice of or to vote at any meeting of stockholders, or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors of the Corporation may fix, in advance, a date as the record date for any such determination of stockholders, which date shall not be more than sixty (60) days nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action.

If the Board of Directors does not fix a record date for any meeting of the stockholders, the record date for determining stockholders entitled to notice of or to vote at such meeting shall be at the close of business on the day next preceding the day on which notice is given, or, if in accordance with Article VIII, Section 3 of these bylaws notice is waived, at the close of business on the day next preceding the day on which the meeting is held. If, in accordance with Section 12 of this Article II, corporate action without a meeting of stockholders is to be taken, the record date for determining stockholders entitled to express consent to such corporate action in writing, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is expressed. The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 6. Notice of Meetings. Written notice of the place, date and

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hour of all meetings, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by or at the direction of the Chairman of the Board (if any) or the President, the Secretary or the other person(s) calling the meeting to each stockholder entitled to vote thereat not less than ten (10) nor more than sixty (60) days before the date of the meeting. Such notice may be delivered personally by mail or by electronic transmission in the manner provided in Section 23.2 of the Delaware General Corporation Law. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the Corporation.

Section 7. Stock List. A complete list of stockholders entitled to

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vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in the name of such stockholder, shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The stock list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 8. Proxies. Each stockholder entitled to vote at a meeting

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of stockholders or to express consent or dissent to a corporate action in writing without a meeting may authorize another person or persons to act for him by proxy. Proxies for use at any meeting of stockholders shall be filed with the Secretary, or such other officer as the Board of Directors may from time to time determine by resolution, before or at the time of the meeting. All proxies shall be received and taken charge of and all ballots shall be received and canvassed by the secretary of the meeting who shall decide all questions touching upon the qualification of voters, the validity of the proxies, and the acceptance or rejection of votes, unless an inspector or inspectors shall have been appointed by the chairman of the meeting, in which event such inspector or inspectors shall decide all such questions.

No proxy shall be valid after three (3) years from its date, unless the proxy provides for a longer period. Each proxy shall be revocable unless expressly provided therein to be irrevocable and coupled with an interest sufficient in law to support an irrevocable power.

Should a proxy designate two or more persons to act as proxies, unless such instrument shall provide the contrary, a majority of such persons present at any meeting at which their powers thereunder are to be exercised shall have and may exercise all the powers of voting or giving consents thereby conferred, or if only one be present, then such powers may be exercised by that one; or, if an even number attend and a majority do not agree on any particular issue, each proxy so attending shall be entitled to exercise such powers in respect of the same portion of the shares as he is of the proxies representing such shares.

Section 9. Voting; Elections; Inspectors. Unless otherwise required

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by law or provided in the Certificate of Incorporation, each stockholder shall have one vote for each share of stock entitled to vote which is registered in his name on the record date for the meeting. Shares registered in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the bylaw (or comparable instrument) of such corporation may prescribe, or in the absence of such

provision, as the Board of Directors (or comparable body) of such corporation may determine. Shares registered in the name of a deceased person may be voted by his executor or administrator, either in person or by proxy.

All voting, except as required by the Certificate of Incorporation or where otherwise required by law, may be by a voice vote; provided, however, that upon demand therefor by stockholders holding a majority of the issued and outstanding stock present in person or by proxy at any meeting a stock vote shall be taken. Every stock vote shall be taken by written ballots, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting. All elections of directors shall be by ballot, unless otherwise provided in the Certificate of Incorporation.

At any meeting at which a vote is taken by ballots, the chairman of the meeting may appoint one or more inspectors, each of whom shall subscribe an oath or affirmation to execute faithfully the duties of inspector at such meeting with strict impartiality and according to the best of his ability. Such inspector shall receive the ballots, count the votes and make and sign a certificate of the result thereof. The chairman of the meeting may appoint any person to serve as inspector, except no candidate for the office of director shall be appointed as an inspector.

Unless otherwise provided in the Certificate of Incorporation, cumulative voting for the election of directors shall be prohibited.

Section 10. Order of Business. At each meeting of the stockholders,

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one of the following persons, in the order in which they are listed (and in the absence of the first, the next, and so on), shall serve as chairman of the meeting: president, chairman of the board, vice presidents (in the order of their seniority if more than one), and secretary. The order of business at each such meeting shall be as determined by the chairman of the meeting. The chairman of the meeting shall have the right and authority to prescribe such rules, regulations, and procedures and to do all such acts and things as are necessary or desirable for the proper conduct of the meeting, including, without limitation, the establishment of procedures for the maintenance of order and safety, limitations on the time allotted to questions or comments on the affairs of the corporation, restrictions on entry to such meeting after the time prescribed for the commencement thereof, and the opening and closing of the voting polls.

Section 11. Treasury Stock. The Corporation shall not vote, directly

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or indirectly, shares of its own stock owned by it and such shares shall not be counted for quorum purposes.

Section 12. Action Without Meeting. Unless otherwise provided in the

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Certificate of Incorporation, any action permitted or required by law, the Certificate of Incorporation or these bylaws to be taken at a meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than a unanimous written consent shall be given by the Secretary to those stockholders who have not consented in writing.

ARTICLE III  
BOARD OF DIRECTORS

Section 1. Power; Number; Term of Office. The business and affairs of the

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Corporation shall be managed by or under the direction of the Board of Directors, and subject to the restrictions imposed by law or the Certificate of Incorporation, they may exercise all the powers of the Corporation.

The number of directors which shall constitute the whole Board of Directors, shall be determined from time to time by resolution of the Board of Directors (provided that no decrease in the number of directors which would have the effect of shortening the term of an incumbent director may be made by the Board of Directors). If the Board of Directors makes no such determination, the number of directors shall be the number set forth in the Certificate of Incorporation. Each director shall hold office for the term for which he is elected, and until his successor shall have been elected and qualified or until his earlier death, resignation or removal.

Unless otherwise provided in the Certificate of Incorporation, directors need not be stockholders nor residents of the State of Delaware.

Section 2. Quorum. Unless otherwise provided in the Certificate of

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Incorporation, a majority of the total number of directors shall constitute a quorum for the transaction of business of the Board of Directors and the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 3. Place of Meetings; Order of Business. The directors may hold

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their meetings and may have an office and keep the books of the Corporation, except as otherwise provided by law, in such place or places, within or without the State of Delaware, as the Board of Directors may from time to time determine by resolution. At all meetings of the Board of Directors business shall be transacted in such order as shall from time to time be determined by the Chairman of the Board (if any), or in his absence by the President, or by resolution of the Board of Directors.

Section 4. First Meeting. Each newly elected Board of Directors may hold

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its first meeting for the purpose of organization and the transaction of business, if a quorum is present, immediately after and at the same place as the annual meeting of the stockholders. Notice of such meeting shall not be required. At the first meeting of the Board of Directors in each year at which a quorum shall be present, held next after the annual meeting of stockholders, the Board of Directors shall proceed to the election of the officers of the Corporation.

Section 5. Regular Meetings. Regular meetings of the Board of Directors

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shall be held at such times and places as shall be designated from time to time by resolution of the Board of Directors. Notice of such regular meetings shall not be required.

Section 6. Special Meetings. Special meetings of the Board of Directors

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may be called by the Chairman of the Board (if any), the President or, on the written request of any two directors, by the Secretary, in each case on at least twenty-four (24) hours personal, written, telegraphic, cable, telephonic or e-mail notice to each director. Such notice, or any waiver thereof pursuant to Article

VIII, Section 3 hereof, need not state the purpose or purposes of such meeting, except as may otherwise be required by law or provided for in the Certificate of Incorporation or these bylaws.

Section 7. Removal. Any director or the entire Board of Directors may be

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removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors; provided that, unless the Certificate of Incorporation otherwise provides, if the Board of Directors is classified, then the stockholders may effect such removal only for cause; and provided further that, if the Certificate of Incorporation expressly grants to stockholders the right to cumulate votes for the election of directors and if less than the entire board is to be removed, no director may be removed without cause if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board of Directors, or, if there be classes of directors, at an election of the class of directors of which such director is a part.

Section 8. Vacancies; Increases in the Number of Directors. Unless

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otherwise provided in the Certificate of Incorporation, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, although less than a quorum, or a sole remaining director; and any director so chosen shall hold office until the next annual election and until his successor shall be duly elected and shall qualify, unless sooner displaced.

If the directors of the Corporation are divided into classes, any directors elected to fill vacancies or newly created directorships shall hold office until the next election of the class for which such directors shall have been chosen, and until their successors shall be duly elected and shall qualify.

Section 9. Compensation. Unless otherwise restricted by the Certificate

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of Incorporation, the Board of Directors shall have the authority to fix the compensation of directors.

Section 10. Action Without a Meeting; Telephone Conference Meeting.

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Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board of Directors, or any committee designated by the Board of Directors, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such consent shall have the same force and effect as a unanimous vote at a meeting, and may be stated as such in any document or instrument filed with the Secretary of State of Delaware.

Unless otherwise restricted by the Certificate of Incorporation, subject to the requirement for notice of meetings, members of the Board of Directors, or members of any committee designated by the Board of Directors, may participate in a meeting of such Board of Directors or committee, as the case may be, by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 11. Approval or Ratification of Acts or Contracts by Stockholders.

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The Board of Directors in its discretion may submit any act or contract for approval or ratification at any annual meeting of the stockholders, or at any special meeting of the stockholders called for the purpose of considering any such act or contract, and any act or contract that shall be approved or be ratified by the vote of the stockholders holding a majority of the issued and outstanding shares of stock of the Corporation entitled to vote and present in person or by proxy at such meeting (provided that a quorum is present), shall be as valid and as binding upon the Corporation and upon all the stockholders as if it has been approved or ratified by every stockholder of the Corporation. In addition, any such act or contract may be approved or ratified by the written consent of stockholders holding a majority of the issued and outstanding shares of capital stock of the Corporation entitled to vote and such consent shall be as valid and as binding upon the Corporation and upon all the stockholders as if it had been approved or ratified by every stockholder of the Corporation.

ARTICLE IV  
COMMITTEES

Section 1. Designation; Powers. The Board of Directors may, by resolution

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passed by a majority of the whole board, designate one or more committees, including, if they shall so determine, an executive committee, each such committee to consist of one or more of the directors of the Corporation. Any such designated committee shall have and may exercise such of the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation as may be provided in such resolution, except that no such committee shall have the power or authority of the Board of Directors in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution of the Corporation, or amending, altering or repealing the bylaws or adopting new bylaws for the Corporation and, unless such resolution or the Certificate of Incorporation expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Any such designated committee may authorize the seal of the Corporation to be affixed to all papers which may require it. In addition to the above such committee or committees shall have such other powers and limitations of authority as may be determined from time to time by resolution adopted by the Board of Directors.

Section 2. Procedure; Meetings; Quorum. Any committee designated pursuant

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to Section 1 of this Article shall choose its own chairman, shall keep regular minutes of its proceedings and report the same to the Board of Directors when requested, shall fix its own rules or procedures, and shall meet at such times and at such place or places as may be provided by such rules, or by resolution of such committee or resolution of the Board of Directors. At every meeting of any such committee, the presence of a majority of all the members thereof shall constitute a quorum and the affirmative vote of a majority of the members present shall be necessary for the adoption by it of any resolution.

Section 3. Substitution of Members. The Board of Directors may designate

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one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting,

whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

ARTICLE V  
OFFICERS

Section 1. Number, Titles and Term of Office. The officers of the

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Corporation shall be a President, one or more Vice Presidents (any one or more of whom may be designated Executive Vice President or Senior Vice President), a Treasurer, a Secretary and, if the Board of Directors so elects, a Chairman of the Board and such other officers as the Board of Directors may from time to time elect or appoint. Each officer shall hold office until his successor shall be duly elected and shall qualify or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. Any number of offices may be held by the same person, unless the Certificate of Incorporation provides otherwise. Except for the Chairman of the Board, if any, no officer need be a director.

Section 2. Salaries. The salaries or other compensation of the officers

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and agents of the Corporation shall be fixed from time to time by the Board of Directors.

Section 3. Removal. Any officer or agent elected or appointed by the

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Board of Directors may be removed, either with or without cause, by the vote of a majority of the whole Board of Directors at a special meeting called for the purpose, or at any regular meeting of the Board of Directors, provided the notice for such meeting shall specify that the matter of any such proposed removal will be considered at the meeting but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4. Vacancies. Any vacancy occurring in any office of the

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Corporation may be filled by the Board of Directors.

Section 5. Powers and Duties of the Chief Executive Officer. The

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President shall be the chief executive officer of the Corporation unless the Board of Directors designates the Chairman of the Board as chief executive officer. Subject to the control of the Board of Directors and the executive committee (if any), the chief executive officer shall have general executive charge, management and control of the properties, business and operations of the Corporation with all such powers as may be reasonably incident to such responsibilities; he may agree upon and execute all leases, contracts, evidences of indebtedness and other obligations in the name of the Corporation and may sign all certificates for shares of capital stock of the Corporation; and shall have such other powers and duties as designated in accordance with these bylaws and as from time to time may be assigned to him by the Board of Directors.

Section 6. Powers and Duties of the Chairman of the Board. If elected,

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the Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors; and he shall have such other powers and duties as designated in these bylaws and as from time to time may be assigned to him by the Board of Directors.

Section 7. Powers and Duties of the President. Unless the Board of

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Directors otherwise determines, the President shall have the authority to agree upon and execute all leases, contracts, evidences of indebtedness and other obligations in the name of the Corporation; and, unless the Board of Directors otherwise determines, he shall, in the absence of the Chairman of the Board or if there be no Chairman of the Board, preside at all meetings of the stockholders and (should he be a director) of the Board of Directors; and he shall have such other powers and duties as designated in accordance with these bylaws and as from time to time may be assigned to him by the Board of Directors.

Section 8. Vice Presidents. In the absence of the President, or in the

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event of his inability or refusal to act, a Vice President designated by the Board of Directors shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. In the absence of a designation by the Board of Directors of a Vice President to perform the duties of the President, or in the event of his absence or inability or refusal to act, the Vice President who is present and who is senior in terms of time as a Vice President of the Corporation shall so act. The Vice Presidents shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 9. Treasurer. The Treasurer shall have responsibility for the

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custody and control of all the funds and securities of the Corporation, and he shall have such other powers and duties as designated in these bylaws and as from time to time may be assigned to him by the Board of Directors. He shall perform all acts incident to the position of Treasurer, subject to the control of the chief executive officer and the Board of Directors; and he shall, if required by the Board of Directors, give such bond for the faithful discharge of his duties in such form as the Board of Directors may require.

Section 10. Assistant Treasurers. Each Assistant Treasurer shall have the

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usual powers and duties pertaining to his office, together with such other powers and duties as designated in these bylaws and as from time to time may be assigned to him by the chief executive officer or the Board of Directors. The Assistant Treasurers shall exercise the powers of the Treasurer during that officer's absence or inability or refusal to act.

Section 11. Secretary. The Secretary shall keep the minutes of all

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meetings of the Board of Directors, committees of directors and the stockholders, in books provided for that purpose; he shall attend to the giving and serving of all notices; he may in the name of the Corporation affix the seal of the Corporation to all contracts of the Corporation and attest the affixation of the seal of the Corporation thereto; he may sign with the other appointed officers all certificates for shares of capital stock of the Corporation; he shall have charge of the certificate books, transfer books and stock ledgers, and such other books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to inspection of any director upon application at the office of the Corporation during business hours; he shall have such other powers and duties as designated in these bylaws and as from time to time may be assigned to him by the Board of Directors; and he shall in general perform all acts incident to the office of Secretary, subject to the control of the chief executive officer and the Board of Directors.

Section 12. Assistant Secretaries. Each Assistant Secretary shall have

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the usual powers and duties pertaining to his office, together with such other powers and duties as designated in these



bylaws and as from time to time may be assigned to him by the chief executive officer or the Board of Directors. The Assistant Secretaries shall exercise the powers of the Secretary during that officer's absence or inability or refusal to act.

Section 13. Action with Respect to Securities of Other Corporations.  
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Unless otherwise directed by the Board of Directors, the chief executive officer shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of security holders of or with respect to any action of security holders of any other corporation in which this Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

ARTICLE VI  
INDEMNIFICATION OF DIRECTORS,  
OFFICERS, EMPLOYEES AND AGENTS

Section 1. Right to Indemnification. Each person who was or is made a  
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party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative, is or was or has agreed to become a director or officer of the Corporation or is or was serving or has agreed to serve at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving or having agreed to serve as a director or officer, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended, (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) against all expense, liability and loss (including without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that the Corporation shall indemnify any such person seeking

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indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the board of directors of the Corporation. The right to indemnification conferred in this Article VI shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, if the Delaware

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General Corporation Law requires, the payment of such expenses incurred by a current, former or proposed director or officer in his or her capacity as a director or officer or proposed director or officer (and not in any other capacity in which service was or is or has been agreed to be rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such indemnified person, to repay all amounts so advanced if it shall ultimately be determined that such indemnified person is not entitled to be indemnified under this Section or otherwise.

Section 2. Indemnification of Employees and Agents. The Corporation may,

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by action of its Board of Directors, provide indemnification to employees and agents of the Corporation, individually or as a group, with the same scope and effect as the indemnification of directors and officers provided for in this Article.

Section 3. Right of Claimant to Bring Suit. If a written claim received

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by the Corporation from or on behalf of an indemnified party under this Article VI is not paid in full by the Corporation within ninety days after such receipt, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 4. Nonexclusivity of Rights. The right to indemnification and the

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advancement and payment of expenses conferred in this Article VI shall not be exclusive of any other right which any person may have or hereafter acquire under any law (common or statutory), provision of the Certificate of Incorporation of the Corporation, bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

Section 5. Insurance. The Corporation may maintain insurance, at its

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expense, to protect itself and any person who is or was serving as a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

Section 6. Savings Clause. If this Article VI or any portion hereof shall

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be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each director and officer of the Corporation, as to costs, charges and expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Article VI that shall not have been invalidated and to the fullest extent permitted by applicable law.

Section 7. Definitions. For purposes of this Article, reference to the

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"Corporation" shall include, in addition to the Corporation, any constituent corporation (including any constituent of a

constituent) absorbed in a consolidation or merger prior to (or, in the case of an entity specifically designated in a resolution of the Board of Directors, after) the adoption hereof and which, if its separate existence had continued, would have had the power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE VII  
CAPITAL STOCK

Section 1. Certificates of Stock. The certificates for shares of the  
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capital stock of the Corporation shall be in such form, not inconsistent with that required by law and the Certificate of Incorporation, as shall be approved by the Board of Directors. The Chairman of the Board (if any), President or a Vice President shall cause to be issued to each stockholder one or more certificates, under the seal of the Corporation or a facsimile thereof if the Board of Directors shall have provided for such seal, and signed by the Chairman of the Board (if any), President or a Vice President and the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer certifying the number of shares (and, if the stock of the Corporation shall be divided into classes or series, the class and series of such shares) owned by such stockholder in the Corporation; provided, however, that any of or all the signatures on the certificate may be facsimile. The stock record books and the blank stock certificate books shall be kept by the Secretary, or at the office of such transfer agent or transfer agents as the Board of Directors may from time to time by resolution determine. In case any officer, transfer agent or registrar who shall have signed or whose facsimile signature or signatures shall have been placed upon any such certificate or certificates shall have ceased to be such officer, transfer agent or registrar before such certificate is issued by the Corporation, such certificate may nevertheless be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The stock certificates shall be consecutively numbered and shall be entered in the books of the Corporation as they are issued and shall exhibit the holder's name and number of shares.

Section 2. Transfer of Shares. The shares of stock of the Corporation  
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shall be transferable only on the books of the Corporation by the holders thereof in person or by their duly authorized attorneys or legal representatives upon surrender and cancellation of certificates for a like number of shares. Upon surrender to the Corporation or a transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 3. Ownership of Shares. The Corporation shall be entitled to  
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treat the holder of record of any share or shares of capital stock of the Corporation as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

Section 4. Regulations Regarding Certificates. The Board of Directors

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shall have the power and authority to make all such rules and regulations as they may deem expedient concerning the issue, transfer and registration or the replacement of certificates for shares of capital stock of the Corporation.

Section 5. Lost or Destroyed Certificates. The Board of Directors may

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determine the conditions upon which a new certificate of stock may be issued in place of a certificate which is alleged to have been lost, stolen or destroyed; and may, in their discretion, require the owner of such certificate or his legal representative to give bond, with sufficient surety, to indemnify the Corporation and each transfer agent and registrar against any and all losses or claims which may arise by reason of the issue of a new certificate in the place of the one so lost, stolen or destroyed.

ARTICLE VIII  
MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year. The fiscal year of the Corporation shall be such

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as established from time to time by the Board of Directors.

Section 2. Corporate Seal. The Board of Directors may provide a suitable

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seal, containing the name of the Corporation. The Secretary shall have charge of the seal (if any). If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by the Assistant Secretary or Assistant Treasurer.

Section 3. Notice and Waiver of Notice. Whenever any notice is required

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to be given by law, the Certificate of Incorporation or under the provisions of these bylaws, said notice shall be deemed to be sufficient if given (i) by telegraphic, cable or wireless transmission or (ii) by deposit of the same in a post office box in a sealed prepaid wrapper addressed to the person entitled thereto at his post office address, as it appears on the records of the Corporation, and such notice shall be deemed to have been given on the day of such transmission or mailing, as the case may be.

Whenever notice is required to be given by law, the Certificate of Incorporation or under any of the provisions of these bylaws, a written waiver thereof, signed by the person entitled to notice or waiver by electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice unless so required by the Certificate of Incorporation or the bylaws.

Section 4. Resignations. Any director, member of a committee or officer

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may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or if no time be specified, at the time of its receipt by the chief executive officer or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5. Facsimile Signatures. In addition to the provisions for the

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use of facsimile signatures elsewhere specifically authorized in these bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors.

Section 6. Reliance upon Books, Reports and Records. Each director and

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each member of any committee designated by the Board of Directors shall, in the performance of his duties, be fully protected in relying in good faith upon the books of account or reports made to the Corporation by any of its officers, or by an independent certified public accountant, or by an appraiser selected with reasonable care by the Board of Directors or by any such committee, or in relying in good faith upon other records of the Corporation.

ARTICLE IX  
AMENDMENTS

If provided in the Certificate of Incorporation of the Corporation, the Board of Directors shall have the power to adopt, amend and repeal from time to time bylaws of the Corporation, subject to the right of the stockholders entitled to vote with respect thereto to amend or repeal such bylaws as adopted or amended by the Board of Directors.

PLAINS ALL AMERICAN PIPELINE, L.P.,

PAA FINANCE CORP.

and

FIRST UNION NATIONAL BANK

as Trustee

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SENIOR INDENTURE

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

DEBT SECURITIES

(UNLIMITED)

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CROSS-REFERENCE TABLE

Trust Indenture Act Section -----	Indenture Section -----
310(a)(1).....	7.10
(a)(2).....	7.10
(a)(3).....	N/A
(a)(4).....	N/A
(a)(5).....	7.10
(b).....	7.10
(c).....	N/A
311(a).....	7.11
(b).....	7.11
(c).....	N/A
312(a).....	5.01
(b).....	5.02
(c).....	5.02
313(a).....	5.04
(b)(1).....	5.04
(b)(2).....	5.04
(c).....	5.04; 12.03
(d).....	5.04
314(a).....	5.03; 12.03
(b).....	N/A
(c)(1).....	12.05
(c)(2).....	12.05
(c)(3).....	N/A
(d).....	N/A
(e).....	12.05
(f).....	N/A
315(a).....	7.01
(b).....	6.07; 12.03
(c).....	7.01
(d).....	7.01
(e).....	6.03
316(a)(last sentence).....	1.01
(a)(1)(A).....	6.06
(a)(1)(B).....	6.06
(a)(2).....	N/A
(b).....	6.04
(c).....	2.17
317(a)(1).....	6.02
(a)(2).....	6.09
(b).....	404
318(a).....	12.07
(b).....	N/A

(c).....

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N/A means not applicable.

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THIS SENIOR INDENTURE dated as of \_\_\_\_\_, is among PLAINS ALL AMERICAN PIPELINE, L.P., a Delaware limited partnership (the "Partnership"), PAA FINANCE CORP., a Delaware corporation ("PAA Finance" and, together with the Partnership, the "Issuers"), and FIRST UNION NATIONAL BANK, a national banking association (the "Trustee").

WITNESSETH:

WHEREAS, Plains All American GP LLC, a Delaware limited liability company (the "Managing General Partner"), as general partner of Plains AAP, L.P., a Delaware limited partnership (the "General Partner") and the general partner of the Partnership, and PAA Finance have duly authorized the execution and delivery of the Indenture to provide for the issuance from time to time of their debentures, notes, bonds or other evidences of indebtedness to be issued in one or more series in an unlimited aggregate principal amount (herein called the "Debt Securities"), as in the Indenture provided.

WHEREAS, all things necessary to make the Indenture a valid agreement of the Issuers, in accordance with its terms, have been done.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Issuers and the Trustee hereby agree with each other, for the equal and proportionate benefit of the respective Holders from time to time of the Debt Securities or any series thereof, as follows:

ARTICLE I

Definitions  
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SECTION 1.01. Certain Terms Defined. The terms defined in  
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this Section 1.01 (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of the Indenture and of any Indenture supplemental hereto shall have the respective meanings specified in this Section 1.01. All other terms used in the Indenture which are defined in the Trust Indenture Act or which are by reference therein defined in the Securities Act (except as herein otherwise expressly provided or unless the context otherwise requires), shall have the meanings assigned to such terms in the Trust Indenture Act and in the Securities Act as in force as of the date of original execution of the Indenture.

"Bankruptcy Law" means Title 11, U.S. Code or any similar  
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federal or state law for the relief of debtors.

"Board of Directors" means (a) with respect to the  
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Partnership, the board of directors of the Managing General Partner, and (b) with respect to PAA Finance, its board of directors, or, in each case, with respect to any determination or resolution required or permitted to be made hereunder, any duly authorized committee or subcommittee of such board. All references in the Indenture to "Board of Directors" shall be deemed to refer to the Board of Directors of the Partnership, unless otherwise expressly indicated or the context otherwise requires.

"Board Resolution" means a copy of a resolution certified by

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the appropriate person to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday

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and Friday which is not a day on which banking institutions in Houston, Texas, the Borough of Manhattan, the City of New York, New York, or the city in which the Corporate Trust Office of the Trustee is located, are authorized or obligated by law or executive order to close.

"Code" means the Internal Revenue Code of 1986, as amended

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from time to time and any successor statute.

"Commission" means the Securities and Exchange Commission, as

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from time to time constituted, created under the Exchange Act, or, if at any time after the execution of the 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.

"Corporate Trust Office of the Trustee" means the principal

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corporate trust office of the Trustee, at which at any particular time its corporate trust business shall be administered, which office at the date of execution of the Indenture is located at 1525 West W.T. Harris Blvd-3C3, Charlotte, North Carolina 28288-1153, Attention: Corporate Trust Operations.

"Currency" means Dollars or Foreign Currency.

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"Debt Security" or "Debt Securities" has the meaning stated in  
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the first recital of the Indenture and more particularly means any debt security or debt securities, as the case may be, of any series authenticated and delivered under the Indenture.

"Default" means any event that is, or with the passage of time

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or the giving of notice or both would be, an Event of Default.

"Depository" means, unless otherwise specified by the Issuers

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pursuant to either Section 2.03 or 2.15, with respect to registered Debt Securities of any series issuable or issued in whole or in part in the form of one or more Global Securities, The Depository Trust Company, New York, New York, or any successor thereto registered as a clearing agency under the Exchange Act or other applicable statute or regulations.

"Dollar" or "\$" means such currency of the United States as at

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the time of payment is legal tender for the payment of public and private debts.

"Dollar Equivalent" means, with respect to any monetary amount

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in a Foreign Currency, at any time for the determination thereof, the amount of Dollars obtained by converting such Foreign Currency involved in such computation into Dollars at the spot rate for the purchase of Dollars with the applicable Foreign Currency as quoted by Citibank, N.A. (unless another comparable financial institution is designated by the Issuers) in New York, New York at approximately 11:00 a.m. (New York time) on the date two business days prior to such determination.

"Equity Interests" means:

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(1) in the case of a corporation, corporate stock;

(2) in the case of an association or a business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited);

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person; and

(5) all warrants, options or other rights to acquire any of the interests described in clauses (1) through (4) above (but excluding any debt security that is convertible into, or exchangeable for, any of the interests described in clauses (1) through (4) above).

"Event of Default" has the meaning specified in Section 6.01.

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"Exchange Act" means the Securities Exchange Act of 1934, as

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amended, or any successor statute.

"Floating Rate Security" means a Debt Security that provides

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for the payment of interest at a variable rate determined periodically by reference to an interest rate index specified pursuant to Section 2.03.

"Foreign Currency" means a currency issued or adopted by the

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government of any country other than the United States or a composite currency the value of which is determined by reference to the values of the currencies of any group of countries.

"GAAP" means United States generally accepted accounting

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principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time.

"General Partner" means Plains AAP, L.P., a Delaware limited

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liability company, and its successors and permitted assigns as general partner of the Partnership.

"Global Security" means with respect to any series of Debt

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Securities issued hereunder, a Debt Security that is executed by the Issuers and authenticated and delivered by the Trustee to the Depository or pursuant to the Depository's instruction, all in accordance with the Indenture, or the applicable Board Resolution and set forth in an Officers' Certificate, which shall be registered in the name of the Depository or its nominee and which shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, all the Outstanding Debt Securities of such series or any portion thereof, in either case having the same

terms, including, without limitation, the same original issue date, date or dates on which principal is due and interest rate or method of determining interest.

"Holder," "Holder of Debt Securities" or other similar terms  
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mean, with respect to a Registered Security, the Registered Holder.

"Indenture" means this instrument as originally executed, or,  
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if amended or supplemented as herein provided, as so amended or supplemented, and shall include the form and terms of particular series of Debt Securities as contemplated hereunder, whether or not a supplemental Indenture is entered into with respect thereto.

"Issuer Order" means a written order of the Issuers, signed by  
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the Chairman of the Board, President or any Vice President of each of the Managing General Partner and PAA Finance and by the Treasurer, Secretary, any Assistant Treasurer or any Assistant Secretary of each of the Managing General Partner and PAA Finance.

"Issuers" means the Partnership and PAA Finance, and, subject  
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to the provisions of Article X, shall also include their successors and permitted assigns.

"Lien" means, with respect to any asset, any mortgage, lien  
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(statutory or otherwise), pledge, charge, security interest, hypothecation, assignment for security, claim, preference, priority or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement or any lease in the nature thereof, any option or other agreement to grant a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statute) of any jurisdiction, other than a precautionary financing statement respecting a lease not intended as a security agreement.

"Managing General Partner" means Plains All American GP LLC, a  
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Delaware limited liability company and its successors and permitted assigns as the general partner of the General Partner or as the business entity with the ultimate authority to manage the business and operations of the Partnership.

"Officers' Certificate" means a certificate signed by the  
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Chairman of the Board of Directors, President or any Vice President of each of the Managing General Partner and PAA Finance and by the Treasurer, Secretary, any Assistant Treasurer or any Assistant Secretary of each of the Managing General Partner and PAA Finance. Each such certificate shall include the statements provided for in Section 12.05, if applicable.

"Opinion of Counsel" means an opinion in writing signed by  
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legal counsel for the Issuers (which counsel may be an employee of the Issuers or outside counsel for the Issuers). Each such opinion shall include the statements provided for in Section 12.05, if applicable.

"Original Issue Discount Debt Security" means any Debt  
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Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration or acceleration of the maturity thereof pursuant to Section 6.01.

"Outstanding" when used with respect to any series of Debt

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Securities, means, as of the date of determination, all Debt Securities of that series theretofore authenticated and delivered under the Indenture, except:

(1) Debt Securities of that series theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(2) Debt Securities of that series for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any paying agent (other than the Partnership or PAA Finance) in trust or set aside and segregated in trust by the Issuers (if either of the Issuers shall act as its own paying agent) for the holders of such Debt Securities; provided, that, if such Debt Securities

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are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made; and

(3) Debt Securities of that series which have been paid pursuant to Section 2.09 or in exchange for or in lieu of which other Debt Securities have been authenticated and delivered pursuant to the Indenture, other than any such Debt Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Debt Securities are held by a bona fide purchaser in whose hands such Debt Securities are valid obligations of the Issuers;

provided, however, that in determining whether the Holders of the requisite

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principal amount of the Outstanding Debt Securities of any series have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Debt Securities owned by the Issuers or any other obligor upon the Debt Securities or any Subsidiary of the Issuers 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 relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Debt Securities which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Debt 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 Debt Securities and that the pledgee is not one of the Issuers or any other obligor upon the Debt Securities or a Subsidiary of the Issuers or of such other obligor. In determining whether the Holders of the requisite principal amount of outstanding Debt Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, the principal amount of an Original Issue Discount Debt Security that shall be deemed to be Outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the maturity thereof pursuant to Section 6.01. In determining whether the Holders of the requisite principal amount of the Outstanding Debt Securities of any series have given any request, demand, authorization, direction, notice, consent or waiver hereunder, the principal amount of a Debt Security denominated in one or more Foreign Currencies or currency units that shall be deemed to be Outstanding for such purposes shall be the Dollar Equivalent, determined in the manner provided as contemplated by Section 2.03 on the date of original issuance of such Debt Security, of the principal amount (or, in the case of any Original Issue Discount Security, the Dollar Equivalent on the date of original



issuance of such Security of the amount determined as provided in the preceding sentence above) of such Debt Security.

"PAA Finance" means PAA Finance Corp., a Delaware corporation,  
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and, subject to the provisions of Article X, shall also include its successors and assigns.

"Partnership" means Plains All American Pipeline, L.P., a  
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Delaware limited partnership, and, subject to the provisions of Article X, shall also include its successors and assigns.

"Payment Blockage Period" has the meaning set forth in Section  
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13.03.

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

"Place of Payment" means, when used with respect to the Debt  
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Securities of any series, the place or places where the principal of, and premium, if any, and interest on, the Debt Securities of that series are payable as specified pursuant to Section 2.03.

"Registered Holder" means the Person in whose name a  
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Registered Security is registered in the Debt Security Register (as defined in Section 2.07(a)).

"Registered Security" means any Debt Security registered as to  
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principal and interest in the Debt Security Register (as defined in Section 2.07(a)).

"Registrar" has the meaning set forth in Section 2.07(a).  
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"Responsible Officer" when used with respect to the Trustee,  
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means any officer within the Corporate Trust Office of the Trustee or any other officer of the Trustee performing functions similar to those performed by the persons who at the time shall be such officers, and any other officer of the Trustee to whom corporate trust matters are referred because of his knowledge of and familiarity with the particular subject.

"Securities Act" means the Securities Act of 1933, as amended,  
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or any successor statute.

"Stated Maturity" means, at any time, with respect to any  
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installment of interest or principal on any series of Debt Securities, the date on which such payment of interest or principal was scheduled to be paid in the original documentation governing such indebtedness or such later date as such documentation shall provide at that time, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Subsidiary" means, with respect to any Person:

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(1) any corporation, association or other business entity of which more than 50% of the Voting Stock is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (whether general or limited) or limited liability company (a) the sole general partner or the managing general partner or managing member of which is such Person or a Subsidiary of such Person, or (b) if there are more than a single general partner or member, either (i) the only general partners or managing members of which are such Person and/or one or more Subsidiaries of such Person (or any combination thereof) or (ii) such Person owns or controls, directly or indirectly, a majority of the outstanding general partner interests, member interests or other Voting Stock of such partnership or limited liability company, respectively.

"Trust Indenture Act" (except as herein otherwise expressly

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provided) means the Trust Indenture Act of 1939 as in force at the date of the Indenture as originally executed and, to the extent required by law, as amended, or any successor statute.

"Trustee" initially means First Union National Bank and any

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other Person or Persons appointed as such from time to time pursuant to Section 7.08, and, subject to the provisions of Article VII, includes its or their successors and assigns. If at any time there is more than one such Person, "Trustee" as used with respect to the Debt Securities of any series shall mean the Trustee with respect to the Debt Securities of that series.

"United States" means the United States of America (including

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the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

"U.S. Government Obligations" means securities that are (i)

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direct obligations of the United States for the payment of which its full faith and credit is pledged; (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States, which, in either case, under clause (i) or (ii) above, are not callable or redeemable at the option of the issuers thereof; or (iii) depository receipts issued by a bank or trust company as custodian with respect to any such U.S. Government Obligations or a specific payment of interest on or principal of any such U.S. 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 depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation evidenced by such depository receipt.

"Voting Stock" of any Person as of any date means the Equity

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Interests of such Person pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers, general partners or trustees of any Person (regardless of whether, at the time, Equity Interests of any other class or classes shall have, or might have, voting power by reason of the occurrence of any contingency)

or, with respect to a partnership (whether general or limited), any general partner interest in such partnership.

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

SECTION 1.02. Other Definitions.

Term	Section in which Defined
"Debt Security Register	2.07
"Defaulted Interest"	2.17
"Designated Currency"	2.18
"mandatory sinking fund payment"	3.04
"optional sinking fund payment"	3.04
"Successor Company"	10.01

SECTION 1.03. Incorporation by Reference of Trust

Indenture Act. The Indenture is subject to the mandatory provisions of the Trust

Indenture Act which are incorporated by reference in and made a part of the Indenture. The following Trust Indenture Act terms have the following meanings:

"indenture securities" means the Debt Securities,

"indenture security holder" means a Holder,

"indenture to be qualified" means the Indenture,

"indenture trustee" or "institutional trustee" means the

Trustee and

"obligor" on the indenture securities means the Issuers and

any other obligor on the Debt Securities.

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

SECTION 1.04. Rules of Construction. Unless the context

otherwise requires:

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

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

- (3) "or" is not exclusive;
- (4) "including" means including without limitation; and
- (5) words in the singular include the plural and words in the plural include the singular.

ARTICLE II

Debt Securities  
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SECTION 2.01. Forms Generally. The Debt Securities of each  
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series shall be in substantially the form established without the approval of any Holder by or pursuant to a Board Resolution of each of the Issuers 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 the Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as the Issuers may deem appropriate (and, if not contained in a supplemental Indenture entered into in accordance with Article IX, as are not prohibited by the provisions of the Indenture) or as may be required or appropriate to comply with any law or with any rules made pursuant thereto or with any rules of any securities exchange on which such series of Debt Securities may be listed, or to conform to general usage, or as may, consistently herewith, be determined by the officers executing such Debt Securities as evidenced by their execution of the Debt Securities.

The definitive Debt Securities of each series shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Debt Securities, as evidenced by their execution of such Debt Securities.

SECTION 2.02. Form of Trustee's Certificate of  
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Authentication. The Trustee's Certificate of Authentication on all Debt  
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Securities authenticated by the Trustee shall be in substantially the following form:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Debt Securities of the series designated therein referred to in the within-mentioned Indenture.

\_\_\_\_\_,  
as Trustee

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

Dated: \_\_\_\_\_

SECTION 2.03. Principal Amount; Issuable in Series. The

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aggregate principal amount of Debt Securities which may be issued, executed, authenticated, delivered and outstanding under the Indenture is unlimited.

The Debt Securities may be issued in one or more series. There shall be established, without the approval of any Holders, in or pursuant to a Board Resolution of each of the Issuers and set forth in an Officers' Certificate of each of the Issuers, or established in one or more Indentures supplemental hereto, prior to the issuance of Debt Securities of any series any or all of the following:

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

(2) any limit upon the aggregate principal amount of the Debt Securities of the series which may be authenticated and delivered under the Indenture (except for Debt Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Debt Securities of the series pursuant to this Article II);

(3) the date or dates on which the principal and premium, if any, of the Debt Securities of the series are payable;

(4) the rate or rates (which may be fixed or variable) at which the Debt Securities of the series shall bear interest, if any, or the method of determining such rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable, or the method by which such date will be determined, and in the case of Registered Securities, the record dates for the determination of Holders thereof to whom such interest is payable; and the basis upon which interest will be calculated if other than that of a 360-day year of twelve thirty-day months;

(5) the Place or Places of Payment, if any, in addition to or instead of the Corporate Trust Office of the Trustee where the principal of, and interest on, Debt Securities of the series shall be payable;

(6) the price or prices at which, the period or periods within which and the terms and conditions upon which Debt Securities of the series may be redeemed, in whole or in part, at the option of the Issuers or otherwise;

(7) the obligation, if any, of the Issuers to redeem, purchase or repay Debt Securities of the series pursuant to any sinking fund or analogous provisions or at the option of a Holder thereof, and the price or prices at which and the period or periods within which and the terms and conditions upon which Debt Securities of the series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligations;

(8) the terms, if any, upon which the Debt Securities of the series may be convertible into or exchanged for Equity Interests, other Debt Securities or other securities of any kind of the Partnership, PAA Finance or any other obligor or issuer and the terms and conditions upon which such conversion or exchange shall be effected,

including the initial conversion or exchange price or rate, the conversion or exchange period and any other provision in addition to or in lieu of those described herein;

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

(10) if the amount of principal of or any premium or interest on Debt Securities of the series may be determined with reference to an index or pursuant to a formula, the manner in which such amounts will be determined;

(11) if the principal amount payable at the Stated Maturity of Debt Securities of the series will not be determinable as of any one or more dates prior to such Stated Maturity, the amount which will be deemed to be such principal amount as of any such date for any purpose, including the principal amount thereof which will be due and payable upon any maturity other than the Stated Maturity or which will be deemed to be Outstanding as of any such date (or, in any such case, the manner in which such deemed principal amount is to be determined); and the manner of determining the equivalent thereof in the currency of the United States of America for purposes of the definition of Dollar Equivalent;

(12) any changes or additions to Article XI;

(13) if other than Dollars, the coin or Currency or Currencies or units of two or more Currencies in which payment of the principal of and premium, if any, and interest on, Debt Securities of the series shall be payable;

(14) if other than the principal amount thereof, the portion of the principal amount of Debt Securities of the series which shall be payable upon declaration of acceleration of the maturity thereof pursuant to Section 6.01 or provable in bankruptcy pursuant to Section 6.02;

(15) the terms, if any, of the transfer, mortgage, pledge or assignment as security for the Debt Securities of the series of any properties, assets, moneys, proceeds, securities or other collateral, including whether certain provisions of the Trust Indenture Act are applicable and any corresponding changes to provisions of the Indenture as currently in effect;

(16) any addition to or change in the Events of Default with respect to the Debt Securities of the series and any change in the right of the Trustee or the Holders to declare the principal of and interest on, such Debt Securities due and payable;

(17) if the Debt Securities of the series shall be issued in whole or in part in the form of a Global Security or Securities, the terms and conditions, if any, upon which such Global Security or Securities may be exchanged in whole or in part for other individual Debt Securities in definitive registered form; and the Depositary for such Global Security or Securities and the form of any legend or legends to be borne by any such Global Security or Securities in addition to or in lieu of the legend referred to in Section 2.15;

(18) any trustees, authenticating or paying agents, transfer agents or registrars;

(19) the applicability of, and any addition to or change in the covenants and definitions currently set forth in the Indenture or in the terms currently set forth in Article X, including conditioning any merger, conveyance, transfer or lease permitted by Article X upon the satisfaction of an indebtedness coverage standard by the Issuers and any Successor Company (as defined in Article X);

(20) the terms, if any, of any guarantee of the payment of principal of, and premium, if any, and interest on, Debt Securities of the series and any corresponding changes to the provisions of the Indenture as currently in effect;

(21) with regard to Debt Securities of the series that do not bear interest, the dates for certain required reports to the Trustee;

(22) any other terms of the Debt Securities of the series (which terms shall not be prohibited by the provisions of the Indenture); and

(23) applicable CUSIP Numbers.

All Debt Securities of any one series appertaining thereto shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to such Board Resolutions and as set forth in such Officers' Certificates or in any such Indenture supplemental hereto.

SECTION 2.04. Execution of Debt Securities. The Debt Securities shall

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be signed on behalf of the Partnership by the Chairman of the Board, the President or a Vice President of the Managing General Partner, and shall be signed on behalf of PAA Finance by its Chairman of the Board, its President or a Vice President. Such signatures upon the Debt Securities may be the manual or facsimile signatures of the present or any future such authorized officers and may be imprinted or otherwise reproduced on the Debt Securities. The seals of the Issuers, if any, may be in the form of a facsimile thereof and may be impressed, affixed, imprinted or otherwise reproduced on the Debt Securities.

Only such Debt Securities as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, signed manually by the Trustee, shall be entitled to the benefits of the Indenture or be valid or obligatory for any purpose. Such certificate by the Trustee upon any Debt Security executed by the Issuers shall be conclusive evidence that the Debt Security so authenticated has been duly authenticated and delivered hereunder.

In case any officer of either of the Managing General Partner or PAA Finance who shall have signed any of the Debt Securities shall cease to be such officer before the Debt Securities so signed shall have been authenticated and delivered by the Trustee, or disposed of by the Issuers, such Debt Securities nevertheless may be authenticated and delivered or disposed of as though the Person who signed such Debt Securities had not ceased to be such officer of the Managing General Partner or PAA Finance; and any Debt Security may be signed on behalf of the Issuers by such Persons as, at the actual date of the execution of such Debt Security, shall be the proper officers of the Managing General Partner or PAA Finance, as applicable, although at

the date of such Debt Security or of the execution of the Indenture any such Person was not such officer.

SECTION 2.05. Authentication and Delivery of Debt Securities. At any

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time and from time to time after the execution and delivery of the Indenture, the Issuers may deliver Debt Securities of any series executed by the Issuers to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Debt Securities to or upon an Issuer Order. The Debt Securities shall be dated the date of their authentication. In authenticating such Debt Securities and accepting the additional responsibilities under the Indenture in relation to such Debt Securities, the Trustee shall be entitled to receive, and (subject to Section 7.01) shall be fully protected in relying upon:

(1) a copy of any Board Resolution of each of the Issuers, certified by the Secretary or Assistant Secretary of each of the Issuers, authorizing the terms of issuance of any series of Debt Securities;

(2) an executed supplemental Indenture, if any;

(3) an Officers' Certificate; and

(4) an Opinion of Counsel prepared in accordance with Section 12.05 substantially to the effect that:

(a) the form of such Debt Securities has been established by or pursuant to a Board Resolution of each of the Issuers or by a supplemental Indenture as permitted by Section 2.01 in conformity with the provisions of the Indenture;

(b) the terms of such Debt Securities have been established by or pursuant to a Board Resolution of each of the Issuers or by a supplemental Indenture as permitted by Section 2.03 in conformity with the provisions of the Indenture; and

(c) such Debt Securities, when authenticated and delivered by the Trustee and issued by the Issuers in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Issuers, enforceable in accordance with their terms except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.

Such Opinion of Counsel need express no opinion as to whether a court in the United States would render a money judgment in a Currency other than Dollars.

The Trustee shall have the right to decline to authenticate and deliver any Debt Securities under this Section 2.05 if the Trustee, being advised by counsel, determines that such action may not lawfully be taken or if the Trustee in good faith by its board of directors or



trustees, executive committee or a trust committee of directors, trustees or vice presidents shall determine that such action would expose the Trustee to personal liability to existing Holders.

The Trustee may appoint an authenticating agent reasonably acceptable to the Issuers to authenticate Debt Securities of any series. Unless limited by the terms of such appointment, an authenticating agent may authenticate Debt Securities whenever the Trustee may do so. Each reference in the Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as any Registrar, paying agent or agent for service of notices and demands.

SECTION 2.06. Denomination of Debt Securities. Unless otherwise

provided in the form of Debt Security for any series, the Debt Securities of each series shall be issuable only as Registered Securities in such denominations as shall be specified or contemplated by Section 2.03. In the absence of any such specification with respect to the Debt Securities of any series, the Debt Securities of such series shall be issuable in denominations of \$1,000 and any integral multiple thereof.

SECTION 2.07. General Provisions for Registration of Transfer and

Exchange. (a) The Issuers shall keep or cause to be kept a register for each

series of Registered Securities issued hereunder (hereinafter collectively referred to as the "Debt Security Register"), in which, subject to such reasonable regulations as they may prescribe, the Issuers shall provide for the registration of Registered Securities and the transfer of Registered Securities as in this Article II provided. At all reasonable times the Debt Security Register shall be open for inspection by the Trustee. Subject to Section 2.15, upon due presentment for registration of transfer of any Registered Security at any office or agency to be maintained by the Issuers in accordance with the provisions of Section 4.02, the Issuers shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Registered Security or Registered Securities of authorized denominations for a like aggregate principal amount.

Unless and until otherwise determined by a Board Resolution of each of the Issuers, the register of the Issuers for the purpose of registration, exchange or registration of transfer of the Registered Securities shall be kept at the Corporate Trust Office of the Trustee and, for this purpose, the Trustee shall be designated "Registrar". No prior notice to the Holders of Debt Securities is required to effect the designation of a substitute Registrar by the Issuers.

Registered Securities of any series (other than a Global Security) may be exchanged for a like aggregate principal amount of Registered Securities of the same series of other authorized denominations. Subject to Section 2.15, Registered Securities to be exchanged shall be surrendered at the office or agency to be maintained by the Issuers as provided in Section 4.02, and the Issuers shall execute and the Trustee shall authenticate and deliver in exchange therefor the Registered Security or Registered Securities that the Holder making the exchange shall be entitled to receive.

(b) All Registered Securities presented or surrendered for registration of transfer, exchange or payment shall (if so required by the Issuers, the Trustee or the Registrar) be duly endorsed or be accompanied by a written instrument or instruments of transfer, in form

satisfactory to the Issuers, the Trustee and the Registrar, duly executed by the Registered Holder or his attorney duly authorized in writing.

All Debt Securities issued in exchange for or upon transfer of Debt Securities shall be the legal, valid and binding obligations of the Issuers, evidencing the same debt, and entitled to the same benefits under the Indenture as the Debt Securities surrendered for such exchange or transfer.

No service charge shall be made for any exchange or registration of transfer of Debt Securities (except as provided by Section 2.09), but the Issuers may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto, other than those expressly provided in the Indenture to be made at the Issuers' own expense or without expense or without charge to the Holders.

The Issuers shall not be required (a) to issue, register the transfer of or exchange any Debt Securities of a series either (i) during a period beginning 15 Business Days next preceding any selection for redemption or repurchase of Debt Securities of such series and ending on the close of business on the day of giving the relevant notice of redemption or repurchase or (ii) between a record date and the next succeeding interest payment date, or (b) to register the transfer of or exchange any Debt Security called for redemption or repurchase (except, in the case of Debt Securities to be redeemed or repurchased in part, the portion not to be redeemed or repurchased).

Specific procedures for registration of transfer and exchange of any series of Debt Securities may be set forth in the applicable supplemental Indenture for such Debt Securities.

SECTION 2.08. Temporary Debt Securities. Pending the preparation of

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definitive Debt Securities of any series, the Issuers may execute and the Trustee shall authenticate and deliver temporary Debt Securities (printed, lithographed, photocopied, typewritten or otherwise produced) of any authorized denomination, and substantially in the form of the definitive Debt Securities in lieu of which they are issued, and with such omissions, insertions and variations as may be appropriate for temporary Debt Securities, all as may be determined by the Issuers with the concurrence of the Trustee. Temporary Debt Securities may contain such reference to any provisions of the Indenture as may be appropriate. Every temporary Debt Security shall be executed by the Issuers and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Debt Securities.

If temporary Debt Securities of any series are issued, the Issuers will cause definitive Debt Securities of such series to be prepared without unreasonable delay. After the preparation of definitive Debt Securities of such series, the temporary Debt Securities of such series shall be exchangeable for definitive Debt Securities of such series upon surrender of the temporary Debt Securities of such series at the office or agency of the Issuers at a Place of Payment for such series, without charge to the Holder thereof, except as provided in Section 2.07 in connection with a transfer, and upon surrender for cancellation of any one or more temporary Debt Securities of any series, the Issuers shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Debt Securities of the same

series of authorized denominations and of like tenor. Until so exchanged, temporary Debt Securities of any series shall in all respects be entitled to the same benefits under the Indenture as definitive Debt Securities of such series, except as otherwise specified as contemplated by Section 2.03(17) with respect to the payment of interest on Global Securities in temporary form.

Upon any exchange of a portion of a temporary Global Security for a definitive Global Security or for the individual Debt Securities represented thereby pursuant to Section 2.07 or this Section 2.08, the temporary Global Security shall be endorsed by the Trustee to reflect the reduction of the principal amount evidenced thereby, whereupon the principal amount of such temporary Global Security shall be reduced for all purposes by the amount so exchanged and endorsed.

SECTION 2.09. Mutilated, Destroyed, Lost or Stolen Debt Securities.  
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If (i) any mutilated Debt Security is surrendered to the Trustee at the Corporate Trust Office of the Trustee (in the case of Registered Securities) or (ii) the Issuers and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Debt Security, and there is delivered to the Issuers and the Trustee such security or indemnity as may be required by them to save each of them and any paying agent harmless, and neither the Issuers nor the Trustee receives written notice that such Debt Security has been acquired by a bona fide purchaser, then the Issuers shall execute and, upon an Issuer Order, the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Debt Security, a new Debt Security of the same series of like tenor, form, terms and principal amount, bearing a number not contemporaneously Outstanding. Upon the issuance of any substituted Debt Security, the Issuers may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. In case any Debt Security which has matured or is about to mature or which has been called for redemption shall become mutilated or be destroyed, lost or stolen, the Issuers may, instead of issuing a substituted Debt Security, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Debt Security) if the applicant for such payment shall furnish the Issuers and the Trustee with such security or indemnity as either may require to save it harmless from all risk, however remote, and, in case of destruction, loss or theft, evidence to the satisfaction of the Issuers and the Trustee of the destruction, loss or theft of such Debt Security and of the ownership thereof.

Every substituted Debt Security of any series issued pursuant to the provisions of this Section 2.09 by virtue of the fact that any Debt Security is destroyed, lost or stolen shall constitute an original additional contractual obligation of the Issuers, whether or not the destroyed, lost or stolen Debt Security shall be found at any time, and shall be entitled to all the benefits of the Indenture equally and proportionately with any and all other Debt Securities of that series duly issued hereunder. All Debt Securities shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Debt Securities, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender, in each case to the fullest extent permitted by law.

SECTION 2.10. Cancellation of Surrendered Debt Securities. All Debt

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Securities surrendered for payment, redemption, registration of transfer or exchange shall, if surrendered to the Issuers or any paying agent or a Registrar, be delivered to the Trustee for cancellation by it, or if surrendered to the Trustee, shall be canceled by it, and no Debt Securities shall be issued in lieu thereof except as expressly permitted by any of the provisions of the Indenture. All canceled Debt Securities held by the Trustee shall be disposed of by the Trustee in its customary manner. On request of the Issuers, the Trustee shall deliver to the Issuers canceled Debt Securities held by the Trustee. If the Issuers shall acquire any of the Debt Securities, however, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented thereby unless and until the same are delivered or surrendered to the Trustee for cancellation. The Issuers may not issue new Debt Securities to replace Debt Securities it has redeemed, paid or delivered to the Trustee for cancellation.

SECTION 2.11. Provisions of the Indenture and Debt Securities for the

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Sole Benefit of the Parties and the Holders. Nothing in the Indenture or in the  
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Debt Securities, expressed or implied, shall give or be construed to give to any Person, other than the parties hereto, the Holders or any Registrar or paying agent, any legal or equitable right, remedy or claim under or in respect of the Indenture, or under any covenant, condition or provision herein contained, all its covenants, conditions and provisions being for the sole benefit of the parties hereto, the Holders and any Registrar and paying agents.

SECTION 2.12. Payment of Interest; Rights Preserved. (a) Interest on

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any Registered Security that is payable and is punctually paid or duly provided for on any interest payment date shall be paid to the Person in whose name such Registered Security is registered at the close of business on the regular record date for such interest notwithstanding the cancellation of such Registered Security upon any transfer or exchange subsequent to the regular record date. Payment of interest on Registered Securities shall be made at the Corporate Trust Office of the Trustee (except as otherwise specified pursuant to Section 2.03), or at the option of the Issuers, by check mailed to the address of the Person entitled thereto as such address shall appear in the Debt Security Register or, if provided pursuant to Section 2.03 and in accordance with arrangements satisfactory to the Trustee, at the option of the Registered Holder by wire transfer to an account designated by the Registered Holder.

(b) Subject to the foregoing provisions of this Section 2.12 and Section 2.17, each Debt Security of a particular series delivered under the Indenture upon registration of transfer of or in exchange for or in lieu of any other Debt Security of the same series shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Debt Security.

SECTION 2.13. Securities Denominated in Foreign Currencies. (a)

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Except as otherwise specified pursuant to Section 2.03 for Registered Securities of any series, payment of the principal of, and premium, if any, and interest on, Registered Securities of such series will be made in Dollars.

(b) For the purposes of calculating the principal amount of Debt Securities of any series denominated in a Foreign Currency or in units of two or more Foreign Currencies for any purpose under the Indenture, the principal amount of such Debt Securities at any time

Outstanding shall be deemed to be the Dollar Equivalent of such principal amount as of the date of any such calculation.

In the event any Foreign Currency or currencies or units of two or more Currencies in which any payment with respect to any series of Debt Securities may be made ceases to be a freely convertible Currency on United States Currency markets, for any date thereafter on which payment of principal of, or premium, if any, or interest on, the Debt Securities of a series is due, the Issuers shall select the Currency of payment for use on such date, all as provided in the Debt Securities of such series. In such event, the Issuers shall, as provided in the Debt Securities of such series, notify the Trustee of the Currency which they have selected to constitute the funds necessary to meet the Issuers' obligations or such payment date and of the amount of such Currency to be paid. Such amount shall be determined as provided in the Debt Securities of such series. The payment to the Trustee with respect to such payment date shall be made by the Issuers solely in the Currency so selected.

SECTION 2.14. Wire Transfers. Notwithstanding any other provision to  
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the contrary in the Indenture, the Issuers may make any payment of monies required to be deposited with the Trustee on account of principal of, or premium, if any, or interest on, the Debt Securities (whether pursuant to optional or mandatory redemption payments, interest payments or otherwise) by wire transfer of immediately available funds to an account designated by the Trustee on or before the date such moneys are to be paid to the Holders of the Debt Securities in accordance with the terms hereof.

SECTION 2.15. Securities Issuable in the Form of a Global Security.  
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(a) If the Issuers shall establish pursuant to Sections 2.01 and 2.03 that the Debt Securities of a particular series are to be issued in whole or in part in the form of one or more Global Securities, then the Issuers shall execute and the Trustee or its agent shall, in accordance with Section 2.05, authenticate and deliver, such Global Security or Securities, which (i) shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, the Outstanding Debt Securities of such series to be represented by such Global Security or Securities, or such portion thereof as the Issuers shall specify in an Officers' Certificate, (ii) shall be registered in the name of the Depository for such Global Security or securities or its nominee, (iii) shall be delivered by the Trustee or its agent to the Depository or pursuant to the Depository's instruction and (iv) shall bear a legend substantially to the following effect: "Unless and until it is exchanged in whole or in part for the individual Debt Securities represented hereby, this Global Security may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository", or such other legend as may then be required by the Depository for such Global Security or Securities.

(b) Notwithstanding any other provision of this Section 2.15 or of Section 2.07 to the contrary, and subject to the provisions of paragraph (c) below, unless the terms of a Global Security expressly permit such Global Security to be exchanged in whole or in part for definitive Debt Securities in registered form, a Global Security may be transferred, in whole but not in part and in the manner provided in Section 2.07, only by the Depository to a nominee of the Depository for such Global Security, or by a nominee of the Depository to the Depository or another nominee of the Depository, or by the Depository or a nominee of the Depository to a

successor Depositary for such Global Security selected or approved by the Issuers, or to a nominee of such successor Depositary.

(c) (i) If at any time the Depositary for a Global Security or Securities notifies the Issuers that it is unwilling or unable to continue as Depositary for such Global Security or Securities or if at any time the Depositary for the Debt Securities for such series shall no longer be eligible or in good standing under the Exchange Act or other applicable statute, rule or regulation, the Issuers shall appoint a successor Depositary with respect to such Global Security or Securities. If a successor Depositary for such Global Security or Securities is not appointed by the Issuers within 90 days after the Issuers receive such notice or become aware of such ineligibility, the Issuers shall execute, and the Trustee or its agent, upon receipt of an Issuer Order for the authentication and delivery of such individual Debt Securities of such series in exchange for such Global Security, will authenticate and deliver, individual Debt Securities of such series of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of the Global Security in exchange for such Global Security or Securities.

(ii) The Issuers may at any time and in their sole discretion determine that the Debt Securities of any series or portion thereof issued or issuable in the form of one or more Global Securities shall no longer be represented by such Global Security or Securities. In such event the Issuers will execute, and the Trustee, upon receipt of an Issuer Order for the authentication and delivery of individual Debt Securities of such series in exchange in whole or in part for such Global Security, will authenticate and deliver individual Debt Securities of such series of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of such series or portion thereof in exchange for such Global Security or Securities.

(iii) If specified by the Issuers pursuant to Sections 2.01 and 2.03 with respect to Debt Securities issued or issuable in the form of a Global Security, the Depositary for such Global Security may surrender such Global Security in exchange in whole or in part for individual Debt Securities of such series of like tenor and terms in definitive form on such terms as are acceptable to the Issuers, the Trustee and such Depositary. Thereupon the Issuers shall execute, and the Trustee or its agent upon receipt of an Issuer Order for the authentication and delivery of definitive Debt Securities of such series shall authenticate and deliver, without service charge, (1) to each Person specified by such Depositary a new Debt Security or Securities of the same series of like tenor and terms and of any authorized denomination as requested by such Person in aggregate principal amount equal to and in exchange for such Person's beneficial interest in the Global Security, and (2) to such Depositary a new Global Security of like tenor and terms and in an authorized denomination equal to the difference, if any, between the principal amount of the surrendered Global Security and the aggregate principal amount of Debt Securities delivered to Holders thereof, unless such Global Security is endorsed by the Trustee or other custodian to reflect a reduction of such aggregate principal amount, in which case no new Global Security need be authenticated and delivered.

(iv) In any exchange provided for in any of the preceding three paragraphs, the Issuers will execute and the Trustee or its agent will authenticate and deliver individual Debt Securities. Upon the exchange of the entire principal amount of a Global Security for individual Debt Securities, such Global Security shall be canceled by the Trustee or its agent. Except as

provided in the preceding paragraph, Registered Securities issued in exchange for a Global Security pursuant to this Section 2.15 shall be registered in such names and in such authorized denominations as the Depositary for such Global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee or the Registrar. The Trustee or the Registrar shall deliver such Registered Securities to the Persons in whose names such Registered Securities are so registered.

(v) Payments in respect of the principal of and interest on any Debt Securities registered in the name of the Depositary or its nominee will be payable to the Depositary or such nominee in its capacity as the registered owner of such Global Security. The Issuers and the Trustee may treat the Person in whose name the Debt Securities, including the Global Security, are registered as the owner thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. None of the Issuers, the Trustee, any Registrar, the paying agent or any agent of the Issuers or the Trustee will have any responsibility or liability for (a) any aspect of the records relating to or payments made on account of the beneficial ownership interests of the Global Security by the Depositary or its nominee or any of the Depositary's direct or indirect participants, or for maintaining, supervising or reviewing any records of the Depositary, its nominee or any of the Depositary's direct or indirect participants relating to the beneficial ownership interests of the Global Security, (b) the payments to the beneficial owners of the Global Security of amounts paid to the Depositary or its nominee, or (c) any other matter relating to the actions and practices of the Depositary, its nominee or any of the Depositary's direct or indirect participants. None of the Issuers, the Trustee or any such agent will be liable for any delay by the Depositary, its nominee, or any of the Depositary's direct or indirect participants in identifying the beneficial owners of the Debt Securities, and the Issuers and the Trustee may conclusively rely on, and will be protected in relying on, instructions from the Depositary or its nominee for all purposes (including with respect to the registration and delivery, and the respective principal amounts, of the Debt Securities to be issued).

SECTION 2.16. Medium Term Securities. Notwithstanding any contrary

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provision herein, if all Debt Securities of a series are not to be originally issued at one time, it shall not be necessary for the Issuers to deliver to the Trustee an Officers' Certificate, a Board Resolution, a supplemental Indenture, an Opinion of Counsel or a written order or any other document otherwise required pursuant to Section 2.01, 2.03, 2.05 or 12.05 at or prior to the time of authentication of each Debt Security of such series if such documents are delivered to the Trustee or its agent at or prior to the authentication upon original issuance of the first such Debt Security of such series to be issued; provided, that any subsequent request by the Issuers to the Trustee to

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authenticate Debt Securities of such series upon original issuance shall constitute a representation and warranty by the Issuers that, as of the date of such request, the statements made in the Officers' Certificate delivered pursuant to Section 2.05 or 12.05 shall be true and correct as if made on such date and that the Opinion of Counsel delivered at or prior to such time of authentication of an original issuance of Debt Securities shall specifically state that it shall relate to all subsequent issuances of Debt Securities of such series that are identical to the Debt Securities issued in the first issuance of Debt Securities of such series.

An Issuer Order delivered by the Issuers to the Trustee in the circumstances set forth in the preceding paragraph may provide that Debt Securities which are the subject thereof will be authenticated and delivered by the Trustee or its agent on original issue from time to time

upon the written order of Persons designated in such written order and that such Persons are authorized to determine, consistent with the Officers' Certificates, supplemental Indenture or the applicable Board Resolutions relating to such written order, such terms and conditions of such Debt Securities as are specified in such Officers' Certificates, supplemental Indenture or such Board Resolutions.

SECTION 2.17. Defaulted Interest. Any interest on any Debt Security  
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of a particular series which is payable, but is not punctually paid or duly provided for, on the dates and in the manner provided in the Debt Securities of such series and in the Indenture (herein called "Defaulted Interest") shall forthwith cease to be payable to the Registered Holder thereof on the relevant record date by virtue of having been such Registered Holder, and such Defaulted Interest may be paid by the Issuers, at their election in each case, as provided in clause (i) or (ii) below:

(i) The Issuers may elect to make payment of any Defaulted Interest to the Persons in whose names the Registered Securities of such series 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 Issuers shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each such Registered Security of such series and the date of the proposed payment, and at the same time the Issuers shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a special record date for the payment of such Defaulted Interest which 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 Issuers of such special record date and, in the name and at the expense of the Issuers, 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 thereof at its address as it appears in the Debt Security Register, not less than 10 days prior to such special record date. Notice of the proposed payment of such Defaulted Interest and the special record date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Registered Securities of such series are registered at the close of business on such special record date.

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

SECTION 2.18. Judgments. The Issuers may provide pursuant to Section  
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2.03 for Debt Securities of any series that (a) the obligation, if any, of the Issuers to pay the principal



of, and premium, if any, and interest on, the Debt Securities of any series in a Foreign Currency or Dollars (the "Designated Currency") as may be specified pursuant to Section 2.03 is of the essence and agrees that, to the fullest extent possible under applicable law, judgments in respect of Debt Securities of such series shall be given in the Designated Currency; (b) the obligation of the Issuers to make payments in the Designated Currency of the principal of, and premium, if any, and interest on, such Debt Securities shall, notwithstanding any payment in any other Currency (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the Designated Currency that the Holder receiving such payment may, in accordance with normal banking procedures, purchase with the sum paid in such other Currency (after any premium and cost exchange) on the business day in the country of issue of the Designated Currency or in the international banking community (in the case of a composite currency) immediately following the day on which such Holder receives such payment; (c) if the amount in the Designated Currency that may be so purchased for any reason falls short of the amount originally due, the Issuers shall pay such additional amounts as may be necessary to compensate for such shortfall; and (d) any obligation of the Issuers not discharged by such payment shall be due as a separate and independent obligation and, until discharged as provided herein, shall continue in full force and effect.

SECTION 2.19. CUSIP Numbers. The Issuers in issuing the Debt

Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers 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 Debt 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 Debt Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuers will promptly notify the Trustee of any change in the "CUSIP" numbers.

ARTICLE III

Redemption of Debt Securities

SECTION 3.01. Applicability of Article. The provisions of this

Article shall be applicable to the Debt Securities of any series which are redeemable before their Stated Maturity except as otherwise specified as contemplated by Section 2.03 for Debt Securities of such series.

SECTION 3.02. Notice of Redemption; Selection of Debt Securities. In

case the Issuers shall desire to exercise the right to redeem all or, as the case may be, any part of the Debt Securities of any series in accordance with their terms, a Board Resolution of each Issuer or a supplemental Indenture, the Issuers shall fix a date for redemption and shall give notice of such redemption at least 30 and not more than 60 days prior to the date fixed for redemption to the Holders of Debt Securities of such series so to be redeemed as a whole or in part, in the manner provided in Section 12.03. The notice may not be conditional. The notice if given in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice. In any case, failure to give such notice or any defect in the notice to the Holder of any Debt Security of a series designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Debt Security of such series.

Each such notice of redemption shall specify the amount of Debt Securities of any series to be redeemed, the date fixed for redemption, the calculation of the redemption price at which Debt Securities of such series are to be redeemed (but not the redemption price itself if it is not then determinable), the Place or Places of Payment that payment will be made upon presentation and surrender of such Debt Securities, that any interest accrued to the date fixed for redemption will be paid as specified in said notice, that the redemption is for a sinking fund payment (if applicable), that on and after said date any interest thereon or on the portions thereof to be redeemed will cease to accrue, that in the case of Original Issue Discount Securities original issue discount accrued after the date fixed for redemption will cease to accrue, the terms of the Debt Securities of that series pursuant to which the Debt Securities of that series are being redeemed and that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Debt Securities of that series. If less than all the Debt Securities of a series are to be redeemed the notice of redemption shall specify the CUSIP numbers of the Debt Securities of that series to be redeemed. In case any Debt Security of a series is to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the date fixed for redemption, upon surrender of such Debt Security, a new Debt Security or Debt Securities of that series will be issued in principal amount equal to the unredeemed portion thereof.

At least 60 days before the redemption date, unless the Trustee consents to a shorter period, the Issuers shall give written notice to the Trustee of the redemption date, the principal amount of Debt Securities to be redeemed and the series and terms of the Debt Securities pursuant to which such redemption will occur. Such notice shall be accompanied by an Officers' Certificate and an Opinion of Counsel to the effect that such redemption will comply with the conditions herein. If fewer than all the Debt Securities of a series are to be redeemed, the record date relating to such redemption shall be selected by the Issuers and given to the Trustee, which record date shall be not less than 15 days after the date of notice to the Trustee.

No later than 11:00 A.M., New York City time, on the redemption date for any Debt Securities, the Issuers shall deposit with the Trustee or with a paying agent (or, if the Partnership or PAA Finance is acting as its own paying agent, segregate and hold in trust) an amount of money in the Currency in which such Debt Securities are denominated (except as provided pursuant to Section 2.03) sufficient to pay the redemption price of such Debt Securities or any portions thereof that are to be redeemed on that date.

If less than all the Debt Securities of like tenor and terms of a series are to be redeemed (other than pursuant to mandatory sinking fund redemptions), the Trustee shall select the Debt Securities of that series or portions thereof (in multiples of \$1,000) to be redeemed (i) if such Debt Securities are listed on an exchange, in compliance with the requirements of the principal national securities exchange on which such Debt Securities are listed, or (ii) if such Debt Securities are not listed on an exchange or such exchange has no selection requirements, on a pro rata basis, by lot or by such other method as in its sole discretion the Trustee shall deem appropriate and fair. In any case where more than one Debt Security of such series is registered in the same name, the Trustee in its discretion may treat the aggregate principal amount so registered as if it were represented by one Debt Security of such series. The Trustee shall promptly notify the Issuers in writing of the Debt Securities selected for redemption and, in the

case of any Debt Securities selected for partial redemption, the principal amount thereof to be redeemed. If any Debt Security called for redemption shall not be so paid upon surrender thereof on such redemption date, the principal, premium, if any, and interest shall bear interest until paid from the redemption date at the rate borne by the Debt Securities of that series. If less than all the Debt Securities of unlike tenor and terms of a series are to be redeemed, the particular Debt Securities to be redeemed shall be selected by the Issuers. Provisions of the Indenture that apply to Debt Securities called for redemption also apply to portions of Debt Securities called for redemption.

SECTION 3.03. Payment of Debt Securities Called for Redemption. If

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notice of redemption has been given as provided in Section 3.02, the Debt Securities or portions of Debt Securities of the series with respect to which such notice has been given shall become due and payable on the date and at the Place or Places of Payment stated in such notice at the applicable redemption price, together with any interest accrued to the date fixed for redemption, and on and after said date (unless the Issuers shall default in the payment of such Debt Securities at the applicable redemption price, together with any interest accrued to said date) any interest on the Debt Securities or portions of Debt Securities of any series so called for redemption shall cease to accrue and any original issue discount in the case of Original Issue Discount Securities shall cease to accrue. On presentation and surrender of such Debt Securities at the Place or Places of Payment in said notice specified, the said Debt Securities or the specified portions thereof shall be paid and redeemed by the Issuers at the applicable redemption price, together with any interest accrued thereon to the date fixed for redemption.

Any Debt Security that is to be redeemed only in part shall be surrendered at the Corporate Trust Office of the Trustee or such other office or agency of the Issuers as is specified pursuant to Section 2.03, if the Issuers, the Registrar or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Issuers, the Registrar and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing, and the Issuers shall execute, and the Trustee shall authenticate and deliver to the Holder of such Debt Security without service charge, a new Debt Security or Debt Securities of the same series, of like tenor and form, of any authorized denomination as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Debt Security so surrendered; except that if a Global Security is so surrendered, the Issuers shall execute, and the Trustee shall authenticate and deliver to the Depositary for such Global Security, without service charge, a new Global Security in a denomination equal to and in exchange for the unredeemed portion of the principal of the Global Security so surrendered. In the case of a Debt Security providing appropriate space for such notation, at the option of the Holder thereof, the Trustee, in lieu of delivering a new Debt Security or Debt Securities as aforesaid, may make a notation on such Debt Security of the payment of the redeemed portion thereof.

SECTION 3.04. Mandatory and Optional Sinking Funds. The minimum

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amount of any sinking fund payment provided for by the terms of Debt Securities of any series, a Board Resolution or a supplemental Indenture 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 Debt Securities of any series, a Board Resolution or a supplemental Indenture is herein referred to as an "optional sinking fund payment."

In lieu of making all or any part of any mandatory sinking fund payment with respect to any Debt Securities of a series in cash, the Issuers may at their option (a) deliver to the Trustee Debt Securities of that series theretofore purchased or otherwise acquired by the Issuers or (b) receive credit for the principal amount of Debt Securities of that series which have been redeemed either at the election of the Issuers pursuant to the terms of such Debt Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Debt Securities, resolution or supplemental Indenture; provided, that such Debt Securities have not been previously so credited. Such Debt Securities shall be received and credited for such purpose by the Trustee at the redemption price specified in such Debt Securities, the applicable Board Resolution or supplemental Indenture for redemption through operation of the sinking fund and the amount of such mandatory sinking fund payment shall be reduced accordingly.

SECTION 3.05. Redemption of Debt Securities for Sinking Fund. Not  
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less than 60 days prior to each sinking fund payment date for any series of Debt Securities, the Issuers 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, any Board Resolution or supplemental Indenture, the portion thereof, if any, which is to be satisfied by payment of cash in the Currency in which the Debt Securities of such series are denominated (except as provided pursuant to Section 2.03) and the portion thereof, if any, which is to be satisfied by delivering and crediting Debt Securities of that series pursuant to this Section 3.05 (which Debt Securities, if not previously redeemed, will accompany such certificate) and whether the Issuers intend to exercise their right to make any permitted optional sinking fund payment with respect to such series. Such certificate shall also state that no Event of Default has occurred and is continuing with respect to such series. Such certificate shall be irrevocable and upon its delivery the Issuers shall be obligated to make the cash payment or payments therein referred to, if any, on or before the next succeeding sinking fund payment date. Failure of the Issuers to deliver such certificate (or to deliver the Debt Securities specified in this paragraph) shall not constitute a Default, but such failure shall require that the sinking fund payment due on the next succeeding sinking fund payment date for that series shall be paid entirely in cash and shall be sufficient to redeem the principal amount of such Debt Securities subject to a mandatory sinking fund payment without the option to deliver or credit Debt Securities as provided in this Section 3.05 and without the right to make any optional sinking fund payment, if any, with respect to such series.

Any sinking fund payment or payments (mandatory or optional) made in cash plus any unused balance of any preceding sinking fund payments made in cash which shall equal or exceed \$100,000 (or a lesser sum if the Issuers shall so request) with respect to the Debt Securities of any particular series shall be applied by the Trustee on the sinking fund payment date on which such payment is made (or, if such payment is made before a sinking fund payment date, on the sinking fund payment date following the date of such payment) to the redemption of such Debt Securities at the redemption price specified in such Debt Securities, the applicable Board Resolution or supplemental Indenture for operation of the sinking fund together with any accrued interest to the date fixed for redemption. Any sinking fund moneys not so applied or allocated by the Trustee to the redemption of Debt Securities shall be added to the next cash sinking fund payment received by the Trustee for such series and, together with such payment, shall be applied in accordance with the provisions of this Section 3.05. Any and all sinking fund moneys with respect to the Debt Securities of any particular series held by the Trustee on the last

sinking fund payment date with respect to Debt Securities of such series and not held for the payment or redemption of particular Debt Securities shall be applied by the Trustee, together with other moneys, if necessary, to be deposited sufficient for the purpose, to the payment of the principal of the Debt Securities of that series at its Stated Maturity.

The Trustee shall select the Debt Securities to be redeemed upon such sinking fund payment date in the manner specified in the last paragraph of Section 3.02 and the Issuers shall cause notice of the redemption thereof to be given in the manner provided in Section 3.02 except that the notice of redemption shall also state that the Debt Securities are being redeemed by operation of the sinking fund. Such notice having been duly given, the redemption of such Debt Securities shall be made upon the terms and in the manner stated in Section 3.03.

At least one business day before each sinking fund payment date, the Issuers shall pay to the Trustee (or, if the Partnership or PAA Finance is acting as its own paying agent, the Partnership or PAA Finance shall segregate and hold in trust) in cash a sum in the Currency in which the Debt Securities of such series are denominated (except as provided pursuant to Section 2.03) equal to any interest accrued to the date fixed for redemption of Debt Securities or portions thereof to be redeemed on such sinking fund payment date pursuant to this Section 3.05.

The Trustee shall not redeem any Debt Securities of a series with sinking fund moneys or mail any notice of redemption of such Debt Securities by operation of the sinking fund for such series during the continuance of a Default in payment of interest on such Debt Securities or of any Event of Default (other than an Event of Default occurring as a consequence of this paragraph) with respect to such Debt Securities, except that if the notice of redemption of any such Debt Securities shall theretofore have been mailed in accordance with the provisions hereof, the Trustee shall redeem such Debt Securities if cash sufficient for that purpose shall be deposited with the Trustee for that purpose in accordance with the terms of this Article III. Except as aforesaid, any moneys in the sinking fund for such series at the time when any such Default or Event of Default shall occur and any moneys thereafter paid into such sinking fund shall, during the continuance of such Default or Event of Default, be held as security for the payment of such Debt Securities; provided, however, that in case such Default or Event of Default shall have been ----- cured or waived as provided herein, such moneys shall thereafter be applied on the next sinking fund payment date for such Debt Securities on which such moneys may be applied pursuant to the provisions of this Section 3.05.

ARTICLE IV

Particular Covenants of the Issuers  
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SECTION 4.01. Payment of Principal of, and Premium, If Any, and Interest on, Debt Securities. The Issuers, for the benefit of each series of Debt Securities, will duly and punctually pay or cause to be paid the principal of, and premium, if any, and interest on, each of the Debt Securities at the place, at the respective times and in the manner provided herein and in the Debt Securities. Each installment of interest on the Debt Securities may at the Issuers' option be paid by mailing checks for such interest payable to the Person entitled thereto to the address of such Person as it appears on the Debt Security Register maintained pursuant to Section 2.07(a).

Principal, premium and interest in respect of Debt Securities of any series shall be considered paid on the date due if no later than 11:00 A.M., New York City time, on such date the Trustee or any paying agent holds in accordance with the Indenture money sufficient to pay in the Currency in which the Debt Securities of such series are denominated (except as provided pursuant to Section 2.03) all principal, premium and interest then due.

The Issuers shall pay interest on overdue principal at the rate specified therefor in the Debt Securities and they shall pay interest on overdue installments of interest at the same rate to the extent lawful.

SECTION 4.02. Maintenance of Offices or Agencies for Registration of

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Transfer, Exchange and Payment of Debt Securities. The Issuers will maintain in

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each Place of Payment for any series of Debt Securities, an office or agency where Debt Securities of such series may be presented or surrendered for payment, where Debt Securities of such series may be surrendered for transfer or exchange and where notices and demands to or upon the Issuers in respect of the Debt Securities of such series and the Indenture may be served. The Issuers will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuers 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 Issuers hereby appoint the Trustee as its agent to receive all presentations, surrenders, notices and demands.

The Issuers may also from time to time designate different or additional offices or agencies to be maintained for such purposes (in or outside of such Place of Payment), and may from time to time rescind any such designation; provided, however, that no such designation or rescission shall in any manner relieve the Issuers of their obligations described in the preceding paragraph. The Issuers will give prompt written notice to the Trustee of any such additional designation or rescission of designation and any change in the location of any such different or additional office or agency.

SECTION 4.03. Appointment to Fill a Vacancy in the Office of Trustee.

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The Issuers, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 7.08, a Trustee, so that there shall at all times be a Trustee hereunder with respect to each series of Debt Securities.

SECTION 4.04. Duties of Paying Agents, etc. (a) The Issuers shall

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cause each paying agent, if any, other than the Trustee, to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 4.04,

(i) that it will hold all sums held by it as such agent for the payment of the principal of, and premium, if any, or interest on, the Debt Securities of any series (whether such sums have been paid to it by the Issuers or by any other obligor on the Debt Securities of such series) in trust for the benefit of the Holders of the Debt Securities of such series;

(ii) that it will give the Trustee notice of any failure by the Issuers (or by any other obligor on the Debt Securities of such series) to make any payment of the principal of and premium, if any, or interest on, the Debt Securities of such series when the same shall be due and payable; and

(iii) that it will at any time during the continuance of an Event of Default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held by it as such agent.

(b) If either of the Issuers or any of their respective Subsidiaries shall act as its own paying agent, it will, on or before 11:00 A.M., New York City time, on each due date of the principal of, and premium, if any, or interest on, the Debt Securities if any, of any series, set aside, segregate and hold in trust for the benefit of the Holders of the Debt Securities of such series a sum sufficient to pay such principal, premium, if any, or interest so becoming due. The Issuers will promptly notify the Trustee of any failure by the Issuers or its Subsidiaries to take such action or the failure by any other obligor on such Debt Securities to make any payment of the principal of, and premium, if any, or interest on, such Debt Securities when the same shall be due and payable.

(c) Anything in this Section 4.04 to the contrary notwithstanding, either of the Issuers may, at any time, for the purpose of obtaining a satisfaction and discharge of the Indenture, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust by it or any paying agent, as required by this Section 4.04, such sums to be held by the Trustee upon the same terms as those upon which such sums were held by the Issuers or such paying agent.

(d) Whenever the Issuers shall have one or more paying agents with respect to any series of Debt Securities, they will, prior to 11:00 A.M., New York City time, on each due date of the principal of, and premium, if any, or interest on, any Debt Securities of such series, deposit with any such paying agent a sum sufficient to pay the principal, premium or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled thereto, and (unless any such paying agent is the Trustee) the Issuers will promptly notify the Trustee of their action or failure so to act.

(e) Anything in this Section 4.04 to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section 4.04 is subject to the provisions of Section 11.02.

(f) Unless and until otherwise determined by the Issuers in Board Resolutions or pursuant to a supplemental Indenture, the Trustee will act as paying agent under the Indenture. The Issuers may designate a substitute paying agent without prior notice to the Holders of Debt Securities.

SECTION 4.05. Statement by Officers as to Default. The Issuers will

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deliver to the Trustee, on or before a date not more than four months after the end of each fiscal year of the Issuers (currently ending on December 31 of each year) ending after the date hereof, an Officers' Certificate stating, as to each officer signing such certificate, one of whom shall be the principal executive, financial or accounting officer of each Issuer, that (i) in the course of his performance

of his duties as an officer of the Managing General Partner or PAA Finance, as applicable, he would normally have knowledge of any Default, (ii) whether or not to the best of his knowledge any Default occurred during such year and (iii) if to the best of his knowledge the Partnership or PAA Finance, as applicable, is in Default, specifying all such Defaults and what action the Partnership or PAA Finance, as applicable, is taking or proposes to take with respect thereto.

SECTION 4.06. Further Instruments and Acts. The Issuers will, upon

request of the Trustee, execute and deliver such further instruments and do such further acts as may reasonably be necessary or proper to carry out more effectually the purposes of the Indenture.

SECTION 4.07. Corporate, Partnership or Limited Liability Company

Existence. Subject to Article X, the Issuers shall do or cause to be done all

things necessary to preserve and keep in full force and effect the corporate, partnership or limited liability company existence and related rights and franchises (charges and statutory) of the Partnership and each of its Subsidiaries; provided, however, that the Partnership shall not be required to

preserve any such right or franchise for the corporate, partnership or limited liability company existence of any such Subsidiary if the management of the Managing General Partner shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Partnership and its Subsidiaries as a whole and that the loss thereof would not reasonably be expected to have a material adverse effect on the ability of the Issuers or any obligor on the Debt Securities of any series to perform their obligations hereunder; and provided, further, however, that the foregoing shall not prohibit

a sale, transfer or conveyance of a Subsidiary of the Partnership or any of its assets in compliance with the terms of the Indenture.

SECTION 4.08. Maintenance of Properties. The Partnership shall cause

all material properties owned by the Partnership or any of its Subsidiaries or used or held for use in the conduct of its business or the business of any of its Subsidiaries to be maintained and kept in good condition, repair and working order (ordinary wear and tear excepted) and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the reasonable judgment of the Partnership may be consistent with sound business practice and necessary so that the business carried on in connection therewith may be properly conducted at all times; provided, however, that nothing in this Section

shall prevent the Partnership from discontinuing the maintenance of any of such properties if such discontinuance is, in the reasonable judgment of the management of the Managing General Partner, desirable in the conduct of its business or the business of any of its Subsidiaries and not reasonably expected to have a material adverse effect on the ability of the Issuers or any obligor on the Debt Securities of any series to perform their obligations hereunder.

SECTION 4.09. Payment of Taxes and Other Claims. The Partnership

shall pay or discharge or cause to be paid or discharged, on or before the date the same shall become due and payable, (a) all taxes, assessments and governmental charges levied or imposed upon the Partnership or any of its Subsidiaries or otherwise assessed or upon the income, profits or property of the Partnership or any of its Subsidiaries if failure to pay or discharge the same could reasonably be expected to have a material adverse effect on the ability of the Issuers or any obligor on the Debt Securities of any series to perform their obligations hereunder and (b) all lawful claims for labor, materials and supplies, which, if unpaid, would by law become a Lien upon the property of the Partnership or any of its Subsidiaries, except for any Lien permitted to



be incurred under the terms of the Indenture, if failure to pay or discharge the same could reasonably be expected to have a material adverse effect on the ability of the Issuers or any obligor on the Debt Securities of any series to perform their obligations hereunder; provided, however, that the

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Partnership shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings properly instituted and diligently conducted and in respect of which appropriate reserves (in the good faith judgment of management of the Managing General Partner) are being maintained in accordance with GAAP.

SECTION 4.10. Calculation of Original Issue Discount. The Issuers

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shall file with the Trustee promptly at the end of each calendar year (i) a written notice specifying the amount of original issue discount (including daily rates and accrual periods) accrued on Outstanding Original Issue Discount Debt Securities as of the end of such year and (ii) such other specific information relating to such original issue discount as may then be relevant under the Code.

SECTION 4.11. Stay, Extension and Usury Laws. Each of the Issuers

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covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of the Indenture; and each of the Issuers hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

ARTICLE V

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Holders' Lists and Reports

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by the Issuers and the Trustee  
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SECTION 5.01. Issuers to Furnish Trustee Information as to Names and

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Addresses of Holders; Preservation of Information. The Issuers covenant and agree that they will furnish or cause to be furnished to the Trustee with respect to the Registered Securities of each series:

(a) not more than 15 days after each record date with respect to the payment of interest, if any, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Registered Holders as of such record date, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Issuers of any such request, a list as of a date not more than 15 days prior to the time such list is furnished;

provided, however, that so long as the Trustee shall be the Registrar, such lists shall not be required to be furnished.

The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the Holders (1) contained in the most recent list

furnished to it as provided in this Section 5.01 or (2) received by it in the capacity of paying agent or Registrar (if so acting) hereunder.

The Trustee may destroy any list furnished to it as provided in this Section 5.01 upon receipt of a new list so furnished.

SECTION 5.02. Communications to Holders; Meetings of Holders. (a)  
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Holders may communicate pursuant to Section 312(b) of the Trust Indenture Act with other Holders with respect to their rights under the Indenture or the Debt Securities. The Issuers, the Trustee, the Registrar and anyone else shall have the protection of Section 312(c) of the Trust Indenture Act.

(b) A meeting of the Holders of Debt Securities of any or all series may be called at any time and from time to time pursuant to this Section 5.02 to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided herein to be made, given or taken by Holders of Debt Securities of such series.

(c) The Trustee may at any time call a meeting of Holders of Debt Securities of any series for any purpose specified herein to be held at such time and at such place in Houston, Texas, in The Borough of Manhattan, The City of New York or in any other location, as the Trustee shall determine. Notice of every meeting of Holders of any series, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given not less than 20 nor more than 180 days prior to the date fixed for the meeting.

(d) In case at any time the Issuers, pursuant to Board Resolutions, or the Holders of at least 10% in aggregate principal amount of the outstanding Debt Securities of any series, shall have requested the Trustee for any such series to call a meeting of the Holders of Debt Securities of such series for any purpose specified herein, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have made the first publication of the notice of such meeting within 30 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Issuers or the Holders of such series in the amount specified above, as the case may be, may determine the time and the place in Houston, Texas, in The Borough of Manhattan, The City of New York, or in any other location, for such meeting and may call such meeting for such purposes by giving notice thereof as provided in paragraph (c) of this Section 5.02.

SECTION 5.03. Reports by Issuers. (a) Notwithstanding that the  
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Partnership may not be required to remain subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Partnership shall file with the Commission and provide to the Trustee and the Holders of Debt Securities the annual reports and the information, documents and other reports that are specified in Sections 13 and 15(d) of the Exchange Act, and, with respect to the annual consolidated financial statements only, a report thereon by the Issuers' independent auditors; provided, however, that the Partnership shall not be so  
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obligated to file such information, documents and reports with the Commission if the Commission does not permit such filings. The Issuers shall comply with the other provisions of Section 314(a) of the Trust Indenture Act.

(b) The Issuers covenant and agree, and any obligor hereunder shall covenant and agree, to file with the Trustee and the Commission, in accordance with the rules and regulations prescribed from time to time by said Commission, such additional information, documents, and reports with respect to compliance by the Issuers or such obligor, as the case may be, with the conditions and covenants provided for in the Indenture as may be required from time to time by such rules and regulations.

(c) 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 notice of any information contained therein or determinable from information contained therein, including the Issuers' compliance with any of their covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

SECTION 5.04. Reports by Trustee. The Trustee shall transmit to  
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Holders such reports concerning the Trustee and its actions under the Indenture as may be required pursuant to the Trust Indenture Act at the time and in the manner provided pursuant thereto.

Reports pursuant to this Section 5.04 shall be transmitted by mail:

(1) to all Registered Holders, as the names and addresses of such Holders appear in the Debt Security Register; and

(2) except in the cases of reports under Section 313(b)(2) of the Trust Indenture Act, to each holder of a Debt Security of any series whose name and address appear in the information preserved at the time by the Trustee in accordance with Section 5.02.

A copy of each report at the time of its mailing to Holders shall be filed with the Commission and each stock exchange (if any) on which the Debt Securities of any series are listed. The Issuers agree to notify promptly the Trustee whenever the Debt Securities of any series become listed on any stock exchange and of any delisting thereof.

SECTION 5.05. Record Dates for Action by Holders. If the Issuers  
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shall solicit from the Holders of Debt Securities of any series any action (including the making of any demand or request, the giving of any direction, notice, consent or waiver or the taking of any other action), the Issuers may, at their option, by Board Resolutions, fix in advance a record date for the determination of Holders of Debt Securities entitled to take such action, but the Issuers shall have no obligation to do so. Any such record date shall be fixed at the Issuers' discretion. If such a record date is fixed, such action may be sought or given before or after the record date, but only the Holders of Debt Securities of record at the close of business on such record date shall be deemed to be Holders of Debt Securities for the purpose of determining whether Holders of the requisite proportion of Debt Securities of such series Outstanding have authorized or agreed or consented to such action, and for that purpose the Debt Securities of such series Outstanding shall be computed as of such record date.

ARTICLE VI

Remedies of the Trustee and Holders in Event of Default  
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SECTION 6.01. Events of Default. If any one or more of the following  
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shall have occurred and be continuing with respect to Debt Securities of any series (each of the following, an "Event of Default"):

(a) the Issuers Default for a period of 60 days in the payment when due of interest on any Debt Securities of that series; or

(b) the Issuers default in the payment when due of principal of or premium, if any, on any Debt Securities of that series at maturity, upon redemption or otherwise; or

(c) default in the payment of any sinking fund payment with respect to any Debt Securities of that series as and when the same shall become due and payable; or

(d) failure on the part of the Issuers to comply with Article X; or

(e) failure by the Issuers for 30 days after notice to comply to duly observe or perform any other of the covenants or agreements on the part of the Issuers in the Debt Securities of that series in any Board Resolution authorizing the issuance of that series of Debt Securities, in the Indenture with respect to such series or in any supplemental Indenture with respect to such series (other than a covenant a default in the performance of which is elsewhere in this Section 6.01 specifically dealt with); or

(f) pursuant to or within the meaning of Bankruptcy Law, an Issuer commences a voluntary case, consents to the entry of an order for relief against it in an involuntary case, consents to the appointment of a custodian of it or for all or substantially all of its property, makes a general assignment for the benefit of its creditors, or generally is not paying its debts as they become due; or

(g) (i) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that is for relief against an Issuer in an involuntary case, appoints a custodian of an Issuer, or orders the liquidation of an Issuer and (ii) such order or decree remains unstayed and in effect for 60 consecutive days; or

(h) any other Event of Default provided under the terms of the Debt Securities of that series;

then and in each and every case that an Event of Default with respect to Debt Securities of that series at the time outstanding occurs and is continuing, either the Trustee or the Holders of at least 25% in aggregate principal amount of the Debt Securities of that series, may declare the principal of (or, if the Debt Securities of that series are Original Issue Discount Debt Securities, such portion of the principal amount as may be specified in the terms of that series) and interest on all the Debt Securities of that series to be due and payable immediately.

The Holders of a majority in principal amount of the Debt Securities of a particular series by notice to the Trustee may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree already rendered and if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of acceleration. Upon any such rescission, the parties hereto shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the parties hereto shall continue as though no proceeding had been taken.

In case the Trustee or any Holder shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee or such Holder, then and in every such case the parties hereto shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the parties hereto shall continue as though no such proceeding had been taken.

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

The Issuers shall deliver to the Trustee, within 30 days after the occurrence thereof, written notice in the form of an Officers' Certificate of any event which with the giving of notice and the lapse of time would become an Event of Default under clause (c), (d), (e), (f), (g) or (h), its status and what action the Issuers are taking or propose to take with respect thereto.

SECTION 6.02. Collection of Indebtedness by Trustee, etc. If an Event

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of Default occurs and is continuing, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid or enforce the performance of any provision of the Debt Securities of the affected series or the Indenture, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Issuers or any other obligor upon the Debt Securities of such series (and collect in the manner provided by law out of the property of the Issuers or any other obligor upon the Debt Securities of such series wherever situated the moneys adjudged or decreed to be payable).

In case there shall be pending proceedings for the bankruptcy or for the reorganization of either of the Issuers or any other obligor upon the Debt Securities of any series under Title 11 of the United States Code or any other Federal or State bankruptcy, insolvency or similar law, or in case a receiver, trustee or other similar official shall have been appointed for its property, or in case of any other similar judicial proceedings relative to either of the Issuers or any other obligor upon the Debt Securities of any series, its creditors or its property, the Trustee, irrespective of whether the principal of Debt Securities of any series shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section 6.02, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of principal, premium, if any, and interest (or, if the Debt Securities of such series are Original Issue Discount Debt Securities, such portion of the

principal amount as may be specified in the terms of such series) owing and unpaid in respect of the Debt Securities of such series, and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee, its agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith) and of the Holders thereof allowed in any such judicial proceedings relative to either of the Issuers, or any other obligor upon the Debt Securities of such series, its creditors or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of such Holders and of the Trustee on their behalf, and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of such Holders to make payments to the Trustee, and, in the event that the Trustee shall consent to the making of payments directly to such Holders, to pay to the Trustee such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other reasonable expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith.

All rights of action and of asserting claims under the Indenture, or under any of the Debt Securities, of any series, may be enforced by the Trustee without the possession of any such Debt Securities or the production thereof in any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment (except for any amounts payable to the Trustee pursuant to Section 7.06) shall be for the ratable benefit of the Holders of all the Debt Securities in respect of which such action was taken.

In case of an Event of Default hereunder the Trustee may in its discretion proceed to protect and enforce the rights vested in it by the Indenture by such appropriate judicial proceedings as the Trustee shall deem necessary to protect and enforce any of such rights, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Indenture or in aid of the exercise of any power granted in the Indenture, or to enforce any other legal or equitable right vested in the Trustee by the Indenture or by law.

SECTION 6.03. Application of Moneys Collected by Trustee. Any moneys

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or other property collected by the Trustee pursuant to Section 6.02 with respect to Debt Securities of any series shall be applied, in the order following, at the date or dates fixed by the Trustee for the distribution of such moneys or other property, upon presentation of the several Debt Securities of such series in respect of which moneys or other property have been collected, and the notation thereon of the payment, if only partially paid, and upon surrender thereof if fully paid:

First: To the payment of all money due the Trustee pursuant to

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Section 7.06;

Second: In case the principal of the Outstanding Debt Securities in

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respect of which such moneys have been collected shall not have become due, to the payment of interest on the Debt Securities of such series in the order of the maturity of the installments of such interest, with interest (to the extent that such interest has been

collected by the Trustee) upon the overdue installments of interest at the rate or Yield to Maturity (in the case of Original Issue Discount Debt Securities) specified in the Debt Securities of such series, such payments to be made ratably to the Persons entitled thereto, without discrimination or preference;

Third: In case the principal of the Outstanding Debt Securities in

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respect of which such moneys have been collected shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Debt Securities of such series for principal and premium, if any, and interest, with interest on the overdue principal and premium, if any, and (to the extent that such interest has been collected by the Trustee) upon overdue installments of interest at the rate or Yield to Maturity (in the case of Original Issue Discount Debt Securities) specified in the Debt Securities of such series; and, in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Debt Securities of such series, then to the payment of such principal and premium, if any, and interest, without preference or priority of principal and premium, if any, over interest, or of interest over principal and premium, if any, or of any installment of interest over any other installment of interest, or of any Debt Security of such series over any Debt Security of such series, ratably to the aggregate of such principal and premium, if any, and interest; and

Fourth: The remainder, if any, shall be paid to the Issuers, their

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successors or assigns, or as a court of competent jurisdiction may direct.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.03. At least 15 days before such record date, the Issuers shall mail to each Holder and the Trustee a notice that states the record date, the payment date and amount to be paid.

SECTION 6.04. Limitation on Suits by Holders. No Holder of any Debt

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Security of any series shall have any right by virtue or by availing of any provision of the Indenture to institute any action or proceeding at law or in equity or in bankruptcy or otherwise, upon or under or with respect to the Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such Holder previously shall have given to the Trustee written notice of an Event of Default with respect to Debt Securities of that same series and of the continuance thereof and unless the Holders of not less than 25% in aggregate principal amount of the Outstanding Debt Securities of that series shall have made written request upon the Trustee to institute such action or proceedings in respect of such Event of Default in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee, for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceedings and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 6.06; it being understood and intended, and being expressly covenanted by the Holder of every Debt Security with every other Holder and the Trustee, that no one or more Holders shall have any right in any manner whatever by virtue or by availing of any provision of the Indenture to affect, disturb or prejudice the rights of any Holders, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under the Indenture, except in the manner herein provided and for

the equal, ratable and common benefit of all such Holders. For the protection and enforcement of the provisions of this Section 6.04, each and every Holder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provision in the Indenture, however, the right of any Holder of any Debt Security to receive payment of the principal of, and premium, if any, and (subject to Section 2.12) interest on, such Debt Security on or after the respective due dates expressed in such Debt Security, and to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or effected without the consent of such Holder.

SECTION 6.05. Remedies Cumulative; Delay or Omission in Exercise of

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Rights Not a Waiver of Default. All powers and remedies given by this Article VI  
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to the Trustee or to the Holders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the Holders, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in the Indenture, and no delay or omission of the Trustee or of any Holder to exercise any right or power accruing upon any Default occurring and continuing as aforesaid, shall impair any such right or power, or shall be construed to be a waiver of any such Default or an acquiescence therein; and, subject to the provisions of Section 6.04, every power and remedy given by this Article VI or by law to the Trustee or to the Holders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Holders.

SECTION 6.06. Rights of Holders of Majority in Principal Amount of

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Debt Securities to Direct Trustee and to Waive Default. The Holders of a  
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majority in aggregate principal amount of the Debt Securities of any series at the time Outstanding shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Debt Securities of such series; provided, however, that such direction shall not be

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otherwise than in accordance with law and the provisions of the Indenture, and that subject to the provisions of Section 7.01, the Trustee shall have the right to decline to follow any such direction if the Trustee being advised by counsel shall determine that the action so directed may not lawfully be taken, or if the Trustee shall by a Responsible Officer or officers determine that the action so directed would involve it in personal liability or would be prejudicial to Holders of Debt Securities of such series not taking part in such direction; and provided further, however, that nothing in the Indenture contained shall impair

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the right of the Trustee to take any action deemed proper by the Trustee and which is not inconsistent with such direction by such Holders. Prior to the acceleration of the maturity of the Debt Securities of any series, as provided in Section 6.01, the Holders of a majority in aggregate principal amount of the Debt Securities of that series at the time Outstanding by notice to the Trustee may on behalf of the Holders of all the Debt Securities of that series waive any past Default or Event of Default and its consequences for that series specified in the terms thereof as contemplated by Section 2.03, except (i) a Default in the payment of the principal of, and premium, if any, or interest on, any of the Debt Securities and (ii) a Default in respect of a provision that under Section 9.02 cannot be amended, supplemented or waived without the consent of each Holder affected thereby. In case of any such waiver, such Default shall cease to exist, any Event of Default arising therefrom shall be deemed to have been cured for every purpose of the Indenture, and the Issuers, the Trustee and the Holders of the Debt



Securities of that series shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

SECTION 6.07. Trustee to Give Notice of Defaults Known to It, but May

Withhold Such Notice in Certain Circumstances. The Trustee shall, within 90 days

after the occurrence of a Default known to it with respect to a series of Debt Securities give to the Holders thereof, in the manner provided in Section 12.03, notice of all Defaults with respect to such series known to the Trustee, unless such Defaults shall have been cured or waived before the giving of such notice; provided that, except in the case of Default in the payment of the principal of,

or premium, if any, or interest on, any of the Debt Securities of such series or in the making of any sinking fund payment with respect to the Debt Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the committee of Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interests of the Holders thereof.

SECTION 6.08. Requirement of an Undertaking To Pay Costs in Certain

Suits under the Indenture or Against the Trustee. All parties to the Indenture

agree, and each Holder of any Debt Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under the Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit in the manner and to the extent provided in the Trust Indenture Act, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 6.08 shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than ten percent in principal amount of the Outstanding Debt Securities of that series or to any suit instituted by any Holder for the enforcement of the payment of the principal of, or premium, if any, or interest on, any Debt Security on or after the due date for such payment expressed in such Debt Security.

ARTICLE VII

Concerning the Trustee

SECTION 7.01. Certain Duties and Responsibilities. The Trustee, prior

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

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

(a) this subsection shall not be construed to limit the effect of the first paragraph of this Section 7.01;

(b) prior to the occurrence of an Event of Default with respect to the Debt Securities of a series and after the curing or waiving of all Events of Default with respect to such series which may have occurred:

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

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

(c) the Trustee shall not be liable for an 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

(d) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it with respect to Debt Securities of any series in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Outstanding Debt Securities of that 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 the Indenture with respect to Debt Securities of such series.

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

Whether or not therein expressly so provided, every provision of the 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 7.02. Certain Rights of Trustee. Except as otherwise provided

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in Section 7.01:

(a) the Trustee may conclusively rely and shall be fully 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 (whether in its original or facsimile form) believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Issuers mentioned herein shall be sufficiently evidenced by an Issuer Order (unless other evidence in respect thereof be herein specifically prescribed); and any Board Resolution may be evidenced to the Trustee by a copy thereof certified by the Secretary or an Assistant Secretary of each of the Managing General Partner and PAA Finance;

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

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request, order or direction of any of the Holders of Debt Securities of any series pursuant to the provisions of the Indenture, unless such Holders shall have offered to the Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby;

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

(f) prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, 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, approval or other paper or document, unless requested in writing to do so by the Holders of a majority in aggregate principal amount of the then outstanding Debt Securities of a series affected by such matter; provided, however, that if the payment

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within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is not, in the opinion of the Trustee, reasonably assured to the Trustee by the security afforded to it by the terms of the Indenture, the Trustee may require indemnity reasonably satisfactory to it against such costs, expenses or liabilities as a condition to so proceeding; the Trustee shall be entitled to examine the books, records and premises of the Issuers during ordinary business hours and for any purpose relevant to the Indenture, personally or by an agent or attorney at the sole cost of the Issuers and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation;

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

(h) if any property other than cash shall at any time be subject to a Lien in favor of the Holders, the Trustee, if and to the extent authorized by a receivership or bankruptcy court of competent jurisdiction or by the supplemental instrument subjecting such property to such Lien, shall be entitled to make advances for the purpose of preserving such property or of discharging tax Liens or other prior Liens or encumbrances thereon; and

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

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

SECTION 7.03. Trustee Not Liable for Recitals in Indenture or

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in Debt Securities. The recitals contained herein and in the Debt Securities

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(except the Trustee's certificate of authentication) shall be taken as the statements of the Issuers, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of the Indenture or of the Debt Securities of any series, except that the Trustee represents that it is duly authorized to execute and deliver the Indenture, authenticate the Debt Securities and perform its obligations hereunder, and that the statements made by it or to be made by it in a Statement of Eligibility and Qualification on Form T-1 supplied to the Issuers are true and accurate. The Trustee shall not be accountable for the use or application by the Issuers of any of the Debt Securities or of the proceeds thereof.

SECTION 7.04. Trustee, Paying Agent or Registrar May Own Debt

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Securities. The Trustee or any paying agent or Registrar, in its individual or

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any other capacity, may become the owner or pledgee of Debt Securities and subject to the provisions of the Trust Indenture Act relating to conflicts of interest and preferential claims may otherwise deal with the Issuers with the same rights it would have if it were not Trustee, paying agent or Registrar; provided, however, that if the Trustee acquires any such conflicting interest and an Event of Default or Default has occurred and is continuing, the Trustee must eliminate such conflict within 90 days, apply to the Commission for permission to continue as trustee or resign.

SECTION 7.05. Moneys Received by Trustee to Be Held in Trust.

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Subject to the provisions of Section 11.02, all moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but 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 moneys received by it hereunder. So long as no Event of Default shall have occurred and be continuing, all interest allowed on any such moneys shall be paid from time to time to the Issuers upon an Issuer Order.

SECTION 7.06. Compensation and Reimbursement. The Issuers

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covenant and agree to pay in Dollars to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it hereunder (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), and, except as otherwise expressly provided herein, the Issuers will pay or reimburse in Dollars the Trustee upon its request for all expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of the Indenture (including the reasonable compensation and the expenses and disbursements of its agents, attorneys and counsel and of all Persons not regularly in its employ) except any such expense, disbursement or advances as may arise from its negligence or bad faith. The Issuers also covenant to fully indemnify in Dollars the Trustee and any predecessor Trustee for, and to hold it harmless against, any and all loss, liability, claim, damage or expense incurred without negligence or willful misconduct on the part of the Trustee, arising out of or in connection with the acceptance or administration of this trust or trusts hereunder, including the costs and expenses of defending itself against any claim of liability in connection with the exercise or performance of any of its powers or duties hereunder. The obligations of the Issuers under this Section 7.06 to compensate and indemnify the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder and shall survive the satisfaction and discharge of the Indenture. The Issuers and the Holders agree that such additional indebtedness shall be secured by a Lien prior to that of the Debt Securities upon all property and funds held or collected by the Trustee, as such, except funds held in trust for the payment of principal of, and premium, if any, or interest on, particular Debt Securities.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(g) or (h) occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under any bankruptcy, insolvency, reorganization or other similar law.

SECTION 7.07. Right of Trustee to Rely on an Officers'

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

SECTION 7.08. Separate Trustee; Replacement of Trustee. The

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Issuers may, but need not, appoint a separate Trustee for any one or more series of Debt Securities. The Trustee may resign with respect to one or more or all series of Debt Securities at any time by giving notice to the Issuers. The Holders of a majority in principal amount of the Debt Securities

of a particular series may remove the Trustee for such series and only such series by so notifying the Trustee and may appoint a successor Trustee. The Issuers shall remove the Trustee if:

- (1) the Trustee fails to comply with Section 7.10;
- (2) the Trustee is adjudged bankrupt or insolvent;
- (3) a receiver or other public officer takes charge of the Trustee or its property; or
- (4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns, is removed by the Issuers or by the Holders of a majority in principal amount of the Debt Securities of a particular series and such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Issuers shall promptly appoint a successor Trustee. No resignation or removal of the Trustee and no appointment of a successor Trustee shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of this Section 7.08.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuers. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under the Indenture. The successor Trustee shall mail a notice of its succession to Holders of Debt Securities of each applicable series. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the Lien provided for in Section 7.06.

If a successor Trustee does not take office within 60 days after the retiring Trustee gives notice of resignation or is removed, the retiring Trustee or the Holders of 25% in principal amount of the Debt Securities of any applicable series may petition any court of competent jurisdiction for the appointment of a successor Trustee for the Debt Securities of such series.

If the Trustee fails to comply with Section 7.10, any Holder of Debt Securities of any applicable series may petition at the expense of the Issuers any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee for the Debt Securities of such series.

Notwithstanding the replacement of the Trustee pursuant to this Section 7.08, the Issuers' obligations under Section 7.06 shall continue for the benefit of the retiring Trustee.

In the case of the appointment hereunder of a separate or successor Trustee with respect to the Debt Securities of one or more series, the Issuers, any retiring Trustee and each successor or separate Trustee with respect to the Debt Securities of any applicable series shall execute and deliver an Indenture supplemental hereto (1) which shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of any retiring Trustee with respect to the Debt Securities of any series as to which any such retiring Trustee is not retiring shall continue to be vested in such retiring Trustee and (2) that shall add to

or change any of the provisions of the 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 separate, retiring or successor 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.

SECTION 7.09. Successor Trustee by Merger. If the Trustee

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consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation or banking association without any further act shall be the successor Trustee, provided such Person shall be otherwise qualified and eligible under this Article VII, without the execution or filing of any paper or any further act on the part of any of the parties hereto. As soon as practicable, the successor Trustee shall mail a notice of its succession to the Issuers and the Holders of the Debt Securities then Outstanding.

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

SECTION 7.10. Eligibility; Disqualification. The Trustee shall

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at all times satisfy the requirements of Section 310(a) of the Trust Indenture Act. The Trustee shall have a combined capital and surplus of at least \$50,000,000, as set forth in its most recently published annual report of condition. No obligor upon the Debt Securities of a particular series or Person directly or indirectly controlling, controlled by or under common control with such obligor shall serve as Trustee upon the Debt Securities of such series. The Trustee shall comply with Section 310(b) of the Trust Indenture Act; provided,

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however, that there shall be excluded from the operation of Section 310(b)(1) of -----  
the Trust Indenture Act the Indenture or any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Issuers are outstanding if the requirements for such exclusion set forth in Section 310(b)(1) of the Trust Indenture Act are met.

SECTION 7.11. Preferential Collection of Claims Against

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Issuers. The Trustee shall comply with Section 311(a) of the Trust Indenture -----  
Act, excluding any creditor relationship listed in Section 311(b) of the Trust Indenture Act. A Trustee who had resigned or been removed shall be subject to Section 311(a) of the Trust Indenture Act to the extent indicated therein.

SECTION 7.12. Compliance with Tax Laws. The Trustee hereby

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agrees to comply with all U.S. Federal income tax information reporting and withholding requirements applicable to it with respect to payments of principal, premium (if any) and interest on the Debt

Securities, whether acting as Trustee, Security Registrar, paying agent or otherwise with respect to the Debt Securities.

ARTICLE VIII

Concerning the Holders

SECTION 8.01. Evidence of Action by Holders. Whenever in the

Indenture it is provided that the Holders of a specified percentage in aggregate principal amount of the Debt Securities of any or all series may take action (including the making of any demand or request, the giving of any direction, notice, consent or waiver or the taking of any other action) the fact that at the time of taking any such action the Holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by Holders in person or by agent or proxy appointed in writing, (b) by the record of the Holders voting in favor thereof at any meeting of Holders duly called and held in accordance with the provisions of Section 5.02 or (c) by a combination of such instrument or instruments and any such record of such a meeting of Holders.

SECTION 8.02. Proof of Execution of Instruments and of Holding

of Debt Securities. Subject to the provisions of Sections 7.01, 7.02 and 12.09, proof of the execution of any instrument by a Holder or his agent or proxy shall be sufficient if made in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be satisfactory to the Trustee.

The ownership of Registered Securities of any series shall be proved by the Debt Security Register or by a certificate of the Registrar for such series.

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

SECTION 8.03. Who May Be Deemed Owner of Debt Securities.

Prior to due presentment for registration of transfer of any Registered Security, the Issuers, the Trustee, any paying agent and any Registrar may deem and treat the Person in whose name any Registered Security shall be registered upon the books of the Issuers as the absolute owner of such Registered Security (whether or not such Registered Security shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or on account of the principal of and premium, if any, and (subject to Section 2.12) interest on such Registered Security and for all other purposes, and neither the Issuers nor the Trustee nor any paying agent nor any Registrar shall be affected by any notice to the contrary; and all such payments so made to any such Holder for the time being, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Registered Security.

SECTION 8.04. Instruments Executed by Holders Bind Future

Holders. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01, of the taking of any action by the Holders of the percentage in aggregate principal amount of the Debt Securities of any series specified in the Indenture in connection with such action and subject to



the following paragraph, any Holder of a Debt Security which is shown by the evidence to be included in the Debt Securities the Holders of which have consented to such action may, by filing written notice with the Trustee at its Corporate Trust Office of the Trustee and upon proof of holding as provided in Section 8.02, revoke such action so far as concerns such Debt Security. Except as aforesaid any such action taken by the Holder of any Debt Security shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Debt Security and of any Debt Security issued upon transfer thereof or in exchange or substitution therefor, irrespective of whether or not any notation in regard thereto is made upon such Debt Security or such other Debt Securities. Any action taken by the Holders of the percentage in aggregate principal amount of the Debt Securities of any series specified in the Indenture in connection with such action shall be conclusively binding upon the Issuers, the Trustee and the Holders of all the Debt Securities of such series.

The Issuers may, but shall not be obligated to, fix a record date for the purpose of determining the Holders of Registered Securities entitled to give their consent or take any other action required or permitted to be taken pursuant to the Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Holders of Registered Securities at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders of Registered Securities after such record date. No such consent shall be valid or effective for more than 120 days after such record date unless the written consent of the Holders of the percentage in aggregate principal amount of the Debt Securities of such series specified in the Indenture shall have been received within such 120-day period.

#### ARTICLE IX

##### Amendment, Supplement and Waiver

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##### SECTION 9.01. Without Consent of Holders of Debt Securities.

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The Issuers and the Trustee may from time to time and at any time, without the consent of Holders, enter into an Indenture or Indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act as in force at the date of the execution thereof) for one or more of the following purposes:

(a) to cure any ambiguity, defect or inconsistency contained herein, in any supplemental Indenture or in the Debt Securities of such series;

(b) to provide for uncertificated Debt Securities in addition to or in place of certificated Debt Securities; provided, however, that

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the uncertificated Debt Securities are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Debt Securities are described in Section 163(f)(2)(B) of the Code;

(c) to provide for the assumption of an Issuer's obligations to Holders pursuant to Article X;

(d) to add guarantors with respect to the Debt Securities as parties to the Indenture or to release guarantors in accordance with the provisions of any supplemental Indenture;

(e) to make any changes that would provide any additional rights or benefits to the Holders of the Debt Securities or that do not, taken as a whole, adversely affect the legal rights hereunder of any Holder;

(f) to comply with the requirements of the Commission to permit the qualification of the Indenture or any Indenture supplemental hereto under the Trust Indenture Act as then in effect, except that nothing herein contained shall permit or authorize the inclusion in any Indenture supplemental hereto of the provisions referred to in Section 316(a)(2) of the Trust Indenture Act;

(g) to evidence or provide for the acceptance of appointment hereunder by a successor or separate Trustee with respect to the Debt Securities of one or more series and to add to or change any of the provisions of the Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee;

(h) to add any additional Events of Default;

(i) to secure the Debt Securities and/or any guarantee with respect to any Debt Securities; and

(j) to establish the form or terms of the Debt Securities as permitted by Section 2.01 or 2.03.

The Trustee is hereby authorized to join with the Issuers and guarantors with respect to any Debt Securities in the execution of any such supplemental Indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental Indenture which affects the Trustee's own rights, duties or immunities under the Indenture or otherwise.

Any supplemental Indenture authorized by the provisions of this Section 9.01 may be executed by the Issuers, any guarantors with respect to any Debt Securities and the Trustee without the consent of the Holders of any of the Debt Securities at the time outstanding, notwithstanding any of the provisions of Section 9.02.

After an amendment under this Section 9.01 becomes effective, the Issuers shall mail to Holders of Debt Securities of each series affected thereby a notice briefly describing such amendment. The failure to give such notice to all such Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.01.

SECTION 9.02. With Consent of Holders of Debt Securities.

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Without notice to any Holder but with the consent (evidenced as provided in Section 8.01) of the Holders of a majority in aggregate principal amount of the outstanding Debt Securities of each series affected

by such supplemental Indenture, (a) the Issuers, when authorized by Board Resolutions, and the Trustee may from time to time and at any time enter into an Indenture or Indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act as in force at the date of execution thereof) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental Indenture or of modifying in any manner the rights of the Holders of the Debt Securities of such series, and (b) subject to the Sections 6.04 and 6.08, any existing Default or Events of Default or compliance with any provision of the Indenture or the Debt Securities of such series may be waived; provided, that no

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such supplemental Indenture or waiver, without the consent of the Holders of each Debt Security so affected, shall (i) reduce the percentage in principal amount of Debt Securities of any series whose Holders must consent to an amendment, supplement or waiver; (ii) reduce the principal of or change the Stated Maturity of any Debt Security; (iii) reduce or waive the premium payable upon the redemption of any Debt Security or alter or waive any provisions by which any Debt Security may or shall be redeemed in accordance with Article III (other than provisions requiring the repurchase of the Debt Securities of such series if so permitted by the Board Resolutions or supplemental Indenture establishing the terms of such series); (iv) reduce the rate of or change the time for payment of interest on any Debt Security; (v) waive a Default or an Event of Default in the payment of principal of, or premium, if any, or interest on a Debt Security except for a rescission of an acceleration of such Debt Securities by the Holders of at least a majority in aggregate principal amount of such Debt Securities and a waiver of the payment default that resulted from such acceleration; (vi) except as otherwise permitted under the Indenture, release any security that may have been granted in respect of the Debt Securities; (vii) make any Debt Security payable in Currency other than that stated in the Debt Security; (viii) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of Holders to receive payments of principal of or premium, if any, or interest on the Debt Securities; (ix) waive a redemption payment with respect to any Debt Security (other than a payment required by a covenant requiring the repurchase of the Debt Securities of such series if so permitted by the Board Resolutions or supplemental Indenture establishing the terms of such series); (x) except as otherwise permitted under the Indenture with respect to Debt Securities that are guaranteed, release any guarantor from its obligations under the Indenture or under its guarantee or change any guarantee in any manner that would adversely affect the rights of Holders of such Debt Securities; or (xi) make any change in Section 6.06 or this Section 9.02.

A supplemental Indenture which changes or eliminates any covenant or other provision of the Indenture which has been expressly included solely for the benefit of one or more particular series of Debt Securities or which modifies the rights of the Holders of Debt Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under the Indenture of the Holders of Debt Securities of any other series.

Upon the request of the Issuers, accompanied by copies of Board Resolutions authorizing the execution of any such supplemental Indenture, and upon the filing with the Trustee of evidence of the consent of Holders as aforesaid, the Trustee shall join with the Issuers and any guarantors with respect to any Debt Securities in the execution of such supplemental Indenture unless such supplemental Indenture affects the Trustee's own rights, duties or immunities under the Indenture or otherwise, in which case the Trustee may in its discretion but shall not be obligated to enter into such supplemental Indenture.

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

After an amendment or waiver under this Section 9.02 becomes effective, the Issuers shall mail to Holders of Debt Securities of each series affected thereby a notice briefly describing such amendment or waiver. The failure to give such notice to all such Holders, or any defect therein, shall not impair or affect the validity of an amendment or waiver under this Section 9.02.

SECTION 9.03. Effect of Supplemental Indentures. Upon the execution of any supplemental Indenture pursuant to the provisions of this Article IX, the Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under the Indenture of the Trustee, the Issuers and the Holders shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental Indenture shall be and be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

The Trustee, subject to the provisions of Sections 7.01 and 7.02, may receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any such supplemental Indenture complies with the provisions of this Article IX.

SECTION 9.04. Debt Securities May Bear Notation of Changes by Supplemental Indentures. Debt Securities of any series authenticated and delivered after the execution of any supplemental Indenture pursuant to the provisions of this Article IX 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. New Debt Securities of any series so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any modification of the Indenture contained in any such supplemental Indenture may be prepared and executed by the Issuers, authenticated by the Trustee and delivered in exchange for the Debt Securities of such series then outstanding. Failure to make the appropriate notation or to issue a new Debt Security of such series shall not affect the validity of such amendment.

#### ARTICLE X

##### Consolidation, Merger, Sale or Conveyance

##### SECTION 10.01. Consolidations and Mergers of the Issuers.

Neither of the Issuers may, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Issuer is the survivor); or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to another Person; unless:

(1) either (a) such Issuer is the surviving entity of such transaction; or (b) the Person formed by or surviving any such consolidation or merger (if other than such Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been

made (the "Successor Company") is an entity organized or existing under the laws of the United States, any state thereof or the District of Columbia, provided that PAA Finance may not consolidate or merge with or into any entity other than a corporation satisfying such requirement for so long as the Partnership is not a corporation;

(2) the Successor Company assumes all the obligations of such Issuer under the notes and the Indenture pursuant to agreements reasonably satisfactory to the Trustee;

(3) immediately after such transaction no Default or Event of Default exists; and

(4) such Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and, if a supplemental Indenture is required, such supplemental Indenture complies with the Indenture and all conditions precedent therein relating to such transaction have been satisfied.

SECTION 10.02. Rights and Duties of Successor Company. In case

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of any consolidation, merger or disposition respecting an Issuer in accordance with Section 10.01, the Successor Company shall succeed to and be substituted for such Issuer, with the same effect as if it had been named herein as the party of the first part, and the Issuer shall be relieved of any further obligation under the Indenture and the Debt Securities. The Successor Company thereupon may cause to be signed, and may issue either in its own name or in the name of such Issuer, any or all the Debt Securities issuable hereunder which theretofore shall not have been signed by such Issuer and delivered to the Trustee; and, upon the order of the Successor Company, instead of such Issuer, and subject to all the terms, conditions and limitations in the Indenture prescribed, the Trustee shall authenticate and shall deliver any Debt Securities which previously shall have been signed and delivered by the officers of such Issuer or its Managing General Partner, as the case may be, to the Trustee for authentication, and any Debt Securities which the Successor Company thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Debt Securities so issued shall in all respects have the same legal rank and benefit under the Indenture as the Debt Securities theretofore or thereafter issued in accordance with the terms of the Indenture as though all such Debt Securities had been issued at the date of the execution hereof.

In case of any such consolidation, merger or disposition such changes in phraseology and form (but not in substance) may be made in the Debt Securities appertaining thereto thereafter to be issued as may be appropriate.

ARTICLE XI

Satisfaction and Discharge of Indenture;

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Unclaimed Moneys  
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SECTION 11.01. Satisfaction and Discharge; Application of

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Trust Money. The Indenture shall upon the request of the Issuers cease to be of

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further effect with respect to all Outstanding Debt Securities of any series (except as to surviving rights of registration of transfer or exchange of Debt Securities of such series herein expressly provided for, the Issuers'

obligations under Section 7.06, and the Trustee's and each paying agent's obligations under the last paragraph of this Section 11.01 and Section 11.02) and the Trustee, on demand and at the expense of the Issuers, shall execute proper instruments acknowledging satisfaction and discharge of the Indenture with respect to such series, when:

(a) either

(i) all outstanding Debt Securities of such series therefore authenticated and delivered (other than (A) Debt Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.09 and (B) Debt Securities for whose payment money has been deposited in trust with the Trustee or any paying agent and thereafter repaid to either Issuer or discharged from such trust) have been delivered to the Trustee for cancellation; or

(ii) all outstanding Debt Securities of such series not theretofore delivered to the Trustee for cancellation

(A) have become due and payable by reason of the giving of a notice of redemption or otherwise,

(B) shall become due and payable at their Stated Maturity within one year, or

(C) 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 Issuers,

and the Issuers, in the case of clause (A), (B) or (C) above, have irrevocably deposited or caused to be irrevocably deposited with the Trustee as trust funds in trust for such purpose cash in Dollars or U.S. Government Obligations, or a combination thereof, in an amount sufficient (without consideration of any reinvestment of interest and as certified by an independent public accountant designated by the Partnership expressed in a written certification thereof delivered to the Trustee) to pay and discharge the entire indebtedness of such Debt Securities not theretofore delivered to the Trustee for cancellation, for principal (and premium, if any) and accrued and unpaid interest to the date of such deposit (in the case of Debt Securities which have become due and payable) or the Stated Maturity or redemption date, as the case may be;

(b) the Issuers have paid or caused to be paid all other sums then due and payable hereunder by them under the Indenture; and

(c) the Partnership 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 the Indenture have been complied with.

In order to have money available on a payment date to pay principal (and premium, if any, on) and interest on the Notes, the U.S. Government Obligations shall be payable as to principal (and

premium, if any) or interest at least one Business Day before such payment date in such amounts as shall provide the necessary money.

The Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to this Article XI. It shall apply the deposited money and the money from U.S. Government Obligations through any paying agent and in accordance with the Indenture to the payment of principal of, and premium, if any, and interest on, the Debt Securities of the defeased series. Prior to the maturity of such series, the Trustee may, at the written direction of the Issuers, invest such money in U.S. Government Obligations.

SECTION 11.02. Repayment to Issuers. The Trustee and any  
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paying agent shall promptly turn over to the Issuers upon request any excess money or securities held by them at any time.

Subject to any applicable abandoned property law, the Trustee and any paying agent shall pay to the Issuers upon request any money held by them for the payment of principal, premium or interest that remains unclaimed for two years, and, thereafter, Holders entitled to such money must look to the Issuers for payment as general creditors.

SECTION 11.03. Indemnity for U.S. Government Obligations. The  
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Issuers shall pay and shall indemnify the Trustee and the Holders against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

SECTION 11.04. Reinstatement. If the Trustee or any paying  
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agent is unable to apply any money or U.S. Government Obligations in accordance with this Article XI by reason of any legal proceeding or by reason of any order or judgment of any court or government authority enjoining, restraining or otherwise prohibiting such application, the Issuers' obligations under the Indenture and the Debt Securities of the defeased series shall be revived and reinstated as though no deposit had occurred pursuant to this Article XI until such time as the Trustee or any paying agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Article XI.

## ARTICLE XII

### Miscellaneous Provisions -----

SECTION 12.01. Successors and Assigns of Issuers Bound by  
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Indenture. All the covenants, stipulations, promises and agreements in the  
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Indenture contained by or in behalf of the Issuers or the Trustee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 12.02. Acts of Board, Committee or Officer of  
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Successor Company Valid. Any act or proceeding by any provision of the Indenture  
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authorized or required to be done or performed by any Board of Directors, committee thereof or officer of the Managing General Partner or PAA Finance, as applicable, shall and may be done and performed with like force and effect by the like Board of Directors, committee thereof or officer of any Successor Company.

SECTION 12.03. Required Notices or Demands. Except as

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otherwise expressly provided in the Indenture, any notice or demand which by any provision of the Indenture is required or permitted to be given or served by the Trustee or by the Holders to or on the Issuers shall be in writing in the English language and may be given or served by being deposited postage prepaid in a post office letter box in the United States addressed (until another address is filed by the Issuers with the Trustee) as follows: Plains All American Pipeline, L.P., 333 Clay Street, Suite 2900, Houston, Texas 77002, Attention: General Counsel. Except as otherwise expressly provided in the Indenture, any notice, direction, request or demand by the Issuers or by any Holder to or upon the Trustee shall be in writing in the English language and may be given or made, for all purposes, by being deposited, postage prepaid, in a post office letter box in the United States addressed to the Corporate Trust Office of the Trustee initially at 5847 San Felipe, Suite 1050, Houston, Texas 77057, Attention: Corporate Trust Group. The Issuers or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice required or permitted to a Registered Holder by the Issuers or the Trustee pursuant to the provisions of the Indenture shall be in writing in the English language and shall be deemed to be properly mailed by being deposited postage prepaid in a post office letter box in the United States addressed to such Holder at the address of such Holder as shown on the Debt Security Register. Any report pursuant to Section 313 of the Trust Indenture Act shall be transmitted in compliance with subsection (c) therein.

In the event of suspension of regular mail service or by reason of any other cause it shall be impracticable to give notice by mail, then such notification as shall be given with the approval of the Trustee shall constitute sufficient notice for every purpose thereunder.

Failure to mail a notice or communication to a Holder or any defect in it or any defect in any notice by publication as to a Holder shall not affect the sufficiency of such notice with respect to other Holders. If a notice or communication is mailed or published in the manner provided above, it is conclusively presumed duly given.

SECTION 12.04. Indenture and Debt Securities to Be Construed

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in Accordance with the Laws of the State of New York. The Indenture and each  
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Debt Security shall be deemed to be New York contracts, and for all purposes shall be construed in accordance with the laws of said State.

SECTION 12.05. Officers' Certificate and Opinion of Counsel to

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Be Furnished upon Application or Demand by the Issuers. Upon any application or  
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demand by the Issuers to the Trustee to take any action under any of the provisions of the Indenture, the Issuers shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent provided for in the Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with, except that in the case of any such application or demand as to which the furnishing of such document is specifically required by any provision of the Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.



Each certificate or opinion provided for in the Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in the Indenture shall include (1) a statement that the Person making such certificate or opinion has read such covenant or condition, (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (3) a statement that, in the opinion of such Person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with and (4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

SECTION 12.06. Payments Due on Legal Holidays. In any case

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where the date of maturity of interest on or principal of and premium, if any, on the Debt Securities of a series or the date fixed for redemption or repayment of any Debt Security or the making of any sinking fund payment shall not be a business day at any Place of Payment for the Debt Securities of such series, then payment of interest or principal and premium, if any, or the making of such sinking fund payment need not be made on such date at such Place of Payment, 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 the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date. If a record date is not a business day, the record date shall not be affected.

SECTION 12.07. Provisions Required by Trust Indenture Act to

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Control. If and to the extent that any provision of the Indenture limits,  
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qualifies or conflicts with another provision included in the Indenture which is required to be included in the Indenture by any of Sections 310 to 318, inclusive, of the Trust Indenture Act, such required provision shall control.

SECTION 12.08. Computation of Interest on Debt Securities.

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Interest, if any, on the Debt Securities shall be computed on the basis of a 360-day year of twelve 30-day months, except as may otherwise be provided pursuant to Section 2.03.

SECTION 12.09. Rules by Trustee, Paying Agent and Registrar.

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The Trustee may make reasonable rules for action by or a meeting of Holders. The Registrar and any paying agent may make reasonable rules for their functions.

SECTION 12.10. No Recourse Against Others. No past, present or

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future director, officer, partner, employee, incorporator, manager, stockholder, unitholder or member of the Issuers, the General Partner, the Managing General Partner or any other obligor on the Debt Securities of any series, as such, shall have any liability for any obligations of the Issuers or such other obligors under the Debt Securities, the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Debt Security waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Debt Securities.

SECTION 12.11. Severability. In case any provision in the

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Indenture or the Debt 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 12.12. Effect of Headings. The article and section

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headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 12.13. Indenture May Be Executed in Counterparts. The

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Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

The Trustee hereby accepts the trusts in the Indenture upon the terms and conditions herein set forth.

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

PLAINS ALL AMERICAN PIPELINE, L.P.

By PLAINS PAA, L.P.,  
its General Partner

By PLAINS ALL AMERICAN GP LLC,  
its General Partner

By \_\_\_\_\_  
Name:  
Title:

PAA FINANCE CORP

By \_\_\_\_\_  
Name:  
Title:

FIRST UNION NATIONAL BANK

By \_\_\_\_\_  
Name:  
Title:

PLAINS ALL AMERICAN PIPELINE, L.P.,

PAA FINANCE CORP.

and

FIRST UNION NATIONAL BANK

as Trustee

\_\_\_\_\_

SUBORDINATED INDENTURE

Dated as of \_\_\_\_\_

DEBT SECURITIES

(UNLIMITED)

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CROSS-REFERENCE TABLE

Trust Indenture Act Section -----	Indenture Section -----
310(a)(1).....	7.10
(a)(2).....	7.10
(a)(3).....	N/A
(a)(4).....	N/A
(a)(5).....	7.10
(b).....	7.10
(c).....	N/A
311(a).....	7.11
(b).....	7.11
(c).....	N/A
312(a).....	5.01
(b).....	5.02
(c).....	5.02
313(a).....	5.04
(b)(1).....	5.04
(b)(2).....	5.04
(c).....	5.04; 12.03
(d).....	5.04
314(a).....	5.03; 12.03
(b).....	N/A
(c)(1).....	12.05
(c)(2).....	12.05
(c)(3).....	N/A
(d).....	N/A
(e).....	12.05
(f).....	N/A
315(a).....	7.01
(b).....	6.07; 12.03
(c).....	7.01
(d).....	7.01
(e).....	6.03
316(a)(last sentence).....	1.01
(a)(1)(A).....	6.06
(a)(1)(B).....	6.06
(a)(2).....	N/A
(b).....	6.04
(c).....	2.17
317(a)(1).....	6.02
(a)(2).....	6.09
(b).....	404
318(a).....	12.07
(b).....	N/A

(c).....

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N/A means not applicable.

THIS SUBORDINATED INDENTURE dated as of \_\_\_\_\_, is among PLAINS ALL AMERICAN PIPELINE, L.P., a Delaware limited partnership (the "Partnership"), PAA FINANCE CORP., a Delaware corporation ("PAA Finance" and, together with the Partnership, the "Issuers"), and FIRST UNION NATIONAL BANK, a national banking association (the "Trustee").

WITNESSETH:

WHEREAS, Plains All American GP LLC, a Delaware limited liability company (the "Managing General Partner"), as general partner of Plains AAP, L.P., a Delaware limited partnership (the "General Partner") and the general partner of the Partnership, and PAA Finance have duly authorized the execution and delivery of the Indenture to provide for the issuance from time to time of their subordinated debentures, notes, bonds or other evidences of indebtedness to be issued in one or more series in an unlimited aggregate principal amount (herein called the "Debt Securities"), as in the Indenture provided.

WHEREAS, all things necessary to make the Indenture a valid agreement of the Issuers, in accordance with its terms, have been done.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Issuers and the Trustee hereby agree with each other, for the equal and proportionate benefit of the respective Holders from time to time of the Debt Securities or any series thereof, as follows:

ARTICLE I

Definitions  
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SECTION 1.01. Certain Terms Defined. The terms defined in  
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this Section 1.01 (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of the Indenture and of any Indenture supplemental hereto shall have the respective meanings specified in this Section 1.01. All other terms used in the Indenture which are defined in the Trust Indenture Act or which are by reference therein defined in the Securities Act (except as herein otherwise expressly provided or unless the context otherwise requires), shall have the meanings assigned to such terms in the Trust Indenture Act and in the Securities Act as in force as of the date of original execution of the Indenture.

"Bankruptcy Law" means Title 11, U.S. Code or any similar  
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federal or state law for the relief of debtors.

"Blockage Notice" has the meaning set forth in Section 13.03.  
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"Board of Directors" means (a) with respect to the  
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Partnership, the board of directors of the Managing General Partner, and (b) with respect to PAA Finance, its board of directors, or, in each case, with respect to any determination or resolution required or permitted to be made hereunder, any duly authorized committee or subcommittee of such board. All references in the Indenture to "Board of Directors" shall be deemed to refer to the Board of

Directors of the Partnership, unless otherwise expressly indicated or the context otherwise requires.

"Board Resolution" means a copy of a resolution certified by

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the appropriate person to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday

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and Friday which is not a day on which banking institutions in Houston, Texas, the Borough of Manhattan, the City of New York, New York, or the city in which the Corporate Trust Office of the Trustee is located, are authorized or obligated by law or executive order to close.

"Code" means the Internal Revenue Code of 1986, as amended

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from time to time and any successor statute.

"Commission" means the Securities and Exchange Commission, as

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from time to time constituted, created under the Exchange Act, or, if at any time after the execution of the 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.

"Corporate Trust Office of the Trustee" means the principal

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corporate trust office of the Trustee, at which at any particular time its corporate trust business shall be administered, which office at the date of execution of the Indenture is located at 1525 West W.T. Harris Blvd.-3C3, Charlotte, North Carolina 28288-1153, Attention: Corporate Trust Operations.

"Currency" means Dollars or Foreign Currency.

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"Debt Security" or "Debt Securities" has the meaning stated in  
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the first recital of the Indenture and more particularly means any debt security or debt securities, as the case may be, of any series authenticated and delivered under the Indenture.

"Default" means any event that is, or with the passage of time

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or the giving of notice or both would be, an Event of Default.

"Depository" means, unless otherwise specified by the Issuers

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pursuant to either Section 2.03 or 2.15, with respect to registered Debt Securities of any series issuable or issued in whole or in part in the form of one or more Global Securities, The Depository Trust Company, New York, New York, or any successor thereto registered as a clearing agency under the Exchange Act or other applicable statute or regulations.

"Designated Senior Indebtedness" means, as to any series of

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Debt Securities, any Senior Indebtedness identified as Designated Senior Indebtedness in the Board Resolution or supplemental Indenture setting forth the terms of such series.

"Dollar" or "\$" means such currency of the United States as at

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the time of payment is legal tender for the payment of public and private debts.

"Dollar Equivalent" means, with respect to any monetary amount

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in a Foreign Currency, at any time for the determination thereof, the amount of Dollars obtained by converting such Foreign Currency involved in such computation into Dollars at the spot rate for the purchase of Dollars with the applicable Foreign Currency as quoted by Citibank, N.A. (unless another comparable financial institution is designated by the Issuers) in New York, New York at approximately 11:00 a.m. (New York time) on the date two business days prior to such determination.

"Equity Interests" means:

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(1) in the case of a corporation, corporate stock;

(2) in the case of an association or a business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited);

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person; and

(5) all warrants, options or other rights to acquire any of the interests described in clauses (1) through (4) above (but excluding any debt security that is convertible into, or exchangeable for, any of the interests described in clauses (1) through (4) above).

"Event of Default" has the meaning specified in Section 6.01.

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"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute.

"Floating Rate Security" means a Debt Security that provides

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for the payment of interest at a variable rate determined periodically by reference to an interest rate index specified pursuant to Section 2.03.

"Foreign Currency" means a currency issued or adopted by the

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government of any country other than the United States or a composite currency the value of which is determined by reference to the values of the currencies of any group of countries.

"GAAP" means United States generally accepted accounting

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principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time.

"General Partner" means Plains AAP, L.P., a Delaware limited

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liability company, and its successors and permitted assigns as general partner of the Partnership.

"Global Security" means with respect to any series of Debt

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Securities issued hereunder, a Debt Security that is executed by the Issuers and authenticated and delivered by the Trustee to the Depositary or pursuant to the Depositary's instruction, all in accordance with the Indenture, or the applicable Board Resolution and set forth in an Officers' Certificate, which shall be registered in the name of the Depositary or its nominee and which shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, all the Outstanding Debt Securities of such series or any portion thereof, in either case having the same terms, including, without limitation, the same original issue date, date or dates on which principal is due and interest rate or method of determining interest.

"Holder," "Holder of Debt Securities" or other similar terms

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mean, with respect to a Registered Security, the Registered Holder.

"Indenture" means this instrument as originally executed, or,

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if amended or supplemented as herein provided, as so amended or supplemented, and shall include the form and terms of particular series of Debt Securities as contemplated hereunder, whether or not a supplemental Indenture is entered into with respect thereto.

"Issuer Order" means a written order of the Issuers, signed by

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the Chairman of the Board, President or any Vice President of each of the Managing General Partner and PAA Finance and by the Treasurer, Secretary, any Assistant Treasurer or any Assistant Secretary of each of the Managing General Partner and PAA Finance.

"Issuers" means the Partnership and PAA Finance, and, subject

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to the provisions of Article X, shall also include their successors and permitted assigns.

"Lien" means, with respect to any asset, any mortgage, lien

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(statutory or otherwise), pledge, charge, security interest, hypothecation, assignment for security, claim, preference, priority or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement or any lease in the nature thereof, any option or other agreement to grant a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statute) of any jurisdiction, other than a precautionary financing statement respecting a lease not intended as a security agreement.

"Managing General Partner" means Plains All American GP LLC, a

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Delaware limited liability company and its successors and permitted assigns as the general partner of the General Partner or as the business entity with the ultimate authority to manage the business and operations of the Partnership.

"Officers' Certificate" means a certificate signed by the

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Chairman of the Board of Directors, President or any Vice President of each of the Managing General Partner and PAA Finance and by the Treasurer, Secretary, any Assistant Treasurer or any Assistant Secretary of each of the Managing General Partner and PAA Finance. Each such certificate shall include the statements provided for in Section 12.05, if applicable.

"Opinion of Counsel" means an opinion in writing signed by

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legal counsel for the Issuers (which counsel may be an employee of the Issuers or outside counsel for the Issuers). Each such opinion shall include the statements provided for in Section 12.05, if applicable.

"Original Issue Discount Debt Security" means any Debt

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Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration or acceleration of the maturity thereof pursuant to Section 6.01.

"Outstanding" when used with respect to any series of Debt

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Securities, means, as of the date of determination, all Debt Securities of that series theretofore authenticated and delivered under the Indenture, except:

(1) Debt Securities of that series theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(2) Debt Securities of that series for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any paying agent (other than the Partnership or PAA Finance) in trust or set aside and segregated in trust by the Issuers (if either of the Issuers shall act as its own paying agent) for the holders of such Debt Securities; provided, that, if such Debt Securities are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made; and

(3) Debt Securities of that series which have been paid pursuant to Section 2.09 or in exchange for or in lieu of which other Debt Securities have been authenticated and delivered pursuant to the Indenture, other than any such Debt Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Debt Securities are held by a bona fide purchaser in whose hands such Debt Securities are valid obligations of the Issuers;

provided, however, that in determining whether the Holders of the requisite

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principal amount of the Outstanding Debt Securities of any series have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Debt Securities owned by the Issuers or any other obligor upon the Debt Securities or any Subsidiary of the Issuers 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 relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Debt Securities which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Debt 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 Debt Securities and that the pledgee is not one of the Issuers or any other obligor upon the Debt Securities or a Subsidiary of the Issuers or of such other obligor. In determining whether the Holders of the requisite principal amount of outstanding Debt Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, the principal amount of an Original Issue Discount Debt Security that shall be deemed to be Outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such

determination upon a declaration of acceleration of the maturity thereof pursuant to Section 6.01. In determining whether the Holders of the requisite principal amount of the Outstanding Debt Securities of any series have given any request, demand, authorization, direction, notice, consent or waiver hereunder, the principal amount of a Debt Security denominated in one or more Foreign Currencies or currency units that shall be deemed to be Outstanding for such purposes shall be the Dollar Equivalent, determined in the manner provided as contemplated by Section 2.03 on the date of original issuance of such Debt Security, of the principal amount (or, in the case of any Original Issue Discount Security, the Dollar Equivalent on the date of original issuance of such Security of the amount determined as provided in the preceding sentence above) of such Debt Security.

"PAA Finance" means PAA Finance Corp., a Delaware corporation,  
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and, subject to the provisions of Article X, shall also include its successors and assigns.

"Partnership" means Plains All American Pipeline, L.P., a  
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Delaware limited partnership, and, subject to the provisions of Article X, shall also include its successors and assigns.

"Payment Blockage Period" has the meaning set forth in Section  
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13.03.

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

"Place of Payment" means, when used with respect to the Debt  
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Securities of any series, the place or places where the principal of, and premium, if any, and interest on, the Debt Securities of that series are payable as specified pursuant to Section 2.03.

"Registered Holder" means the Person in whose name a  
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Registered Security is registered in the Debt Security Register (as defined in Section 2.07(a)).

"Registered Security" means any Debt Security registered as to  
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principal and interest in the Debt Security Register (as defined in Section 2.07(a)).

"Registrar" has the meaning set forth in Section 2.07(a).  
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"Representative" means the trustee, agent or representative  
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(if any) for an issue of Senior Indebtedness and, in the absence of any trustee, agent or representative, it means the holder or holders of such issue.

"Responsible Officer" when used with respect to the Trustee,  
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means any officer within the Corporate Trust Office of the Trustee or any other officer of the Trustee performing functions similar to those performed by the persons who at the time shall be such officers, and any other officer of the Trustee to whom corporate trust matters are referred because of his knowledge of and familiarity with the particular subject.

"Securities Act" means the Securities Act of 1933, as amended,  
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or any successor statute.



"Senior Indebtedness" means, as to any series of Debt

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Securities, the indebtedness of the Partnership identified as Senior Indebtedness in the Board Resolution or supplemental Indenture setting forth the terms of such series.

"Stated Maturity" means, at any time, with respect to any

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installment of interest or principal on any series of Debt Securities, the date on which such payment of interest or principal was scheduled to be paid in the original documentation governing such indebtedness or such later date as such documentation shall provide at that time, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Subordinated Debt Securities" has the meaning set forth in

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Section 13.03.

"Subsidiary" means, with respect to any Person:

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(1) any corporation, association or other business entity of which more than 50% of the Voting Stock is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (whether general or limited) or limited liability company (a) the sole general partner or the managing general partner or managing member of which is such Person or a Subsidiary of such Person, or (b) if there are more than a single general partner or member, either (i) the only general partners or managing members of which are such Person and/or one or more Subsidiaries of such Person (or any combination thereof) or (ii) such Person owns or controls, directly or indirectly, a majority of the outstanding general partner interests, member interests or other Voting Stock of such partnership or limited liability company, respectively.

"Trust Indenture Act" (except as herein otherwise expressly

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provided) means the Trust Indenture Act of 1939 as in force at the date of the Indenture as originally executed and, to the extent required by law, as amended, or any successor statute.

"Trustee" initially means First Union National Bank and any

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other Person or Persons appointed as such from time to time pursuant to Section 7.08, and, subject to the provisions of Article VII, includes its or their successors and assigns. If at any time there is more than one such Person, "Trustee" as used with respect to the Debt Securities of any series shall mean the Trustee with respect to the Debt Securities of that series.

"United States" means the United States of America (including

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the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

"U.S. Government Obligations" means securities that are (i)

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direct obligations of the United States for the payment of which its full faith and credit is pledged; (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States, which, in either case, under clause (i) or (ii) above, are not callable or redeemable at the option of the issuers thereof; or (iii) depository receipts issued by a bank or trust company as custodian with respect to any such U.S. Government Obligations or a specific

payment of interest on or principal of any such U.S. 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

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make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation evidenced by such depository receipt.

"Voting Stock" of any Person as of any date means the Equity

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Interests of such Person pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers, general partners or trustees of any Person (regardless of whether, at the time, Equity Interests of any other class or classes shall have, or might have, voting power by reason of the occurrence of any contingency) or, with respect to a partnership (whether general or limited), any general partner interest in such partnership.

"Yield to Maturity" means the yield to maturity calculated at

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the time of issuance of a series of Debt Securities, or, if applicable, at the most recent redetermination of interest on such series and calculated in accordance with accepted financial practice.

SECTION 1.02. Other Definitions.

Term	Section in which Defined
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"Debt Security Register	2.07
"Defaulted Interest"	2.17
"Designated Currency"	2.18
"mandatory sinking fund payment"	3.04
"optional sinking fund payment"	3.04
"Successor Company"	10.01

SECTION 1.03. Incorporation by Reference of Trust

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Indenture Act. The Indenture is subject to the mandatory provisions of the Trust

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Indenture Act which are incorporated by reference in and made a part of the Indenture. The following Trust Indenture Act terms have the following meanings:

"indenture securities" means the Debt Securities,

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"indenture security holder" means a Holder,

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"indenture to be qualified" means the Indenture,

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"indenture trustee" or "institutional trustee" means the

Trustee and

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"obligor" on the indenture securities means the Issuers and

any other obligor on the Debt Securities.

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

SECTION 1.04. Rules of Construction. Unless the context  
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otherwise requires:

- (1) a term has the meaning assigned to it;
- (2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (3) "or" is not exclusive;
- (4) "including" means including without limitation; and
- (5) words in the singular include the plural and words in the plural include the singular.

ARTICLE II

Debt Securities  
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SECTION 2.01. Forms Generally. The Debt Securities of each  
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series shall be in substantially the form established without the approval of any Holder by or pursuant to a Board Resolution of each of the Issuers 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 the Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as the Issuers may deem appropriate (and, if not contained in a supplemental Indenture entered into in accordance with Article IX, as are not prohibited by the provisions of the Indenture) or as may be required or appropriate to comply with any law or with any rules made pursuant thereto or with any rules of any securities exchange on which such series of Debt Securities may be listed, or to conform to general usage, or as may, consistently herewith, be determined by the officers executing such Debt Securities as evidenced by their execution of the Debt Securities.

The definitive Debt Securities of each series shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Debt Securities, as evidenced by their execution of such Debt Securities.

SECTION 2.02. Form of Trustee's Certificate of  
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Authentication. The Trustee's Certificate of Authentication on all Debt  
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Securities authenticated by the Trustee shall be in substantially the following form:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Debt Securities of the series designated therein referred to in the within-mentioned Indenture.

\_\_\_\_\_  
as Trustee

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

Dated: \_\_\_\_\_

SECTION 2.03. Principal Amount; Issuable in Series. The

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aggregate principal amount of Debt Securities which may be issued, executed, authenticated, delivered and outstanding under the Indenture is unlimited.

The Debt Securities may be issued in one or more series. There shall be established, without the approval of any Holders, in or pursuant to a Board Resolution of each of the Issuers and set forth in an Officers' Certificate of each of the Issuers, or established in one or more Indentures supplemental hereto, prior to the issuance of Debt Securities of any series any or all of the following:

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

(2) any limit upon the aggregate principal amount of the Debt Securities of the series which may be authenticated and delivered under the Indenture (except for Debt Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Debt Securities of the series pursuant to this Article II);

(3) the date or dates on which the principal and premium, if any, of the Debt Securities of the series are payable;

(4) the rate or rates (which may be fixed or variable) at which the Debt Securities of the series shall bear interest, if any, or the method of determining such rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable, or the method by which such date will be determined, and in the case of Registered Securities, the record dates for the determination of Holders thereof to whom such interest is payable; and the basis upon which interest will be calculated if other than that of a 360-day year of twelve thirty-day months;

(5) the Place or Places of Payment, if any, in addition to or instead of the Corporate Trust Office of the Trustee where the principal of, and interest on, Debt Securities of the series shall be payable;

(6) the price or prices at which, the period or periods within which and the terms and conditions upon which Debt Securities of the series may be redeemed, in whole or in part, at the option of the Issuers or otherwise;

(7) the obligation, if any, of the Issuers to redeem, purchase or repay Debt Securities of the series pursuant to any sinking fund or analogous provisions or at the option of a Holder thereof, and the price or prices at which and the period or periods within which and the terms and conditions upon which Debt Securities of the series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligations;

(8) the terms, if any, upon which the Debt Securities of the series may be convertible into or exchanged for Equity Interests, other Debt Securities or other securities of any kind of the Partnership, PAA Finance or any other obligor or issuer and the terms and conditions upon which such conversion or exchange shall be effected, including the initial conversion or exchange price or rate, the conversion or exchange period and any other provision in addition to or in lieu of those described herein;

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

(10) if the amount of principal of or any premium or interest on Debt Securities of the series may be determined with reference to an index or pursuant to a formula, the manner in which such amounts will be determined;

(11) if the principal amount payable at the Stated Maturity of Debt Securities of the series will not be determinable as of any one or more dates prior to such Stated Maturity, the amount which will be deemed to be such principal amount as of any such date for any purpose, including the principal amount thereof which will be due and payable upon any maturity other than the Stated Maturity or which will be deemed to be Outstanding as of any such date (or, in any such case, the manner in which such deemed principal amount is to be determined); and the manner of determining the equivalent thereof in the currency of the United States of America for purposes of the definition of Dollar Equivalent;

(12) any changes or additions to Article XI or XIII or in any defined term used in either Article XI or XIII;

(13) if other than Dollars, the coin or Currency or Currencies or units of two or more Currencies in which payment of the principal of and premium, if any, and interest on, Debt Securities of the series shall be payable;

(14) if other than the principal amount thereof, the portion of the principal amount of Debt Securities of the series which shall be payable upon declaration of acceleration of the maturity thereof pursuant to Section 6.01 or provable in bankruptcy pursuant to Section 6.02;

(15) the terms, if any, of the transfer, mortgage, pledge or assignment as security for the Debt Securities of the series of any properties, assets, moneys, proceeds,

securities or other collateral, including whether certain provisions of the Trust Indenture Act are applicable and any corresponding changes to provisions of the Indenture as currently in effect;

(16) any addition to or change in the Events of Default with respect to the Debt Securities of the series and any change in the right of the Trustee or the Holders to declare the principal of and interest on, such Debt Securities due and payable;

(17) if the Debt Securities of the series shall be issued in whole or in part in the form of a Global Security or Securities, the terms and conditions, if any, upon which such Global Security or Securities may be exchanged in whole or in part for other individual Debt Securities in definitive registered form; and the Depositary for such Global Security or Securities and the form of any legend or legends to be borne by any such Global Security or Securities in addition to or in lieu of the legend referred to in Section 2.15;

(18) trustees, authenticating or paying agents, transfer agents or registrars;

(19) the applicability of, and any addition to or change in the covenants and definitions currently set forth in the Indenture or in the terms currently set forth in Article X, including conditioning any merger, conveyance, transfer or lease permitted by Article X upon the satisfaction of an indebtedness coverage standard by the Issuers and any Successor Company (as defined in Article X);

(20) the terms, if any, of any guarantee of the payment of principal of, and premium, if any, and interest on, Debt Securities of the series and any corresponding changes to the provisions of the Indenture as currently in effect;

(21) with regard to Debt Securities of the series that do not bear interest, the dates for certain required reports to the Trustee;

(22) any other terms of the Debt Securities of the series (which terms shall not be prohibited by the provisions of the Indenture); and

(23) applicable CUSIP Numbers.

All Debt Securities of any one series appertaining thereto shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to such Board Resolutions and as set forth in such Officers' Certificates or in any such Indenture supplemental hereto.

SECTION 2.04. Execution of Debt Securities. The Debt Securities shall

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be signed on behalf of the Partnership by the Chairman of the Board, the President or a Vice President of the Managing General Partner, and shall be signed on behalf of PAA Finance by its Chairman of the Board, its President or a Vice President. Such signatures upon the Debt Securities may be the manual or facsimile signatures of the present or any future such authorized officers and may be imprinted or otherwise reproduced on the Debt Securities. The seals of the Issuers, if any, may be in the form of a facsimile thereof and may be impressed, affixed, imprinted or otherwise reproduced on the Debt Securities.

Only such Debt Securities as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, signed manually by the Trustee, shall be entitled to the benefits of the Indenture or be valid or obligatory for any purpose. Such certificate by the Trustee upon any Debt Security executed by the Issuers shall be conclusive evidence that the Debt Security so authenticated has been duly authenticated and delivered hereunder.

In case any officer of either of the Managing General Partner or PAA Finance who shall have signed any of the Debt Securities shall cease to be such officer before the Debt Securities so signed shall have been authenticated and delivered by the Trustee, or disposed of by the Issuers, such Debt Securities nevertheless may be authenticated and delivered or disposed of as though the Person who signed such Debt Securities had not ceased to be such officer of the Managing General Partner or PAA Finance; and any Debt Security may be signed on behalf of the Issuers by such Persons as, at the actual date of the execution of such Debt Security, shall be the proper officers of the Managing General Partner or PAA Finance, as applicable, although at the date of such Debt Security or of the execution of the Indenture any such Person was not such officer.

SECTION 2.05. Authentication and Delivery of Debt Securities. At any

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time and from time to time after the execution and delivery of the Indenture, the Issuers may deliver Debt Securities of any series executed by the Issuers to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Debt Securities to or upon an Issuer Order. The Debt Securities shall be dated the date of their authentication. In authenticating such Debt Securities and accepting the additional responsibilities under the Indenture in relation to such Debt Securities, the Trustee shall be entitled to receive, and (subject to Section 7.01) shall be fully protected in relying upon:

(1) a copy of any Board Resolution of each of the Issuers, certified by the Secretary or Assistant Secretary of each of the Issuers, authorizing the terms of issuance of any series of Debt Securities;

(2) an executed supplemental Indenture, if any;

(3) an Officers' Certificate; and

(4) an Opinion of Counsel prepared in accordance with Section 12.05 substantially to the effect that:

(a) the form of such Debt Securities has been established by or pursuant to a Board Resolution of each of the Issuers or by a supplemental Indenture as permitted by Section 2.01 in conformity with the provisions of the Indenture;

(b) the terms of such Debt Securities have been established by or pursuant to a Board Resolution of each of the Issuers or by a supplemental Indenture as permitted by Section 2.03 in conformity with the provisions of the Indenture; and

(c) such Debt Securities, when authenticated and delivered by the Trustee and issued by the Issuers in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Issuers, enforceable in accordance with their terms except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.

Such Opinion of Counsel need express no opinion as to whether a court in the United States would render a money judgment in a Currency other than Dollars.

The Trustee shall have the right to decline to authenticate and deliver any Debt Securities under this Section 2.05 if the Trustee, being advised by counsel, determines that such action may not lawfully be taken or if the Trustee in good faith by its board of directors or trustees, executive committee or a trust committee of directors, trustees or vice presidents shall determine that such action would expose the Trustee to personal liability to existing Holders.

The Trustee may appoint an authenticating agent reasonably acceptable to the Issuers to authenticate Debt Securities of any series. Unless limited by the terms of such appointment, an authenticating agent may authenticate Debt Securities whenever the Trustee may do so. Each reference in the Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as any Registrar, paying agent or agent for service of notices and demands.

SECTION 2.06. Denomination of Debt Securities. Unless otherwise

provided in the form of Debt Security for any series, the Debt Securities of each series shall be issuable only as Registered Securities in such denominations as shall be specified or contemplated by Section 2.03. In the absence of any such specification with respect to the Debt Securities of any series, the Debt Securities of such series shall be issuable in denominations of \$1,000 and any integral multiple thereof.

SECTION 2.07. General Provisions for Registration of Transfer and

Exchange. (a) The Issuers shall keep or cause to be kept a register for each

series of Registered Securities issued hereunder (hereinafter collectively referred to as the "Debt Security Register"), in which, subject to such reasonable regulations as they may prescribe, the Issuers shall provide for the registration of Registered Securities and the transfer of Registered Securities as in this Article II provided. At all reasonable times the Debt Security Register shall be open for inspection by the Trustee. Subject to Section 2.15, upon due presentment for registration of transfer of any Registered Security at any office or agency to be maintained by the Issuers in accordance with the provisions of Section 4.02, the Issuers shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Registered Security or Registered Securities of authorized denominations for a like aggregate principal amount.

Unless and until otherwise determined by a Board Resolution of each of the Issuers, the register of the Issuers for the purpose of registration, exchange or registration of transfer of the Registered Securities shall be kept at the Corporate Trust Office of the Trustee



and, for this purpose, the Trustee shall be designated "Registrar". No prior notice to the Holders of Debt Securities is required to effect the designation of a substitute Registrar by the Issuers.

Registered Securities of any series (other than a Global Security) may be exchanged for a like aggregate principal amount of Registered Securities of the same series of other authorized denominations. Subject to Section 2.15, Registered Securities to be exchanged shall be surrendered at the office or agency to be maintained by the Issuers as provided in Section 4.02, and the Issuers shall execute and the Trustee shall authenticate and deliver in exchange therefor the Registered Security or Registered Securities that the Holder making the exchange shall be entitled to receive.

(b) All Registered Securities presented or surrendered for registration of transfer, exchange or payment shall (if so required by the Issuers, the Trustee or the Registrar) be duly endorsed or be accompanied by a written instrument or instruments of transfer, in form satisfactory to the Issuers, the Trustee and the Registrar, duly executed by the Registered Holder or his attorney duly authorized in writing.

All Debt Securities issued in exchange for or upon transfer of Debt Securities shall be the legal, valid and binding obligations of the Issuers, evidencing the same debt, and entitled to the same benefits under the Indenture as the Debt Securities surrendered for such exchange or transfer.

No service charge shall be made for any exchange or registration of transfer of Debt Securities (except as provided by Section 2.09), but the Issuers may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto, other than those expressly provided in the Indenture to be made at the Issuers' own expense or without expense or without charge to the Holders.

The Issuers shall not be required (a) to issue, register the transfer of or exchange any Debt Securities of a series either (i) during a period beginning 15 Business Days next preceding any selection for redemption or repurchase of Debt Securities of such series and ending on the close of business on the day of giving the relevant notice of redemption or repurchase or (ii) between a record date and the next succeeding interest payment date, or (b) to register the transfer of or exchange any Debt Security called for redemption or repurchase (except, in the case of Debt Securities to be redeemed or repurchased in part, the portion not to be redeemed or repurchased).

Specific procedures for registration of transfer and exchange of any series of Debt Securities may be set forth in the applicable supplemental Indenture for such Debt Securities.

SECTION 2.08. Temporary Debt Securities. Pending the preparation of

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definitive Debt Securities of any series, the Issuers may execute and the Trustee shall authenticate and deliver temporary Debt Securities (printed, lithographed, photocopied, typewritten or otherwise produced) of any authorized denomination, and substantially in the form of the definitive Debt Securities in lieu of which they are issued, and with such omissions, insertions and variations as may be appropriate for temporary Debt Securities, all as may be determined by the Issuers with the concurrence of the Trustee. Temporary Debt Securities may

contain such reference to any provisions of the Indenture as may be appropriate. Every temporary Debt Security shall be executed by the Issuers and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Debt Securities.

If temporary Debt Securities of any series are issued, the Issuers will cause definitive Debt Securities of such series to be prepared without unreasonable delay. After the preparation of definitive Debt Securities of such series, the temporary Debt Securities of such series shall be exchangeable for definitive Debt Securities of such series upon surrender of the temporary Debt Securities of such series at the office or agency of the Issuers at a Place of Payment for such series, without charge to the Holder thereof, except as provided in Section 2.07 in connection with a transfer, and upon surrender for cancellation of any one or more temporary Debt Securities of any series, the Issuers shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Debt Securities of the same series of authorized denominations and of like tenor. Until so exchanged, temporary Debt Securities of any series shall in all respects be entitled to the same benefits under the Indenture as definitive Debt Securities of such series, except as otherwise specified as contemplated by Section 2.03(17) with respect to the payment of interest on Global Securities in temporary form.

Upon any exchange of a portion of a temporary Global Security for a definitive Global Security or for the individual Debt Securities represented thereby pursuant to Section 2.07 or this Section 2.08, the temporary Global Security shall be endorsed by the Trustee to reflect the reduction of the principal amount evidenced thereby, whereupon the principal amount of such temporary Global Security shall be reduced for all purposes by the amount so exchanged and endorsed.

SECTION 2.09. Mutilated, Destroyed, Lost or Stolen Debt Securities.  
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If (i) any mutilated Debt Security is surrendered to the Trustee at the Corporate Trust Office of the Trustee (in the case of Registered Securities) or (ii) the Issuers and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Debt Security, and there is delivered to the Issuers and the Trustee such security or indemnity as may be required by them to save each of them and any paying agent harmless, and neither the Issuers nor the Trustee receives written notice that such Debt Security has been acquired by a bona fide purchaser, then the Issuers shall execute and, upon an Issuer Order, the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Debt Security, a new Debt Security of the same series of like tenor, form, terms and principal amount, bearing a number not contemporaneously Outstanding. Upon the issuance of any substituted Debt Security, the Issuers may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. In case any Debt Security which has matured or is about to mature or which has been called for redemption shall become mutilated or be destroyed, lost or stolen, the Issuers may, instead of issuing a substituted Debt Security, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Debt Security) if the applicant for such payment shall furnish the Issuers and the Trustee with such security or indemnity as either may require to save it harmless from all risk, however remote, and, in case of destruction, loss or theft, evidence to the satisfaction of the Issuers and the Trustee of the destruction, loss or theft of such Debt Security and of the ownership thereof.

Every substituted Debt Security of any series issued pursuant to the provisions of this Section 2.09 by virtue of the fact that any Debt Security is destroyed, lost or stolen shall constitute an original additional contractual obligation of the Issuers, whether or not the destroyed, lost or stolen Debt Security shall be found at any time, and shall be entitled to all the benefits of the Indenture equally and proportionately with any and all other Debt Securities of that series duly issued hereunder. All Debt Securities shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Debt Securities, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender, in each case to the fullest extent permitted by law.

SECTION 2.10. Cancellation of Surrendered Debt Securities. All Debt  
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Securities surrendered for payment, redemption, registration of transfer or exchange shall, if surrendered to the Issuers or any paying agent or a Registrar, be delivered to the Trustee for cancellation by it, or if surrendered to the Trustee, shall be canceled by it, and no Debt Securities shall be issued in lieu thereof except as expressly permitted by any of the provisions of the Indenture. All canceled Debt Securities held by the Trustee shall be disposed of by the Trustee in its customary manner. On request of the Issuers, the Trustee shall deliver to the Issuers canceled Debt Securities held by the Trustee. If the Issuers shall acquire any of the Debt Securities, however, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented thereby unless and until the same are delivered or surrendered to the Trustee for cancellation. The Issuers may not issue new Debt Securities to replace Debt Securities it has redeemed, paid or delivered to the Trustee for cancellation.

SECTION 2.11. Provisions of the Indenture and Debt Securities for the  
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Sole Benefit of the Parties and the Holders. Nothing in the Indenture or in the  
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Debt Securities, expressed or implied, shall give or be construed to give to any Person, other than the parties hereto, the Holders or any Registrar or paying agent, any legal or equitable right, remedy or claim under or in respect of the Indenture, or under any covenant, condition or provision herein contained, all its covenants, conditions and provisions being for the sole benefit of the parties hereto, the Holders and any Registrar and paying agents.

SECTION 2.12. Payment of Interest; Rights Preserved. (a) Interest on  
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any Registered Security that is payable and is punctually paid or duly provided for on any interest payment date shall be paid to the Person in whose name such Registered Security is registered at the close of business on the regular record date for such interest notwithstanding the cancellation of such Registered Security upon any transfer or exchange subsequent to the regular record date. Payment of interest on Registered Securities shall be made at the Corporate Trust Office of the Trustee (except as otherwise specified pursuant to Section 2.03), or at the option of the Issuers, by check mailed to the address of the Person entitled thereto as such address shall appear in the Debt Security Register or, if provided pursuant to Section 2.03 and in accordance with arrangements satisfactory to the Trustee, at the option of the Registered Holder by wire transfer to an account designated by the Registered Holder.

(b) Subject to the foregoing provisions of this Section 2.12 and Section 2.17, each Debt Security of a particular series delivered under the Indenture upon registration of

transfer of or in exchange for or in lieu of any other Debt Security of the same series shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Debt Security.

SECTION 2.13. Securities Denominated in Foreign Currencies. (a)

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Except as otherwise specified pursuant to Section 2.03 for Registered Securities of any series, payment of the principal of, and premium, if any, and interest on, Registered Securities of such series will be made in Dollars.

(b) For the purposes of calculating the principal amount of Debt Securities of any series denominated in a Foreign Currency or in units of two or more Foreign Currencies for any purpose under the Indenture, the principal amount of such Debt Securities at any time Outstanding shall be deemed to be the Dollar Equivalent of such principal amount as of the date of any such calculation.

In the event any Foreign Currency or currencies or units of two or more Currencies in which any payment with respect to any series of Debt Securities may be made ceases to be a freely convertible Currency on United States Currency markets, for any date thereafter on which payment of principal of, or premium, if any, or interest on, the Debt Securities of a series is due, the Issuers shall select the Currency of payment for use on such date, all as provided in the Debt Securities of such series. In such event, the Issuers shall, as provided in the Debt Securities of such series, notify the Trustee of the Currency which they have selected to constitute the funds necessary to meet the Issuers' obligations or such payment date and of the amount of such Currency to be paid. Such amount shall be determined as provided in the Debt Securities of such series. The payment to the Trustee with respect to such payment date shall be made by the Issuers solely in the Currency so selected.

SECTION 2.14. Wire Transfers. Notwithstanding any other provision to

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the contrary in the Indenture, the Issuers may make any payment of monies required to be deposited with the Trustee on account of principal of, or premium, if any, or interest on, the Debt Securities (whether pursuant to optional or mandatory redemption payments, interest payments or otherwise) by wire transfer of immediately available funds to an account designated by the Trustee on or before the date such moneys are to be paid to the Holders of the Debt Securities in accordance with the terms hereof.

SECTION 2.15. Securities Issuable in the Form of a Global Security.

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(a) If the Issuers shall establish pursuant to Sections 2.01 and 2.03 that the Debt Securities of a particular series are to be issued in whole or in part in the form of one or more Global Securities, then the Issuers shall execute and the Trustee or its agent shall, in accordance with Section 2.05, authenticate and deliver, such Global Security or Securities, which (i) shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, the Outstanding Debt Securities of such series to be represented by such Global Security or Securities, or such portion thereof as the Issuers shall specify in an Officers' Certificate, (ii) shall be registered in the name of the Depositary for such Global Security or securities or its nominee, (iii) shall be delivered by the Trustee or its agent to the Depositary or pursuant to the Depositary's instruction and (iv) shall bear a legend substantially to the following effect: "Unless and until it is exchanged in whole or in part for the individual Debt Securities represented hereby, this Global 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", or such other legend as may then be required by the Depositary for such Global Security or Securities.

(b) Notwithstanding any other provision of this Section 2.15 or of Section 2.07 to the contrary, and subject to the provisions of paragraph (c) below, unless the terms of a Global Security expressly permit such Global Security to be exchanged in whole or in part for definitive Debt Securities in registered form, a Global Security may be transferred, in whole but not in part and in the manner provided in Section 2.07, only by the Depositary to a nominee of the Depositary for such Global Security, or by a nominee of the Depositary to the Depositary or another nominee of the Depositary, or by the Depositary or a nominee of the Depositary to a successor Depositary for such Global Security selected or approved by the Issuers, or to a nominee of such successor Depositary.

(c) (i) If at any time the Depositary for a Global Security or Securities notifies the Issuers that it is unwilling or unable to continue as Depositary for such Global Security or Securities or if at any time the Depositary for the Debt Securities for such series shall no longer be eligible or in good standing under the Exchange Act or other applicable statute, rule or regulation, the Issuers shall appoint a successor Depositary with respect to such Global Security or Securities. If a successor Depositary for such Global Security or Securities is not appointed by the Issuers within 90 days after the Issuers receive such notice or become aware of such ineligibility, the Issuers shall execute, and the Trustee or its agent, upon receipt of an Issuer Order for the authentication and delivery of such individual Debt Securities of such series in exchange for such Global Security, will authenticate and deliver, individual Debt Securities of such series of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of the Global Security in exchange for such Global Security or Securities.

(ii) The Issuers may at any time and in their sole discretion determine that the Debt Securities of any series or portion thereof issued or issuable in the form of one or more Global Securities shall no longer be represented by such Global Security or Securities. In such event the Issuers will execute, and the Trustee, upon receipt of an Issuer Order for the authentication and delivery of individual Debt Securities of such series in exchange in whole or in part for such Global Security, will authenticate and deliver individual Debt Securities of such series of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of such series or portion thereof in exchange for such Global Security or Securities.

(iii) If specified by the Issuers pursuant to Sections 2.01 and 2.03 with respect to Debt Securities issued or issuable in the form of a Global Security, the Depositary for such Global Security may surrender such Global Security in exchange in whole or in part for individual Debt Securities of such series of like tenor and terms in definitive form on such terms as are acceptable to the Issuers, the Trustee and such Depositary. Thereupon the Issuers shall execute, and the Trustee or its agent upon receipt of an Issuer Order for the authentication and delivery of definitive Debt Securities of such series shall authenticate and deliver, without service charge, (1) to each Person specified by such Depositary a new Debt Security or Securities of the same series of like tenor and terms and of any authorized denomination as requested by

such Person in aggregate principal amount equal to and in exchange for such Person's beneficial interest in the Global Security, and (2) to such Depository a new Global Security of like tenor and terms and in an authorized denomination equal to the difference, if any, between the principal amount of the surrendered Global Security and the aggregate principal amount of Debt Securities delivered to Holders thereof, unless such Global Security is endorsed by the Trustee or other custodian to reflect a reduction of such aggregate principal amount, in which case no new Global Security need be authenticated and delivered.

(iv) In any exchange provided for in any of the preceding three paragraphs, the Issuers will execute and the Trustee or its agent will authenticate and deliver individual Debt Securities. Upon the exchange of the entire principal amount of a Global Security for individual Debt Securities, such Global Security shall be canceled by the Trustee or its agent. Except as provided in the preceding paragraph, Registered Securities issued in exchange for a Global Security pursuant to this Section 2.15 shall be registered in such names and in such authorized denominations as the Depository for such Global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee or the Registrar. The Trustee or the Registrar shall deliver such Registered Securities to the Persons in whose names such Registered Securities are so registered.

(v) Payments in respect of the principal of and interest on any Debt Securities registered in the name of the Depository or its nominee will be payable to the Depository or such nominee in its capacity as the registered owner of such Global Security. The Issuers and the Trustee may treat the Person in whose name the Debt Securities, including the Global Security, are registered as the owner thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. None of the Issuers, the Trustee, any Registrar, the paying agent or any agent of the Issuers or the Trustee will have any responsibility or liability for (a) any aspect of the records relating to or payments made on account of the beneficial ownership interests of the Global Security by the Depository or its nominee or any of the Depository's direct or indirect participants, or for maintaining, supervising or reviewing any records of the Depository, its nominee or any of the Depository's direct or indirect participants relating to the beneficial ownership interests of the Global Security, (b) the payments to the beneficial owners of the Global Security of amounts paid to the Depository or its nominee, or (c) any other matter relating to the actions and practices of the Depository, its nominee or any of the Depository's direct or indirect participants. None of the Issuers, the Trustee or any such agent will be liable for any delay by the Depository, its nominee, or any of the Depository's direct or indirect participants in identifying the beneficial owners of the Debt Securities, and the Issuers and the Trustee may conclusively rely on, and will be protected in relying on, instructions from the Depository or its nominee for all purposes (including with respect to the registration and delivery, and the respective principal amounts, of the Debt Securities to be issued).

SECTION 2.16. Medium Term Securities. Notwithstanding any contrary

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provision herein, if all Debt Securities of a series are not to be originally issued at one time, it shall not be necessary for the Issuers to deliver to the Trustee an Officers' Certificate, a Board Resolution, a supplemental Indenture, an Opinion of Counsel or a written order or any other document otherwise required pursuant to Section 2.01, 2.03, 2.05 or 12.05 at or prior to the time of authentication of each Debt Security of such series if such documents are delivered to the Trustee or its agent at or prior to the authentication upon original issuance of the first such Debt

Security of such series to be issued; provided, that any subsequent request by

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the Issuers to the Trustee to authenticate Debt Securities of such series upon original issuance shall constitute a representation and warranty by the Issuers that, as of the date of such request, the statements made in the Officers' Certificate delivered pursuant to Section 2.05 or 12.05 shall be true and correct as if made on such date and that the Opinion of Counsel delivered at or prior to such time of authentication of an original issuance of Debt Securities shall specifically state that it shall relate to all subsequent issuances of Debt Securities of such series that are identical to the Debt Securities issued in the first issuance of Debt Securities of such series.

An Issuer Order delivered by the Issuers to the Trustee in the circumstances set forth in the preceding paragraph may provide that Debt Securities which are the subject thereof will be authenticated and delivered by the Trustee or its agent on original issue from time to time upon the written order of Persons designated in such written order and that such Persons are authorized to determine, consistent with the Officers' Certificates, supplemental Indenture or the applicable Board Resolutions relating to such written order, such terms and conditions of such Debt Securities as are specified in such Officers' Certificates, supplemental Indenture or such Board Resolutions.

SECTION 2.17. Defaulted Interest. Any interest on any Debt

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Security of a particular series which is payable, but is not punctually paid or duly provided for, on the dates and in the manner provided in the Debt Securities of such series and in the Indenture (herein called "Defaulted Interest") shall forthwith cease to be payable to the Registered Holder thereof on the relevant record date by virtue of having been such Registered Holder, and such Defaulted Interest may be paid by the Issuers, at their election in each case, as provided in clause (i) or (ii) below:

(i) The Issuers may elect to make payment of any Defaulted Interest to the Persons in whose names the Registered Securities of such series 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 Issuers shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each such Registered Security of such series and the date of the proposed payment, and at the same time the Issuers shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a special record date for the payment of such Defaulted Interest which 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 Issuers of such special record date and, in the name and at the expense of the Issuers, 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 thereof at its address as it appears in the Debt Security Register, not less than 10 days prior to such special record date. Notice of the proposed payment of such Defaulted Interest and the special record date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Registered

Securities of such series are registered at the close of business on such special record date.

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

SECTION 2.18. Judgments. The Issuers may provide pursuant to

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Section 2.03 for Debt Securities of any series that (a) the obligation, if any, of the Issuers to pay the principal of, and premium, if any, and interest on, the Debt Securities of any series in a Foreign Currency or Dollars (the "Designated Currency") as may be specified pursuant to Section 2.03 is of the essence and agrees that, to the fullest extent possible under applicable law, judgments in respect of Debt Securities of such series shall be given in the Designated Currency; (b) the obligation of the Issuers to make payments in the Designated Currency of the principal of, and premium, if any, and interest on, such Debt Securities shall, notwithstanding any payment in any other Currency (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the Designated Currency that the Holder receiving such payment may, in accordance with normal banking procedures, purchase with the sum paid in such other Currency (after any premium and cost exchange) on the business day in the country of issue of the Designated Currency or in the international banking community (in the case of a composite currency) immediately following the day on which such Holder receives such payment; (c) if the amount in the Designated Currency that may be so purchased for any reason falls short of the amount originally due, the Issuers shall pay such additional amounts as may be necessary to compensate for such shortfall; and (d) any obligation of the Issuers not discharged by such payment shall be due as a separate and independent obligation and, until discharged as provided herein, shall continue in full force and effect.

SECTION 2.19. CUSIP Numbers. The Issuers in issuing the Debt

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Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made

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as to the correctness of such numbers either as printed on the Debt 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 Debt Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuers will promptly notify the Trustee of any change in the "CUSIP" numbers.

### ARTICLE III

#### Redemption of Debt Securities

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SECTION 3.01. Applicability of Article. The provisions of this

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Article shall be applicable to the Debt Securities of any series which are redeemable before their Stated Maturity except as otherwise specified as contemplated by Section 2.03 for Debt Securities of such series.



SECTION 3.02. Notice of Redemption; Selection of Debt

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Securities. In case the Issuers shall desire to exercise the right to redeem all  
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or, as the case may be, any part of the Debt Securities of any series in accordance with their terms, a Board Resolution of each Issuer or a supplemental Indenture, the Issuers shall fix a date for redemption and shall give notice of such redemption at least 30 and not more than 60 days prior to the date fixed for redemption to the Holders of Debt Securities of such series so to be redeemed as a whole or in part, in the manner provided in Section 12.03. The notice may not be conditional. The notice if given in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice. In any case, failure to give such notice or any defect in the notice to the Holder of any Debt Security of a series designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Debt Security of such series.

Each such notice of redemption shall specify the amount of Debt Securities of any series to be redeemed, the date fixed for redemption, the calculation of the redemption price at which Debt Securities of such series are to be redeemed (but not the redemption price itself if it is not then determinable), the Place or Places of Payment that payment will be made upon presentation and surrender of such Debt Securities, that any interest accrued to the date fixed for redemption will be paid as specified in said notice, that the redemption is for a sinking fund payment (if applicable), that on and after said date any interest thereon or on the portions thereof to be redeemed will cease to accrue, that in the case of Original Issue Discount Securities original issue discount accrued after the date fixed for redemption will cease to accrue, the terms of the Debt Securities of that series pursuant to which the Debt Securities of that series are being redeemed and that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Debt Securities of that series. If less than all the Debt Securities of a series are to be redeemed the notice of redemption shall specify the CUSIP numbers of the Debt Securities of that series to be redeemed. In case any Debt Security of a series is to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the date fixed for redemption, upon surrender of such Debt Security, a new Debt Security or Debt Securities of that series will be issued in principal amount equal to the unredeemed portion thereof.

At least 60 days before the redemption date, unless the Trustee consents to a shorter period, the Issuers shall give written notice to the Trustee of the redemption date, the principal amount of Debt Securities to be redeemed and the series and terms of the Debt Securities pursuant to which such redemption will occur. Such notice shall be accompanied by an Officers' Certificate and an Opinion of Counsel to the effect that such redemption will comply with the conditions herein. If fewer than all the Debt Securities of a series are to be redeemed, the record date relating to such redemption shall be selected by the Issuers and given to the Trustee, which record date shall be not less than 15 days after the date of notice to the Trustee.

No later than 11:00 A.M., New York City time, on the redemption date for any Debt Securities, the Issuers shall deposit with the Trustee or with a paying agent (or, if the Partnership or PAA Finance is acting as its own paying agent, segregate and hold in trust) an amount of money in the Currency in which such Debt Securities are denominated (except as

provided pursuant to Section 2.03) sufficient to pay the redemption price of such Debt Securities or any portions thereof that are to be redeemed on that date.

If less than all the Debt Securities of like tenor and terms of a series are to be redeemed (other than pursuant to mandatory sinking fund redemptions), the Trustee shall select the Debt Securities of that series or portions thereof (in multiples of \$1,000) to be redeemed (i) if such Debt Securities are listed on an exchange, in compliance with the requirements of the principal national securities exchange on which such Debt Securities are listed, or (ii) if such Debt Securities are not listed on an exchange or such exchange has no selection requirements, on a pro rata basis, by lot or by such other method as in its sole discretion the Trustee shall deem appropriate and fair. In any case where more than one Debt Security of such series is registered in the same name, the Trustee in its discretion may treat the aggregate principal amount so registered as if it were represented by one Debt Security of such series. The Trustee shall promptly notify the Issuers in writing of the Debt Securities selected for redemption and, in the case of any Debt Securities selected for partial redemption, the principal amount thereof to be redeemed. If any Debt Security called for redemption shall not be so paid upon surrender thereof on such redemption date, the principal, premium, if any, and interest shall bear interest until paid from the redemption date at the rate borne by the Debt Securities of that series. If less than all the Debt Securities of unlike tenor and terms of a series are to be redeemed, the particular Debt Securities to be redeemed shall be selected by the Issuers. Provisions of the Indenture that apply to Debt Securities called for redemption also apply to portions of Debt Securities called for redemption.

SECTION 3.03. Payment of Debt Securities Called for  
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Redemption. If notice of redemption has been given as provided in Section 3.02,  
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the Debt Securities or portions of Debt Securities of the series with respect to which such notice has been given shall become due and payable on the date and at the Place or Places of Payment stated in such notice at the applicable redemption price, together with any interest accrued to the date fixed for redemption, and on and after said date (unless the Issuers shall default in the payment of such Debt Securities at the applicable redemption price, together with any interest accrued to said date) any interest on the Debt Securities or portions of Debt Securities of any series so called for redemption shall cease to accrue and any original issue discount in the case of Original Issue Discount Securities shall cease to accrue. On presentation and surrender of such Debt Securities at the Place or Places of Payment in said notice specified, the said Debt Securities or the specified portions thereof shall be paid and redeemed by the Issuers at the applicable redemption price, together with any interest accrued thereon to the date fixed for redemption.

Any Debt Security that is to be redeemed only in part shall be surrendered at the Corporate Trust Office of the Trustee or such other office or agency of the Issuers as is specified pursuant to Section 2.03, if the Issuers, the Registrar or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Issuers, the Registrar and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing, and the Issuers shall execute, and the Trustee shall authenticate and deliver to the Holder of such Debt Security without service charge, a new Debt Security or Debt Securities of the same series, of like tenor and form, of any authorized denomination as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Debt Security so surrendered; except that if a Global Security is so surrendered, the Issuers shall

execute, and the Trustee shall authenticate and deliver to the Depository for such Global Security, without service charge, a new Global Security in a denomination equal to and in exchange for the unredeemed portion of the principal of the Global Security so surrendered. In the case of a Debt Security providing appropriate space for such notation, at the option of the Holder thereof, the Trustee, in lieu of delivering a new Debt Security or Debt Securities as aforesaid, may make a notation on such Debt Security of the payment of the redeemed portion thereof.

SECTION 3.04. Mandatory and Optional Sinking Funds. The

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minimum amount of any sinking fund payment provided for by the terms of Debt Securities of any series, a Board Resolution or a supplemental Indenture 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 Debt Securities of any series, a Board Resolution or a supplemental Indenture is herein referred to as an "optional sinking fund payment."

In lieu of making all or any part of any mandatory sinking fund payment with respect to any Debt Securities of a series in cash, the Issuers may at their option (a) deliver to the Trustee Debt Securities of that series theretofore purchased or otherwise acquired by the Issuers or (b) receive credit for the principal amount of Debt Securities of that series which have been redeemed either at the election of the Issuers pursuant to the terms of such Debt Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Debt Securities, resolution or supplemental Indenture; provided, that such Debt Securities have not been

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previously so credited. Such Debt Securities shall be received and credited for such purpose by the Trustee at the redemption price specified in such Debt Securities, the applicable Board Resolution or supplemental Indenture for redemption through operation of the sinking fund and the amount of such mandatory sinking fund payment shall be reduced accordingly.

SECTION 3.05. Redemption of Debt Securities for Sinking Fund.

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Not less than 60 days prior to each sinking fund payment date for any series of Debt Securities, the Issuers 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, any Board Resolution or supplemental Indenture, the portion thereof, if any, which is to be satisfied by payment of cash in the Currency in which the Debt Securities of such series are denominated (except as provided pursuant to Section 2.03) and the portion thereof, if any, which is to be satisfied by delivering and crediting Debt Securities of that series pursuant to this Section 3.05 (which Debt Securities, if not previously redeemed, will accompany such certificate) and whether the Issuers intend to exercise their right to make any permitted optional sinking fund payment with respect to such series. Such certificate shall also state that no Event of Default has occurred and is continuing with respect to such series. Such certificate shall be irrevocable and upon its delivery the Issuers shall be obligated to make the cash payment or payments therein referred to, if any, on or before the next succeeding sinking fund payment date. Failure of the Issuers to deliver such certificate (or to deliver the Debt Securities specified in this paragraph) shall not constitute a Default, but such failure shall require that the sinking fund payment due on the next succeeding sinking fund payment date for that series shall be paid entirely in cash and shall be sufficient to redeem the principal amount of such Debt Securities subject to a mandatory sinking fund payment without

the option to deliver or credit Debt Securities as provided in this Section 3.05 and without the right to make any optional sinking fund payment, if any, with respect to such series.

Any sinking fund payment or payments (mandatory or optional) made in cash plus any unused balance of any preceding sinking fund payments made in cash which shall equal or exceed \$100,000 (or a lesser sum if the Issuers shall so request) with respect to the Debt Securities of any particular series shall be applied by the Trustee on the sinking fund payment date on which such payment is made (or, if such payment is made before a sinking fund payment date, on the sinking fund payment date following the date of such payment) to the redemption of such Debt Securities at the redemption price specified in such Debt Securities, the applicable Board Resolution or supplemental Indenture for operation of the sinking fund together with any accrued interest to the date fixed for redemption. Any sinking fund moneys not so applied or allocated by the Trustee to the redemption of Debt Securities shall be added to the next cash sinking fund payment received by the Trustee for such series and, together with such payment, shall be applied in accordance with the provisions of this Section 3.05. Any and all sinking fund moneys with respect to the Debt Securities of any particular series held by the Trustee on the last sinking fund payment date with respect to Debt Securities of such series and not held for the payment or redemption of particular Debt Securities shall be applied by the Trustee, together with other moneys, if necessary, to be deposited sufficient for the purpose, to the payment of the principal of the Debt Securities of that series at its Stated Maturity.

The Trustee shall select the Debt Securities to be redeemed upon such sinking fund payment date in the manner specified in the last paragraph of Section 3.02 and the Issuers shall cause notice of the redemption thereof to be given in the manner provided in Section 3.02 except that the notice of redemption shall also state that the Debt Securities are being redeemed by operation of the sinking fund. Such notice having been duly given, the redemption of such Debt Securities shall be made upon the terms and in the manner stated in Section 3.03.

At least one business day before each sinking fund payment date, the Issuers shall pay to the Trustee (or, if the Partnership or PAA Finance is acting as its own paying agent, the Partnership or PAA Finance shall segregate and hold in trust) in cash a sum in the Currency in which the Debt Securities of such series are denominated (except as provided pursuant to Section 2.03) equal to any interest accrued to the date fixed for redemption of Debt Securities or portions thereof to be redeemed on such sinking fund payment date pursuant to this Section 3.05.

The Trustee shall not redeem any Debt Securities of a series with sinking fund moneys or mail any notice of redemption of such Debt Securities by operation of the sinking fund for such series during the continuance of a Default in payment of interest on such Debt Securities or of any Event of Default (other than an Event of Default occurring as a consequence of this paragraph) with respect to such Debt Securities, except that if the notice of redemption of any such Debt Securities shall theretofore have been mailed in accordance with the provisions hereof, the Trustee shall redeem such Debt Securities if cash sufficient for that purpose shall be deposited with the Trustee for that purpose in accordance with the terms of this Article III. Except as aforesaid, any moneys in the sinking fund for such series at the time when any such Default or Event of Default shall occur and any moneys thereafter paid into such sinking fund shall, during the continuance of such Default or Event of Default, be held as security for the payment of such Debt Securities; provided, however, that in case such Default or Event of

Default shall have been cured or waived as provided herein, such moneys shall thereafter be applied on the next sinking fund payment date for such Debt Securities on which such moneys may be applied pursuant to the provisions of this Section 3.05.

ARTICLE IV

Particular Covenants of the Issuers  
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SECTION 4.01. Payment of Principal of, and Premium, If Any,  
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and Interest on, Debt Securities. The Issuers, for the benefit of each series of  
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Debt Securities, will duly and punctually pay or cause to be paid the principal of, and premium, if any, and interest on, each of the Debt Securities at the place, at the respective times and in the manner provided herein and in the Debt Securities. Each installment of interest on the Debt Securities may at the Issuers' option be paid by mailing checks for such interest payable to the Person entitled thereto to the address of such Person as it appears on the Debt Security Register maintained pursuant to Section 2.07(a).

Principal, premium and interest in respect of Debt Securities of any series shall be considered paid on the date due if no later than 11:00 A.M., New York City time, on such date the Trustee or any paying agent holds in accordance with the Indenture money sufficient to pay in the Currency in which the Debt Securities of such series are denominated (except as provided pursuant to Section 2.03) all principal, premium and interest then due.

The Issuers shall pay interest on overdue principal at the rate specified therefor in the Debt Securities and they shall pay interest on overdue installments of interest at the same rate to the extent lawful.

SECTION 4.02. Maintenance of Offices or Agencies for  
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Registration of Transfer, Exchange and Payment of Debt Securities. The Issuers  
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will maintain in each Place of Payment for any series of Debt Securities, an office or agency where Debt Securities of such series may be presented or surrendered for payment, where Debt Securities of such series may be surrendered for transfer or exchange and where notices and demands to or upon the Issuers in respect of the Debt Securities of such series and the Indenture may be served. The Issuers will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuers 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 Issuers hereby appoint the Trustee as its agent to receive all presentations, surrenders, notices and demands.

The Issuers may also from time to time designate different or additional offices or agencies to be maintained for such purposes (in or outside of such Place of Payment), and may from time to time rescind any such designation; provided, however, that no such designation or rescission shall in any manner relieve the Issuers of their obligations described in the preceding paragraph. The Issuers will give prompt written notice to the Trustee of any such additional designation or rescission of designation and any change in the location of any such different or additional office or agency.

SECTION 4.03. Appointment to Fill a Vacancy in the Office of

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Trustee. The Issuers, whenever necessary to avoid or fill a vacancy in the  
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office of Trustee, will appoint, in the manner provided in Section 7.08, a  
Trustee, so that there shall at all times be a Trustee hereunder with respect to  
each series of Debt Securities.

SECTION 4.04. Duties of Paying Agents, etc. (a) The Issuers

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shall cause each paying agent, if any, other than the Trustee, to execute and  
deliver to the Trustee an instrument in which such agent shall agree with the  
Trustee, subject to the provisions of this Section 4.04,

(i) that it will hold all sums held by it as such agent for  
the payment of the principal of, and premium, if any, or interest on,  
the Debt Securities of any series (whether such sums have been paid to  
it by the Issuers or by any other obligor on the Debt Securities of  
such series) in trust for the benefit of the Holders of the Debt  
Securities of such series;

(ii) that it will give the Trustee notice of any failure by  
the Issuers (or by any other obligor on the Debt Securities of such  
series) to make any payment of the principal of and premium, if any, or  
interest on, the Debt Securities of such series when the same shall be  
due and payable; and

(iii) that it will at any time during the continuance of an  
Event of Default, upon the written request of the Trustee, forthwith  
pay to the Trustee all sums so held by it as such agent.

(b) If either of the Issuers or any of their respective  
Subsidiaries shall act as its own paying agent, it will, on or before 11:00  
A.M., New York City time, on each due date of the principal of, and premium, if  
any, or interest on, the Debt Securities if any, of any series, set aside,  
segregate and hold in trust for the benefit of the Holders of the Debt  
Securities of such series a sum sufficient to pay such principal, premium, if  
any, or interest so becoming due. The Issuers will promptly notify the Trustee  
of any failure by the Issuers or its Subsidiaries to take such action or the  
failure by any other obligor on such Debt Securities to make any payment of the  
principal of, and premium, if any, or interest on, such Debt Securities when the  
same shall be due and payable.

(c) Anything in this Section 4.04 to the contrary  
notwithstanding, either of the Issuers may, at any time, for the purpose of  
obtaining a satisfaction and discharge of the Indenture, or for any other  
reason, pay or cause to be paid to the Trustee all sums held in trust by it or  
any paying agent, as required by this Section 4.04, such sums to be held by the  
Trustee upon the same terms as those upon which such sums were held by the  
Issuers or such paying agent.

(d) Whenever the Issuers shall have one or more paying  
agents with respect to any series of Debt Securities, they will, prior to 11:00  
A.M., New York City time, on each due date of the principal of, and premium, if  
any, or interest on, any Debt Securities of such series, deposit with any such  
paying agent a sum sufficient to pay the principal, premium or interest so  
becoming due, such sum to be held in trust for the benefit of the Persons  
entitled thereto, and (unless any such paying agent is the Trustee) the Issuers  
will promptly notify the Trustee of their action or failure so to act.

(e) Anything in this Section 4.04 to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section 4.04 is subject to the provisions of Section 11.02.

(f) Unless and until otherwise determined by the Issuers in Board Resolutions or pursuant to a supplemental Indenture, the Trustee will act as paying agent under the Indenture. The Issuers may designate a substitute paying agent without prior notice to the Holders of Debt Securities.

SECTION 4.05. Statement by Officers as to Default. The Issuers

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will deliver to the Trustee, on or before a date not more than four months after the end of each fiscal year of the Issuers (currently ending on December 31 of each year) ending after the date hereof, an Officers' Certificate stating, as to each officer signing such certificate, one of whom shall be the principal executive, financial or accounting officer of each Issuer, that (i) in the course of his performance of his duties as an officer of the Managing General Partner or PAA Finance, as applicable, he would normally have knowledge of any Default, (ii) whether or not to the best of his knowledge any Default occurred during such year and (iii) if to the best of his knowledge the Partnership or PAA Finance, as applicable, is in Default, specifying all such Defaults and what action the Partnership or PAA Finance, as applicable, is taking or proposes to take with respect thereto.

SECTION 4.06. Further Instruments and Acts. The Issuers will,

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upon request of the Trustee, execute and deliver such further instruments and do such further acts as may reasonably be necessary or proper to carry out more effectually the purposes of the Indenture.

SECTION 4.07. Corporate, Partnership or Limited Liability

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Company Existence. Subject to Article X, the Issuers shall do or cause to be done all things necessary to preserve and keep in full force and effect the corporate, partnership or limited liability company existence and related rights and franchises (charges and statutory) of the Partnership and each of its Subsidiaries; provided, however, that the Partnership shall not be required to preserve any such right or franchise for the corporate, partnership or limited liability company existence of any such Subsidiary if the management of the Managing General Partner shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Partnership and its Subsidiaries as a whole and that the loss thereof would not reasonably be expected to have a material adverse effect on the ability of the Issuers or any obligor on the Debt Securities of any series to perform their obligations hereunder; and provided, further, however, that the foregoing shall not prohibit a sale, transfer or conveyance of a Subsidiary of the Partnership or any of its assets in compliance with the terms of the Indenture.

SECTION 4.08. Maintenance of Properties. The Partnership shall

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cause all material properties owned by the Partnership or any of its Subsidiaries or used or held for use in the conduct of its business or the business of any of its Subsidiaries to be maintained and kept in good condition, repair and working order (ordinary wear and tear excepted) and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the reasonable judgment of the Partnership may be consistent with sound business practice and necessary so that the business carried on in connection therewith may be properly conducted at all times; provided, however, that nothing in this Section shall prevent the Partnership from discontinuing the maintenance of any of such

properties if such discontinuance is, in the reasonable judgment of the management of the Managing General Partner, desirable in the conduct of its business or the business of any of its Subsidiaries and not reasonably expected to have a material adverse effect on the ability of the Issuers or any obligor on the Debt Securities of any series to perform their obligations hereunder.

SECTION 4.09. Payment of Taxes and Other Claims. The  
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Partnership shall pay or discharge or cause to be paid or discharged, on or before the date the same shall become due and payable, (a) all taxes, assessments and governmental charges levied or imposed upon the Partnership or any of its Subsidiaries or otherwise assessed or upon the income, profits or property of the Partnership or any of its Subsidiaries if failure to pay or discharge the same could reasonably be expected to have a material adverse effect on the ability of the Issuers or any obligor on the Debt Securities of any series to perform their obligations hereunder and (b) all lawful claims for labor, materials and supplies, which, if unpaid, would by law become a Lien upon the property of the Partnership or any of its Subsidiaries, except for any Lien permitted to be incurred under the terms of the Indenture, if failure to pay or discharge the same could reasonably be expected to have a material adverse effect on the ability of the Issuers or any obligor on the Debt Securities of any series to perform their obligations hereunder; provided, however, that the

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Partnership shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings properly instituted and diligently conducted and in respect of which appropriate reserves (in the good faith judgment of management of the Managing General Partner) are being maintained in accordance with GAAP.

SECTION 4.10. Calculation of Original Issue Discount. The  
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Issuers shall file with the Trustee promptly at the end of each calendar year (i) a written notice specifying the amount of original issue discount (including daily rates and accrual periods) accrued on Outstanding Original Issue Discount Debt Securities as of the end of such year and (ii) such other specific information relating to such original issue discount as may then be relevant under the Code.

SECTION 4.11. Stay, Extension and Usury Laws. Each of the  
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Issuers covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of the Indenture; and each of the Issuers hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

ARTICLE V

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Holders' Lists and Reports  
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by the Issuers and the Trustee  
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SECTION 5.01. Issuers to Furnish Trustee Information as to  
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Names and Addresses of Holders; Preservation of Information. The Issuers

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covenant and agree that they



will furnish or cause to be furnished to the Trustee with respect to the Registered Securities of each series:

(a) not more than 15 days after each record date with respect to the payment of interest, if any, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Registered Holders as of such record date, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Issuers of any such request, a list as of a date not more than 15 days prior to the time such list is furnished;

provided, however, that so long as the Trustee shall be the Registrar, such -----  
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lists shall not be required to be furnished.

The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the Holders (1) contained in the most recent list furnished to it as provided in this Section 5.01 or (2) received by it in the capacity of paying agent or Registrar (if so acting) hereunder.

The Trustee may destroy any list furnished to it as provided in this Section 5.01 upon receipt of a new list so furnished.

SECTION 5.02. Communications to Holders; Meetings of Holders.  
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(a) Holders may communicate pursuant to Section 312(b) of the Trust Indenture Act with other Holders with respect to their rights under the Indenture or the Debt Securities. The Issuers, the Trustee, the Registrar and anyone else shall have the protection of Section 312(c) of the Trust Indenture Act.

(b) A meeting of the Holders of Debt Securities of any or all series may be called at any time and from time to time pursuant to this Section 5.02 to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided herein to be made, given or taken by Holders of Debt Securities of such series.

(c) The Trustee may at any time call a meeting of Holders of Debt Securities of any series for any purpose specified herein to be held at such time and at such place in Houston, Texas, in The Borough of Manhattan, The City of New York or in any other location, as the Trustee shall determine. Notice of every meeting of Holders of any series, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given not less than 20 nor more than 180 days prior to the date fixed for the meeting.

(d) In case at any time the Issuers, pursuant to Board Resolutions, or the Holders of at least 10% in aggregate principal amount of the outstanding Debt Securities of any series, shall have requested the Trustee for any such series to call a meeting of the Holders of Debt Securities of such series for any purpose specified herein, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have made the first publication of the notice of such meeting within 30 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then

the Issuers or the Holders of such series in the amount specified above, as the case may be, may determine the time and the place in Houston, Texas, in The Borough of Manhattan, The City of New York, or in any other location, for such meeting and may call such meeting for such purposes by giving notice thereof as provided in paragraph (c) of this Section 5.02.

SECTION 5.03. Reports by Issuers. (a) Notwithstanding that the

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Partnership may not be required to remain subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Partnership shall file with the Commission and provide to the Trustee and the Holders of Debt Securities the annual reports and the information, documents and other reports that are specified in Sections 13 and 15(d) of the Exchange Act, and, with respect to the annual consolidated financial statements only, a report thereon by the Issuers' independent auditors; provided, however, that the Partnership shall not be so

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obligated to file such information, documents and reports with the Commission if the Commission does not permit such filings. The Issuers shall comply with the other provisions of Section 314(a) of the Trust Indenture Act.

(b) The Issuers covenant and agree, and any obligor hereunder shall covenant and agree, to file with the Trustee and the Commission, in accordance with the rules and regulations prescribed from time to time by said Commission, such additional information, documents, and reports with respect to compliance by the Issuers or such obligor, as the case may be, with the conditions and covenants provided for in the Indenture as may be required from time to time by such rules and regulations.

(c) 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 notice of any information contained therein or determinable from information contained therein, including the Issuers' compliance with any of their covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

SECTION 5.04. Reports by Trustee. The Trustee shall transmit

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to Holders such reports concerning the Trustee and its actions under the Indenture as may be required pursuant to the Trust Indenture Act at the time and in the manner provided pursuant thereto.

Reports pursuant to this Section 5.04 shall be transmitted by mail:

(1) to all Registered Holders, as the names and addresses of such Holders appear in the Debt Security Register; and

(2) except in the cases of reports under Section 313(b)(2) of the Trust Indenture Act, to each holder of a Debt Security of any series whose name and address appear in the information preserved at the time by the Trustee in accordance with Section 5.02.

A copy of each report at the time of its mailing to Holders shall be filed with the Commission and each stock exchange (if any) on which the Debt Securities of any series are listed. The Issuers agree to notify promptly the Trustee whenever the Debt Securities of any series become listed on any stock exchange and of any delisting thereof.

SECTION 5.05. Record Dates for Action by Holders. If the

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Issuers shall solicit from the Holders of Debt Securities of any series any action (including the making of any demand or request, the giving of any direction, notice, consent or waiver or the taking of any other action), the Issuers may, at their option, by Board Resolutions, fix in advance a record date for the determination of Holders of Debt Securities entitled to take such action, but the Issuers shall have no obligation to do so. Any such record date shall be fixed at the Issuers' discretion. If such a record date is fixed, such action may be sought or given before or after the record date, but only the Holders of Debt Securities of record at the close of business on such record date shall be deemed to be Holders of Debt Securities for the purpose of determining whether Holders of the requisite proportion of Debt Securities of such series Outstanding have authorized or agreed or consented to such action, and for that purpose the Debt Securities of such series Outstanding shall be computed as of such record date.

ARTICLE VI

Remedies of the Trustee and Holders in Event of Default  
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SECTION 6.01. Events of Default. If any one or more of the

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following shall have occurred and be continuing with respect to Debt Securities of any series (each of the following, an "Event of Default"):

- (a) the Issuers Default for a period of 60 days in the payment when due of interest on any Debt Securities of that series; or
- (b) the Issuers default in the payment when due of principal of or premium, if any, on any Debt Securities of that series at maturity, upon redemption or otherwise; or
- (c) default in the payment of any sinking fund payment with respect to any Debt Securities of that series as and when the same shall become due and payable; or
- (d) failure on the part of the Issuers to comply with Article X; or
- (e) failure by the Issuers for 30 days after notice to comply to duly observe or perform any other of the covenants or agreements on the part of the Issuers in the Debt Securities of that series in any Board Resolution authorizing the issuance of that series of Debt Securities, in the Indenture with respect to such series or in any supplemental Indenture with respect to such series (other than a covenant a default in the performance of which is elsewhere in this Section 6.01 specifically dealt with); or
- (f) pursuant to or within the meaning of Bankruptcy Law, an Issuer commences a voluntary case, consents to the entry of an order for relief against it in an involuntary case, consents to the appointment of a custodian of it or for all or substantially all of its property, makes a general assignment for the benefit of its creditors, or generally is not paying its debts as they become due; or
- (g) (i) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that is for relief against an Issuer in an involuntary case, appoints a

custodian of an Issuer, or orders the liquidation of an Issuer and (ii) such order or decree remains unstayed and in effect for 60 consecutive days; or

(h) any other Event of Default provided under the terms of the Debt Securities of that series;

then and in each and every case that an Event of Default with respect to Debt Securities of that series at the time outstanding occurs and is continuing, either the Trustee or the Holders of at least 25% in aggregate principal amount of the Debt Securities of that series, may declare the principal of (or, if the Debt Securities of that series are Original Issue Discount Debt Securities, such portion of the principal amount as may be specified in the terms of that series) and interest on all the Debt Securities of that series to be due and payable immediately.

The Holders of a majority in principal amount of the Debt Securities of a particular series by notice to the Trustee may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree already rendered and if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of acceleration. Upon any such rescission, the parties hereto shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the parties hereto shall continue as though no proceeding had been taken.

In case the Trustee or any Holder shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee or such Holder, then and in every such case the parties hereto shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the parties hereto shall continue as though no such proceeding had been taken.

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

The Issuers shall deliver to the Trustee, within 30 days after the occurrence thereof, written notice in the form of an Officers' Certificate of any event which with the giving of notice and the lapse of time would become an Event of Default under clause (c), (d), (e), (f), (g) or (h), its status and what action the Issuers are taking or propose to take with respect thereto.

SECTION 6.02. Collection of Indebtedness by Trustee, etc. If  
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an Event of Default occurs and is continuing, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid or enforce the performance of any provision of the Debt Securities of the affected series or the Indenture, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Issuers or any other obligor upon the Debt Securities of such series (and collect in the manner provided by law out of the property of the Issuers or any other obligor upon the Debt Securities of such series wherever situated the moneys adjudged or decreed to be payable).

In case there shall be pending proceedings for the bankruptcy or for the reorganization of either of the Issuers or any other obligor upon the Debt Securities of any series under Title 11 of the United States Code or any other Federal or State bankruptcy, insolvency or similar law, or in case a receiver, trustee or other similar official shall have been appointed for its property, or in case of any other similar judicial proceedings relative to either of the Issuers or any other obligor upon the Debt Securities of any series, its creditors or its property, the Trustee, irrespective of whether the principal of Debt Securities of any series shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section 6.02, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of principal, premium, if any, and interest (or, if the Debt Securities of such series are Original Issue Discount Debt Securities, such portion of the principal amount as may be specified in the terms of such series) owing and unpaid in respect of the Debt Securities of such series, and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee, its agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith) and of the Holders thereof allowed in any such judicial proceedings relative to either of the Issuers, or any other obligor upon the Debt Securities of such series, its creditors or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of such Holders and of the Trustee on their behalf, and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of such Holders to make payments to the Trustee, and, in the event that the Trustee shall consent to the making of payments directly to such Holders, to pay to the Trustee such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other reasonable expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith.

All rights of action and of asserting claims under the Indenture, or under any of the Debt Securities, of any series, may be enforced by the Trustee without the possession of any such Debt Securities or the production thereof in any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment (except for any amounts payable to the Trustee pursuant to Section 7.06) shall be for the ratable benefit of the Holders of all the Debt Securities in respect of which such action was taken.

In case of an Event of Default hereunder the Trustee may in its discretion proceed to protect and enforce the rights vested in it by the Indenture by such appropriate judicial proceedings as the Trustee shall deem necessary to protect and enforce any of such rights, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Indenture or in aid of the exercise of any power granted in the Indenture, or to enforce any other legal or equitable right vested in the Trustee by the Indenture or by law.

SECTION 6.03. Application of Moneys Collected by Trustee. Any  
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moneys or other property collected by the Trustee pursuant to Section 6.02 with respect to Debt Securities

of any series shall be applied, after giving effect to the provisions of Article XIII, in the order following, at the date or dates fixed by the Trustee for the distribution of such moneys or other property, upon presentation of the several Debt Securities of such series in respect of which moneys or other property have been collected, and the notation thereon of the payment, if only partially paid, and upon surrender thereof if fully paid:

First: To the payment of all money due the Trustee pursuant  
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to Section 7.06;

Second: In case the principal of the Outstanding Debt  
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Securities in respect of which such moneys have been collected shall not have become due, to the payment of interest on the Debt Securities of such series in the order of the maturity of the installments of such interest, with interest (to the extent that such interest has been collected by the Trustee) upon the overdue installments of interest at the rate or Yield to Maturity (in the case of Original Issue Discount Debt Securities) specified in the Debt Securities of such series, such payments to be made ratably to the Persons entitled thereto, without discrimination or preference;

Third: In case the principal of the Outstanding Debt  
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Securities in respect of which such moneys have been collected shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Debt Securities of such series for principal and premium, if any, and interest, with interest on the overdue principal and premium, if any, and (to the extent that such interest has been collected by the Trustee) upon overdue installments of interest at the rate or Yield to Maturity (in the case of Original Issue Discount Debt Securities) specified in the Debt Securities of such series; and, in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Debt Securities of such series, then to the payment of such principal and premium, if any, and interest, without preference or priority of principal and premium, if any, over interest, or of interest over principal and premium, if any, or of any installment of interest over any other installment of interest, or of any Debt Security of such series over any Debt Security of such series, ratably to the aggregate of such principal and premium, if any, and interest; and

Fourth: The remainder, if any, shall be paid to the Issuers,  
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their successors or assigns, or as a court of competent jurisdiction may direct.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.03. At least 15 days before such record date, the Issuers shall mail to each Holder and the Trustee a notice that states the record date, the payment date and amount to be paid.

SECTION 6.04. Limitation on Suits by Holders. No Holder of any  
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Debt Security of any series shall have any right by virtue or by availing of any provision of the Indenture to institute any action or proceeding at law or in equity or in bankruptcy or otherwise, upon or under or with respect to the Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such Holder previously shall have given to the Trustee written notice of an Event of Default with respect to Debt Securities of that same series and of the continuance thereof and unless the Holders of not less than 25% in aggregate principal

amount of the Outstanding Debt Securities of that series shall have made written request upon the Trustee to institute such action or proceedings in respect of such Event of Default in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee, for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceedings and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 6.06; it being understood and intended, and being expressly covenanted by the Holder of every Debt Security with every other Holder and the Trustee, that no one or more Holders shall have any right in any manner whatever by virtue or by availing of any provision of the Indenture to affect, disturb or prejudice the rights of any Holders, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under the Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all such Holders. For the protection and enforcement of the provisions of this Section 6.04, each and every Holder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provision in the Indenture (but subject to Article XIII), the right of any Holder of any Debt Security to receive payment of the principal of, and premium, if any, and (subject to Section 2.12) interest on, such Debt Security on or after the respective due dates expressed in such Debt Security, and to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or effected without the consent of such Holder.

SECTION 6.05. Remedies Cumulative; Delay or Omission in  
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Exercise of Rights Not a Waiver of Default. All powers and remedies given by  
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this Article VI to the Trustee or to the Holders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the Holders, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in the Indenture, and no delay or omission of the Trustee or of any Holder to exercise any right or power accruing upon any Default occurring and continuing as aforesaid, shall impair any such right or power, or shall be construed to be a waiver of any such Default or an acquiescence therein; and, subject to the provisions of Section 6.04, every power and remedy given by this Article VI or by law to the Trustee or to the Holders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Holders.

SECTION 6.06. Rights of Holders of Majority in Principal  
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Amount of Debt Securities to Direct Trustee and to Waive Default. The Holders of  
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a majority in aggregate principal amount of the Debt Securities of any series at the time Outstanding shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Debt Securities of such series; provided, however, that such direction shall not be  
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otherwise than in accordance with law and the provisions of the Indenture, and that subject to the provisions of Section 7.01, the Trustee shall have the right to decline to follow any such direction if the Trustee being advised by counsel shall determine that the action so directed may not lawfully be taken, or if the Trustee shall by a Responsible Officer or officers determine that the action so directed would involve it in personal liability or would be prejudicial to Holders of Debt Securities of such series not taking part in such direction; and provided further, however, that  
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nothing in the Indenture contained shall impair the right of the Trustee to take any action deemed proper by the Trustee and which is not inconsistent with such direction by such Holders. Prior to the acceleration of the maturity of the Debt Securities of any series, as provided in Section 6.01, the Holders of a majority in aggregate principal amount of the Debt Securities of that series at the time Outstanding by notice to the Trustee may on behalf of the Holders of all the Debt Securities of that series waive any past Default or Event of Default and its consequences for that series specified in the terms thereof as contemplated by Section 2.03, except (i) a Default in the payment of the principal of, and premium, if any, or interest on, any of the Debt Securities and (ii) a Default in respect of a provision that under Section 9.02 cannot be amended, supplemented or waived without the consent of each Holder affected thereby. In case of any such waiver, such Default shall cease to exist, any Event of Default arising therefrom shall be deemed to have been cured for every purpose of the Indenture, and the Issuers, the Trustee and the Holders of the Debt Securities of that series shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

SECTION 6.07. Trustee to Give Notice of Defaults Known to It,  
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but May Withhold Such Notice in Certain Circumstances. The Trustee shall, within  
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90 days after the occurrence of a Default known to it with respect to a series of Debt Securities give to the Holders thereof, in the manner provided in Section 12.03, notice of all Defaults with respect to such series known to the Trustee, unless such Defaults shall have been cured or waived before the giving of such notice; provided that, except in the case of Default in the payment of  
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the principal of, or premium, if any, or interest on, any of the Debt Securities of such series or in the making of any sinking fund payment with respect to the Debt Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the committee of Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interests of the Holders thereof.

SECTION 6.08. Requirement of an Undertaking To Pay Costs in  
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Certain Suits under the Indenture or Against the Trustee. All parties to the  
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Indenture agree, and each Holder of any Debt Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under the Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit in the manner and to the extent provided in the Trust Indenture Act, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 6.08 shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than ten percent in principal amount of the Outstanding Debt Securities of that series or to any suit instituted by any Holder for the enforcement of the payment of the principal of, or premium, if any, or interest on, any Debt Security on or after the due date for such payment expressed in such Debt Security.



ARTICLE VII

Concerning the Trustee

SECTION 7.01. Certain Duties and Responsibilities. The

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

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

(a) this subsection shall not be construed to limit the effect of the first paragraph of this Section 7.01;

(b) prior to the occurrence of an Event of Default with respect to the Debt Securities of a series and after the curing or waiving of all Events of Default with respect to such series which may have occurred:

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

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

(c) the Trustee shall not be liable for an 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

(d) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it with respect to Debt Securities of any series in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Outstanding Debt Securities of that 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 the Indenture with respect to Debt Securities of such series.

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

Whether or not therein expressly so provided, every provision of the 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 7.02. Certain Rights of Trustee. Except as otherwise  
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provided in Section 7.01:

(a) the Trustee may conclusively rely and shall be fully 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 (whether in its original or facsimile form) believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Issuers mentioned herein shall be sufficiently evidenced by an Issuer Order (unless other evidence in respect thereof be herein specifically prescribed); and any Board Resolution may be evidenced to the Trustee by a copy thereof certified by the Secretary or an Assistant Secretary of each of the Managing General Partner and PAA Finance;

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

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request, order or direction of any of the Holders of Debt Securities of any series pursuant to the provisions of the Indenture, unless such Holders shall have offered to the Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby;

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

(f) prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, 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, approval or other

paper or document, unless requested in writing to do so by the Holders of a majority in aggregate principal amount of the then outstanding Debt Securities of a series affected by such matter; provided, however, that if

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the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is not, in the opinion of the Trustee, reasonably assured to the Trustee by the security afforded to it by the terms of the Indenture, the Trustee may require indemnity reasonably satisfactory to it against such costs, expenses or liabilities as a condition to so proceeding; the Trustee shall be entitled to examine the books, records and premises of the Issuers during ordinary business hours and for any purpose relevant to the Indenture, personally or by an agent or attorney at the sole cost of the Issuers and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation;

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

(h) if any property other than cash shall at any time be subject to a Lien in favor of the Holders, the Trustee, if and to the extent authorized by a receivership or bankruptcy court of competent jurisdiction or by the supplemental instrument subjecting such property to such Lien, shall be entitled to make advances for the purpose of preserving such property or of discharging tax Liens or other prior Liens or encumbrances thereon; and

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

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

SECTION 7.03. Trustee Not Liable for Recitals in Indenture or in Debt

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Securities. The recitals contained herein and in the Debt Securities (except the

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Trustee's certificate of authentication) shall be taken as the statements of the Issuers, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of the Indenture or of the Debt Securities of any series, except that the Trustee represents that it is duly authorized to execute and deliver the Indenture, authenticate the Debt Securities and perform its obligations hereunder, and that the statements made by it or to be made by it in a Statement of Eligibility and Qualification on Form T-1 supplied to the Issuers are true and accurate. The Trustee shall not be accountable for the use or application by the Issuers of any of the Debt Securities or of the proceeds thereof.

SECTION 7.04. Trustee, Paying Agent or Registrar May Own Debt

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Securities. The Trustee or any paying agent or Registrar, in its individual or  
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any other capacity, may become the owner or pledgee of Debt Securities and  
subject to the provisions of the Trust Indenture Act relating to conflicts of  
interest and preferential claims may otherwise deal with the Issuers with the  
same rights it would have if it were not Trustee, paying agent or Registrar;  
provided, however, that if the Trustee acquires any such conflicting interest  
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and an Event of Default or Default has occurred and is continuing, the Trustee  
must eliminate such conflict within 90 days, apply to the Commission for  
permission to continue as trustee or resign.

SECTION 7.05. Moneys Received by Trustee to Be Held in Trust. Subject

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to the provisions of Section 11.02, all moneys received by the Trustee shall,  
until used or applied as herein provided, be held in trust for the purposes for  
which they were received, but 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 moneys received by it hereunder. So long as no Event of Default shall  
have occurred and be continuing, all interest allowed on any such moneys shall  
be paid from time to time to the Issuers upon an Issuer Order.

SECTION 7.06. Compensation and Reimbursement. The Issuers covenant and

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agree to pay in Dollars to the Trustee from time to time, and the Trustee shall  
be entitled to, reasonable compensation for all services rendered by it  
hereunder (which shall not be limited by any provision of law in regard to the  
compensation of a trustee of an express trust), and, except as otherwise  
expressly provided herein, the Issuers will pay or reimburse in Dollars the  
Trustee upon its request for all expenses, disbursements and advances incurred  
or made by the Trustee in accordance with any of the provisions of the Indenture  
(including the reasonable compensation and the expenses and disbursements of its  
agents, attorneys and counsel and of all Persons not regularly in its employ)  
except any such expense, disbursement or advances as may arise from its  
negligence or bad faith. The Issuers also covenant to fully indemnify in Dollars  
the Trustee and any predecessor Trustee for, and to hold it harmless against,  
any and all loss, liability, claim, damage or expense incurred without  
negligence or willful misconduct on the part of the Trustee, arising out of or  
in connection with the acceptance or administration of this trust or trusts  
hereunder, including the costs and expenses of defending itself against any  
claim of liability in connection with the exercise or performance of any of its  
powers or duties hereunder. The obligations of the Issuers under this Section  
7.06 to compensate and indemnify the Trustee and to pay or reimburse the Trustee  
for expenses, disbursements and advances shall constitute additional  
indebtedness hereunder and shall survive the satisfaction and discharge of the  
Indenture. The Issuers and the Holders agree that such additional indebtedness  
shall be secured by a Lien prior to that of the Debt Securities upon all  
property and funds held or collected by the Trustee, as such, except funds held  
in trust for the payment of principal of, and premium, if any, or interest on,  
particular Debt Securities.

When the Trustee incurs expenses or renders services after an Event of  
Default specified in Section 6.01(g) or (h) occurs, the expenses and the  
compensation for the services are intended to constitute expenses of  
administration under any bankruptcy, insolvency, reorganization or other similar  
law.

SECTION 7.07. Right of Trustee to Rely on an Officers' Certificate

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Where No Other Evidence Specifically Prescribed. Except as otherwise provided in  
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Section 7.01, whenever

in the administration of the provisions of the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee and such certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of the Indenture upon the faith thereof.

SECTION 7.08. Separate Trustee; Replacement of Trustee. The Issuers  
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may, but need not, appoint a separate Trustee for any one or more series of Debt Securities. The Trustee may resign with respect to one or more or all series of Debt Securities at any time by giving notice to the Issuers. The Holders of a majority in principal amount of the Debt Securities of a particular series may remove the Trustee for such series and only such series by so notifying the Trustee and may appoint a successor Trustee. The Issuers shall remove the Trustee if:

- (1) the Trustee fails to comply with Section 7.10;
- (2) the Trustee is adjudged bankrupt or insolvent;
- (3) a receiver or other public officer takes charge of the Trustee or its property; or
- (4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns, is removed by the Issuers or by the Holders of a majority in principal amount of the Debt Securities of a particular series and such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Issuers shall promptly appoint a successor Trustee. No resignation or removal of the Trustee and no appointment of a successor Trustee shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of this Section 7.08.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuers. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under the Indenture. The successor Trustee shall mail a notice of its succession to Holders of Debt Securities of each applicable series. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the Lien provided for in Section 7.06.

If a successor Trustee does not take office within 60 days after the retiring Trustee gives notice of resignation or is removed, the retiring Trustee or the Holders of 25% in principal amount of the Debt Securities of any applicable series may petition any court of competent jurisdiction for the appointment of a successor Trustee for the Debt Securities of such series.

If the Trustee fails to comply with Section 7.10, any Holder of Debt Securities of any applicable series may petition at the expense of the Issuers any court of competent

jurisdiction for the removal of the Trustee and the appointment of a successor Trustee for the Debt Securities of such series.

Notwithstanding the replacement of the Trustee pursuant to this Section 7.08, the Issuers' obligations under Section 7.06 shall continue for the benefit of the retiring Trustee.

In the case of the appointment hereunder of a separate or successor Trustee with respect to the Debt Securities of one or more series, the Issuers, any retiring Trustee and each successor or separate Trustee with respect to the Debt Securities of any applicable series shall execute and deliver an Indenture supplemental hereto (1) which shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of any retiring Trustee with respect to the Debt Securities of any series as to which any such retiring Trustee is not retiring shall continue to be vested in such retiring Trustee and (2) that shall add to or change any of the provisions of the 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 separate, retiring or successor 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.

SECTION 7.09. Successor Trustee by Merger. If the Trustee  
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consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation or banking association without any further act shall be the successor Trustee, provided such Person shall be otherwise qualified and eligible under this Article VII, without the execution or filing of any paper or any further act on the part of any of the parties hereto. As soon as practicable, the successor Trustee shall mail a notice of its succession to the Issuers and the Holders of the Debt Securities then Outstanding.

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

SECTION 7.10. Eligibility; Disqualification. The Trustee shall at all  
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times satisfy the requirements of Section 310(a) of the Trust Indenture Act. The Trustee shall have a combined capital and surplus of at least \$50,000,000, as set forth in its most recently published annual report of condition. No obligor upon the Debt Securities of a particular series or Person directly or indirectly controlling, controlled by or under common control with such obligor shall serve as Trustee upon the Debt Securities of such series. The Trustee shall comply with Section 310(b) of the Trust Indenture Act; provided, however, that there  
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shall be excluded from the operation of Section 310(b)(1) of the Trust Indenture Act the Indenture or

any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Issuers are outstanding if the requirements for such exclusion set forth in Section 310(b)(1) of the Trust Indenture Act are met.

SECTION 7.11. Preferential Collection of Claims Against Issuers. The

Trustee shall comply with Section 311(a) of the Trust Indenture Act, excluding any creditor relationship listed in Section 311(b) of the Trust Indenture Act. A Trustee who had resigned or been removed shall be subject to Section 311(a) of the Trust Indenture Act to the extent indicated therein.

SECTION 7.12. Compliance with Tax Laws. The Trustee hereby agrees to

comply with all U.S. Federal income tax information reporting and withholding requirements applicable to it with respect to payments of principal, premium (if any) and interest on the Debt Securities, whether acting as Trustee, Security Registrar, paying agent or otherwise with respect to the Debt Securities.

ARTICLE VIII

Concerning the Holders

SECTION 8.01. Evidence of Action by Holders. Whenever in the Indenture

it is provided that the Holders of a specified percentage in aggregate principal amount of the Debt Securities of any or all series may take action (including the making of any demand or request, the giving of any direction, notice, consent or waiver or the taking of any other action) the fact that at the time of taking any such action the Holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by Holders in person or by agent or proxy appointed in writing, (b) by the record of the Holders voting in favor thereof at any meeting of Holders duly called and held in accordance with the provisions of Section 5.02 or (c) by a combination of such instrument or instruments and any such record of such a meeting of Holders.

SECTION 8.02. Proof of Execution of Instruments and of Holding of Debt

Securities. Subject to the provisions of Sections 7.01, 7.02 and 12.09, proof of the execution of any instrument by a Holder or his agent or proxy shall be sufficient if made in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be satisfactory to the Trustee.

The ownership of Registered Securities of any series shall be proved by the Debt Security Register or by a certificate of the Registrar for such series.

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

SECTION 8.03. Who May Be Deemed Owner of Debt Securities. Prior to due

presentment for registration of transfer of any Registered Security, the Issuers, the Trustee, any paying agent and any Registrar may deem and treat the Person in whose name any Registered Security shall be registered upon the books of the Issuers as the absolute owner of such Registered Security (whether or not such Registered Security shall be overdue and

notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or on account of the principal of and premium, if any, and (subject to Section 2.12) interest on such Registered Security and for all other purposes, and neither the Issuers nor the Trustee nor any paying agent nor any Registrar shall be affected by any notice to the contrary; and all such payments so made to any such Holder for the time being, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Registered Security.

SECTION 8.04. Instruments Executed by Holders Bind Future Holders. At  
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any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01, of the taking of any action by the Holders of the percentage in aggregate principal amount of the Debt Securities of any series specified in the Indenture in connection with such action and subject to the following paragraph, any Holder of a Debt Security which is shown by the evidence to be included in the Debt Securities the Holders of which have consented to such action may, by filing written notice with the Trustee at its Corporate Trust Office of the Trustee and upon proof of holding as provided in Section 8.02, revoke such action so far as concerns such Debt Security. Except as aforesaid any such action taken by the Holder of any Debt Security shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Debt Security and of any Debt Security issued upon transfer thereof or in exchange or substitution therefor, irrespective of whether or not any notation in regard thereto is made upon such Debt Security or such other Debt Securities. Any action taken by the Holders of the percentage in aggregate principal amount of the Debt Securities of any series specified in the Indenture in connection with such action shall be conclusively binding upon the Issuers, the Trustee and the Holders of all the Debt Securities of such series.

The Issuers may, but shall not be obligated to, fix a record date for the purpose of determining the Holders of Registered Securities entitled to give their consent or take any other action required or permitted to be taken pursuant to the Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Holders of Registered Securities at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders of Registered Securities after such record date. No such consent shall be valid or effective for more than 120 days after such record date unless the written consent of the Holders of the percentage in aggregate principal amount of the Debt Securities of such series specified in the Indenture shall have been received within such 120-day period.

ARTICLE IX

Amendment, Supplement and Waiver  
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SECTION 9.01. Without Consent of Holders of Debt Securities. The  
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Issuers and the Trustee may from time to time and at any time, without the consent of Holders, enter into an Indenture or Indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act as in force at the date of the execution thereof) for one or more of the following purposes:



(a) to cure any ambiguity, defect or inconsistency contained herein, in any supplemental Indenture or in the Debt Securities of such series;

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

(c) to provide for the assumption of an Issuer's obligations to Holders pursuant to Article X;

(d) to add guarantors with respect to the Debt Securities as parties to the Indenture or to release guarantors in accordance with the provisions of any supplemental Indenture;

(e) to make any changes that would provide any additional rights or benefits to the Holders of the Debt Securities or that do not, taken as a whole, adversely affect the legal rights hereunder of any Holder;

(f) to comply with the requirements of the Commission to permit the qualification of the Indenture or any Indenture supplemental hereto under the Trust Indenture Act as then in effect, except that nothing herein contained shall permit or authorize the inclusion in any Indenture supplemental hereto of the provisions referred to in Section 316(a)(2) of the Trust Indenture Act;

(g) to evidence or provide for the acceptance of appointment hereunder by a successor or separate Trustee with respect to the Debt Securities of one or more series and to add to or change any of the provisions of the Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee;

(h) to add any additional Events of Default;

(i) to make any changes in Article XIII that would limit or terminate the benefits applicable to any holder of Senior Indebtedness (or its Representatives) under Article XIII;

(j) to secure the Debt Securities and/or any guarantee with respect to any Debt Securities; and

(k) to establish the form or terms of the Debt Securities as permitted by Section 2.01 or 2.03.

The Trustee is hereby authorized to join with the Issuers and guarantors with respect to any Debt Securities in the execution of any such supplemental Indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee

shall not be obligated to enter into any such supplemental Indenture which affects the Trustee's own rights, duties or immunities under the Indenture or otherwise.

Any supplemental Indenture authorized by the provisions of this Section 9.01 may be executed by the Issuers, any guarantors with respect to any Debt Securities and the Trustee without the consent of the Holders of any of the Debt Securities at the time outstanding, notwithstanding any of the provisions of Section 9.02.

After an amendment under this Section 9.01 becomes effective, the Issuers shall mail to Holders of Debt Securities of each series affected thereby a notice briefly describing such amendment. The failure to give such notice to all such Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.01.

SECTION 9.02. With Consent of Holders of Debt Securities. Without

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notice to any Holder but with the consent (evidenced as provided in Section 8.01) of the Holders of a majority in aggregate principal amount of the outstanding Debt Securities of each series affected by such supplemental Indenture, (a) the Issuers, when authorized by Board Resolutions, and the Trustee may from time to time and at any time enter into an Indenture or Indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act as in force at the date of execution thereof) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental Indenture or of modifying in any manner the rights of the Holders of the Debt Securities of such series, and (b) subject to the Sections 6.04 and 6.08, any existing Default or Events of Default or compliance with any provision of the Indenture or the Debt Securities of such series may be waived; provided, that no such supplemental

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Indenture or waiver, without the consent of the Holders of each Debt Security so affected, shall (i) reduce the percentage in principal amount of Debt Securities of any series whose Holders must consent to an amendment, supplement or waiver; (ii) reduce the principal of or change the Stated Maturity of any Debt Security; (iii) reduce or waive the premium payable upon the redemption of any Debt Security or alter or waive any provisions by which any Debt Security may or shall be redeemed in accordance with Article III (other than provisions requiring the repurchase of the Debt Securities of such series if so permitted by the Board Resolutions or supplemental Indenture establishing the terms of such series); (iv) reduce the rate of or change the time for payment of interest on any Debt Security; (v) waive a Default or an Event of Default in the payment of principal of, or premium, if any, or interest on a Debt Security except for a rescission of an acceleration of such Debt Securities by the Holders of at least a majority in aggregate principal amount of such Debt Securities and a waiver of the payment default that resulted from such acceleration; (vi) except as otherwise permitted under the Indenture, release any security that may have been granted in respect of the Debt Securities; (vii) make any Debt Security payable in Currency other than that stated in the Debt Security; (viii) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of Holders to receive payments of principal of or premium, if any, or interest on the Debt Securities; (ix) waive a redemption payment with respect to any Debt Security (other than a payment required by a covenant requiring the repurchase of the Debt Securities of such series if so permitted by the Board Resolutions or supplemental Indenture establishing the terms of such series); (x) except as otherwise permitted under the Indenture with respect to Debt Securities that are guaranteed, release any guarantor from its obligations under the Indenture or under its guarantee or change any guarantee in any manner that would adversely

affect the rights of Holders of such Debt Securities; (xi) make any change in Article XIII that adversely affects the rights of any Holder under Article XIII; or (xii) make any change in Section 6.06 or this Section 9.02.

A supplemental Indenture which changes or eliminates any covenant or other provision of the Indenture which has been expressly included solely for the benefit of one or more particular series of Debt Securities or which modifies the rights of the Holders of Debt Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under the Indenture of the Holders of Debt Securities of any other series.

Upon the request of the Issuers, accompanied by copies of Board Resolutions authorizing the execution of any such supplemental Indenture, and upon the filing with the Trustee of evidence of the consent of Holders as aforesaid, the Trustee shall join with the Issuers and any guarantors with respect to any Debt Securities in the execution of such supplemental Indenture unless such supplemental Indenture affects the Trustee's own rights, duties or immunities under the Indenture or otherwise, in which case the Trustee may in its discretion but shall not be obligated to enter into such supplemental Indenture.

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

An amendment under this Section 9.02 may not make any change that adversely affects the rights under Article XIII of any holder of Senior Indebtedness then Outstanding unless the holders of such Senior Indebtedness (or any group or Representative thereof authorized to give a consent) consents to such change.

After an amendment or waiver under this Section 9.02 becomes effective, the Issuers shall mail to Holders of Debt Securities of each series affected thereby a notice briefly describing such amendment or waiver. The failure to give such notice to all such Holders, or any defect therein, shall not impair or affect the validity of an amendment or waiver under this Section 9.02.

SECTION 9.03. Effect of Supplemental Indentures. Upon the execution of

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any supplemental Indenture pursuant to the provisions of this Article IX, the Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under the Indenture of the Trustee, the Issuers and the Holders shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental Indenture shall be and be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

The Trustee, subject to the provisions of Sections 7.01 and 7.02, may receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any such supplemental Indenture complies with the provisions of this Article IX.

SECTION 9.04. Debt Securities May Bear Notation of Changes by

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Supplemental Indentures. Debt Securities of any series authenticated and  
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delivered after the

execution of any supplemental Indenture pursuant to the provisions of this Article IX 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. New Debt Securities of any series so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any modification of the Indenture contained in any such supplemental Indenture may be prepared and executed by the Issuers, authenticated by the Trustee and delivered in exchange for the Debt Securities of such series then outstanding. Failure to make the appropriate notation or to issue a new Debt Security of such series shall not affect the validity of such amendment.

ARTICLE X

Consolidation, Merger, Sale or Conveyance  
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SECTION 10.01. Consolidations and Mergers of the Issuers. Neither of  
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the Issuers may, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Issuer is the survivor); or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to another Person; unless:

(1) either (a) such Issuer is the surviving entity of such transaction; or (b) the Person formed by or surviving any such consolidation or merger (if other than such Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made (the "Successor Company") is an entity organized or existing under the laws of the United States, any state thereof or the District of Columbia, provided that PAA Finance

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may not consolidate or merge with or into any entity other than a corporation satisfying such requirement for so long as the Partnership is not a corporation;

(2) the Successor Company assumes all the obligations of such Issuer under the notes and the Indenture pursuant to agreements reasonably satisfactory to the Trustee;

(3) immediately after such transaction no Default or Event of Default exists; and

(4) such Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and, if a supplemental Indenture is required, such supplemental Indenture complies with the Indenture and all conditions precedent therein relating to such transaction have been satisfied.

SECTION 10.02. Rights and Duties of Successor Company. In case of any  
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consolidation, merger or disposition respecting an Issuer in accordance with Section 10.01, the Successor Company shall succeed to and be substituted for such Issuer, with the same effect as if it had been named herein as the party of the first part, and the Issuer shall be relieved of any further obligation under the Indenture and the Debt Securities. The Successor Company thereupon may cause to be signed, and may issue either in its own name or in the name of such Issuer, any or all the Debt Securities issuable hereunder which theretofore shall not have been signed by such Issuer and delivered to the Trustee; and, upon the order of the Successor Company, instead of such Issuer, and subject to all the terms, conditions and limitations in the

Indenture prescribed, the Trustee shall authenticate and shall deliver any Debt Securities which previously shall have been signed and delivered by the officers of such Issuer or its Managing General Partner, as the case may be, to the Trustee for authentication, and any Debt Securities which the Successor Company thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Debt Securities so issued shall in all respects have the same legal rank and benefit under the Indenture as the Debt Securities theretofore or thereafter issued in accordance with the terms of the Indenture as though all such Debt Securities had been issued at the date of the execution hereof.

In case of any such consolidation, merger or disposition such changes in phraseology and form (but not in substance) may be made in the Debt Securities appertaining thereto thereafter to be issued as may be appropriate.

#### ARTICLE XI

Satisfaction and Discharge of Indenture;

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Unclaimed Moneys  
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#### SECTION 11.01. Satisfaction and Discharge; Application of Trust Money.

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The Indenture shall upon the request of the Issuers cease to be of further effect with respect to all Outstanding Debt Securities of any series (except as to surviving rights of registration of transfer or exchange of Debt Securities of such series herein expressly provided for, the Issuers' obligations under Section 7.06, and the Trustee's and each paying agent's obligations under the last paragraph of this Section 11.01 and Section 11.02) and the Trustee, on demand and at the expense of the Issuers, shall execute proper instruments acknowledging satisfaction and discharge of the Indenture with respect to such series, when:

(a) either

(i) all outstanding Debt Securities of such series therefore authenticated and delivered (other than (A) Debt Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.09 and (B) Debt Securities for whose payment money has been deposited in trust with the Trustee or any paying agent and thereafter repaid to either Issuer or discharged from such trust) have been delivered to the Trustee for cancellation; or

(ii) all outstanding Debt Securities of such series not theretofore delivered to the Trustee for cancellation

(A) have become due and payable by reason of the giving of a notice of redemption or otherwise,

(B) shall become due and payable at their Stated Maturity within one year, or

(C) 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 Issuers,

and the Issuers, in the case of clause (A), (B) or (C) above, have irrevocably deposited or caused to be irrevocably deposited with the Trustee as trust funds in trust for such purpose cash in Dollars or U.S. Government Obligations, or a combination thereof, in an amount sufficient (without consideration of any reinvestment of interest and as certified by an independent public accountant designated by the Partnership expressed in a written certification thereof delivered to the Trustee) to pay and discharge the entire indebtedness of such Debt Securities not theretofore delivered to the Trustee for cancellation, for principal (and premium, if any) and accrued and unpaid interest to the date of such deposit (in the case of Debt Securities which have become due and payable) or the Stated Maturity or redemption date, as the case may be;

(b) the Issuers have paid or caused to be paid all other sums then due and payable hereunder by them under the Indenture; and

(c) the Partnership 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 the Indenture have been complied with.

In order to have money available on a payment date to pay principal (and premium, if any, on) and interest on the Notes, the U.S. Government Obligations shall be payable as to principal (and premium, if any) or interest at least one Business Day before such payment date in such amounts as shall provide the necessary money.

The Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to this Article XI. It shall apply the deposited money and the money from U.S. Government Obligations through any paying agent and in accordance with the Indenture to the payment of principal of, and premium, if any, and interest on, the Debt Securities of the defeased series. Prior to the maturity of such series, the Trustee may, at the written direction of the Issuers, invest such money in U.S. Government Obligations.

SECTION 11.02. Repayment to Issuers. The Trustee and any paying agent

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shall promptly turn over to the Issuers upon request any excess money or securities held by them at any time.

Subject to any applicable abandoned property law, the Trustee and any paying agent shall pay to the Issuers upon request any money held by them for the payment of principal, premium or interest that remains unclaimed for two years, and, thereafter, Holders entitled to such money must look to the Issuers for payment as general creditors.

SECTION 11.03. Indemnity for U.S. Government Obligations. The Issuers

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shall pay and shall indemnify the Trustee and the Holders against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

SECTION 11.04. Reinstatement. If the Trustee or any paying agent is

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unable to apply any money or U.S. Government Obligations in accordance with this Article XI by reason of any legal proceeding or by reason of any order or judgment of any court or government

authority enjoining, restraining or otherwise prohibiting such application, the Issuers' obligations under the Indenture and the Debt Securities of the defeased series shall be revived and reinstated as though no deposit had occurred pursuant to this Article XI until such time as the Trustee or any paying agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Article XI.

## ARTICLE XII

### Miscellaneous Provisions

#### SECTION 12.01. Successors and Assigns of Issuers Bound by Indenture.

All the covenants, stipulations, promises and agreements in the Indenture contained by or in behalf of the Issuers or the Trustee shall bind their respective successors and assigns, whether so expressed or not.

#### SECTION 12.02. Acts of Board, Committee or Officer of Successor

Company Valid. Any act or proceeding by any provision of the Indenture

authorized or required to be done or performed by any Board of Directors, committee thereof or officer of the Managing General Partner or PAA Finance, as applicable, shall and may be done and performed with like force and effect by the like Board of Directors, committee thereof or officer of any Successor Company.

#### SECTION 12.03. Required Notices or Demands. Except as otherwise

expressly provided in the Indenture, any notice or demand which by any provision of the Indenture is required or permitted to be given or served by the Trustee or by the Holders to or on the Issuers shall be in writing in the English language and may be given or served by being deposited postage prepaid in a post office letter box in the United States addressed (until another address is filed by the Issuers with the Trustee) as follows: Plains All American Pipeline, L.P., 333 Clay Street, Suite 2900, Houston, Texas 77002, Attention: General Counsel. Except as otherwise expressly provided in the Indenture, any notice, direction, request or demand by the Issuers or by any Holder to or upon the Trustee shall be in writing in the English language and may be given or made, for all purposes, by being deposited, postage prepaid, in a post office letter box in the United States addressed to the Corporate Trust Office of the Trustee initially at 5847 San Felipe, Suite 1050, Houston, Texas 77057, Attention: Corporate Trust Group. The Issuers or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice required or permitted to a Registered Holder by the Issuers or the Trustee pursuant to the provisions of the Indenture shall be in writing in the English language and shall be deemed to be properly mailed by being deposited postage prepaid in a post office letter box in the United States addressed to such Holder at the address of such Holder as shown on the Debt Security Register. Any report pursuant to Section 313 of the Trust Indenture Act shall be transmitted in compliance with subsection (c) therein.

In the event of suspension of regular mail service or by reason of any other cause it shall be impracticable to give notice by mail, then such notification as shall be given with the approval of the Trustee shall constitute sufficient notice for every purpose thereunder.

Failure to mail a notice or communication to a Holder or any defect in it or any defect in any notice by publication as to a Holder shall not affect the sufficiency of such notice with respect to other Holders. If a notice or communication is mailed or published in the manner provided above, it is conclusively presumed duly given.

SECTION 12.04. Indenture and Debt Securities to Be Construed in

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Accordance with the Laws of the State of New York. The Indenture and each Debt

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Security shall be deemed to be New York contracts, and for all purposes shall be construed in accordance with the laws of said State.

SECTION 12.05. Officers' Certificate and Opinion of Counsel to Be

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Furnished upon Application or Demand by the Issuers. Upon any application or

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demand by the Issuers to the Trustee to take any action under any of the provisions of the Indenture, the Issuers shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent provided for in the Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with, except that in the case of any such application or demand as to which the furnishing of such document is specifically required by any provision of the Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

Each certificate or opinion provided for in the Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in the Indenture shall include (1) a statement that the Person making such certificate or opinion has read such covenant or condition, (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (3) a statement that, in the opinion of such Person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with and (4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

SECTION 12.06. Payments Due on Legal Holidays. In any case where the

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date of maturity of interest on or principal of and premium, if any, on the Debt Securities of a series or the date fixed for redemption or repayment of any Debt Security or the making of any sinking fund payment shall not be a business day at any Place of Payment for the Debt Securities of such series, then payment of interest or principal and premium, if any, or the making of such sinking fund payment need not be made on such date at such Place of Payment, 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 the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date. If a record date is not a business day, the record date shall not be affected.

SECTION 12.07. Provisions Required by Trust Indenture Act to Control.

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If and to the extent that any provision of the Indenture limits, qualifies or conflicts with another provision included in the Indenture which is required to be included in the Indenture by any of Sections 310 to 318, inclusive, of the Trust Indenture Act, such required provision shall control.



SECTION 12.08. Computation of Interest on Debt Securities. Interest,

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if any, on the Debt Securities shall be computed on the basis of a 360-day year of twelve 30-day months, except as may otherwise be provided pursuant to Section 2.03.

SECTION 12.09. Rules by Trustee, Paying Agent and Registrar. The

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Trustee may make reasonable rules for action by or a meeting of Holders. The Registrar and any paying agent may make reasonable rules for their functions.

SECTION 12.10. No Recourse Against Others. No past, present or future

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director, officer, partner, employee, incorporator, manager, stockholder, unitholder or member of the Issuers, the General Partner, the Managing General Partner or any other obligor on the Debt Securities of any series, as such, shall have any liability for any obligations of the Issuers or such other obligors under the Debt Securities, the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Debt Security waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Debt Securities.

SECTION 12.11. Severability. In case any provision in the Indenture or

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the Debt 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 12.12. Effect of Headings. The article and section headings

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herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 12.13. Indenture May Be Executed in Counterparts. The

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Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

ARTICLE XIII

Subordination of Debt Securities

SECTION 13.01. Applicability of Article; Agreement to Subordinate. The

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provisions of this Article XII shall be applicable to the Debt Securities of any series (Debt Securities of such series being referred to in this Article XIII as "Subordinated Debt Securities") except to the extent such provisions may be changed or added to pursuant to Section 2.03. Each Holder by accepting a Subordinated Debt Security agrees that the indebtedness evidenced by such Subordinated Debt Security is subordinated in right of payment, to the extent and in the manner provided in this Article XIII, to the prior payment of all Senior Indebtedness and that the subordination is for the benefit of and enforceable by the holders of Senior Indebtedness. All provisions of this Article XIII shall be subject to Section 13.12.

SECTION 13.02. Liquidation, Dissolution, Bankruptcy. Upon any payment

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or distribution of the assets of the Issuers to creditors upon a voluntary or involuntary liquidation or

a dissolution of the Issuers or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Issuers or their property:

(1) holders of Senior Indebtedness shall be entitled to receive payment in full in cash of the Senior Indebtedness (including interest (if any), accruing on or after the commencement of a proceeding in bankruptcy, whether or not allowed as a claim against the Issuers in such bankruptcy proceeding) before Holders of Subordinated Debt Securities shall be entitled to receive any payment of principal of, or premium, if any, or interest on, the Subordinated Debt Securities; and

(2) until the Senior Indebtedness is paid in full, any distribution to which Holders of Subordinated Debt Securities would be entitled but for this Article XII shall be made to holders of Senior Indebtedness as their interests may appear, except that such Holders may receive Equity Interests and any debt securities that are subordinated to Senior Indebtedness to at least the same extent as the Subordinated Debt Securities.

SECTION 13.03. Default on Senior Indebtedness. The Issuers may not pay

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the principal of, or premium, if any, or interest on, the Subordinated Debt Securities or make any deposit into a defeasance trust or pursuant to Article XI and may not repurchase, redeem or otherwise retire (except, in the case of Subordinated Debt Securities that provide for a mandatory sinking fund pursuant to Section 3.04, by the delivery of Subordinated Debt Securities by the Issuers to the Trustee pursuant to the first paragraph of Section 3.05) any Debt Securities (collectively, "pay the Subordinated Debt Securities") if (i) any principal, premium, interest or any other amount payable in respect of Senior Indebtedness is not paid within any applicable grace period (including at maturity) or (ii) any other default on Senior Indebtedness occurs and the maturity of such Senior Indebtedness is accelerated in accordance with its terms unless, in either case, (x) the default has been cured or waived and any such acceleration has been rescinded or (y) such Senior Indebtedness has been paid in full in cash; provided, however, that the Issuers may pay the Subordinated Debt Securities without regard to the foregoing if the Issuers and the Trustee receive written notice approving such payment from the Representative of each issue of Designated Senior Indebtedness. During the continuance of any default (other than a default described in clause (i) or (ii) of the preceding sentence) with respect to any Senior Indebtedness pursuant to which the maturity thereof may be accelerated immediately without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, the Issuers may not pay the Subordinated Debt Securities for a period (a "Payment Blockage Period") commencing upon the receipt by the Issuers and the Trustee of written notice of such default from the Representative of any Designated Senior Indebtedness specifying an election to effect a Payment Blockage Period (a "Blockage Notice") and ending 179 days thereafter (or earlier if such Payment Blockage Period is terminated (i) by written notice to the Trustee and the Issuers from the Person or Persons who gave such Blockage Notice, (ii) by repayment in full in cash of such Designated Senior Indebtedness or (iii) because the default giving rise to such Blockage Notice is no longer continuing). Notwithstanding the provisions described in the immediately preceding sentence (but subject to the provisions contained in the first sentence of this Section 13.03), unless the holders of such Designated Senior Indebtedness or the Representative of such holders shall have

accelerated the maturity of such Designated Senior Indebtedness, the Issuers may resume payments on the Subordinated Debt Securities after such Payment Blockage Period. Not more than one Blockage Notice may be given in any consecutive 360-day period, irrespective of the number of defaults with respect to any number of issues of Senior Indebtedness during such period. For purposes of this Section 13.03, no default or event of default which existed or was continuing on the date of the commencement of any Payment Blockage Period with respect to the Senior Indebtedness initiating such Payment Blockage Period shall be, or be made, the basis of the commencement of a subsequent Payment Blockage Period by the Representative of such Senior Indebtedness, whether or not within a period of 360 consecutive days, unless such default or event of default shall have been cured or waived for a period of not less than 90 consecutive days.

SECTION 13.04. Acceleration of Payment of Debt Securities. If payment

of the Subordinated Debt Securities is accelerated because of an Event of Default, the Issuers or the Trustee shall promptly notify the holders of the Designated Senior Indebtedness (or their Representatives) of the acceleration.

SECTION 13.05. When Distribution Must Be Paid Over. If a distribution

is made to Holders of Subordinated Debt Securities that because of this Article XIII should not have been made to them, the Holders who receive such distribution shall hold it in trust for holders of Senior Indebtedness and pay it over to them as their interests may appear.

SECTION 13.06. Subrogation. After all Senior Indebtedness is paid in

full and until the Subordinated Debt Securities are paid in full, Holders thereof shall be subrogated to the rights of holders of Senior Indebtedness to receive distributions applicable to Senior Indebtedness. A distribution made under this Article XIII to holders of Senior Indebtedness which otherwise would have been made to Holders of Subordinated Debt Securities is not, as between the Issuers and such Holders, a payment by the Issuers on Senior Indebtedness.

SECTION 13.07. Relative Rights. This Article XIII defines the relative

rights of Holders of Subordinated Debt Securities and holders of Senior Indebtedness. Nothing in the Indenture shall:

(1) impair, as between the Issuers and Holders of Subordinated Debt Securities, the obligation of the Issuers, which is absolute and unconditional, to pay principal of, and premium, if any, and interest on, the Subordinated Debt Securities in accordance with their terms; or

(2) prevent the Trustee or any Holder of Subordinated Debt Securities from exercising its available remedies upon an Event of Default, subject to the rights of holders of Senior Indebtedness to receive distributions otherwise payable to Holders of Subordinated Debt Securities.

SECTION 13.08. Subordination May Not Be Impaired by Issuers. No right

of any holder of Senior Indebtedness to enforce the subordination of the indebtedness evidenced by

the Subordinated Debt Securities shall be impaired by any act or failure to act by the Issuers or by their failure to comply with the Indenture.

SECTION 13.09. Rights of Trustee and Paying Agent. Notwithstanding

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Section 13.03, the Trustee or any paying agent may continue to make payments on Subordinated Debt Securities and shall not be charged with knowledge of the existence of facts that would prohibit the making of any such payments unless, not less than two Business Days prior to the date of such payment, a Responsible Officer of the Trustee receives notice satisfactory to it that payments may not be made under this Article XIII. The Issuers, the Registrar, any paying agent, a Representative or a holder of Senior Indebtedness may give the notice; provided, however, that, if an issue of Senior Indebtedness has a Representative, only the Representative may give the notice.

The Trustee in its individual or any other capacity may hold Senior Indebtedness with the same rights it would have if it were not Trustee. The Registrar and any paying agent may do the same with like rights. The Trustee shall be entitled to all the rights set forth in this Article XIII with respect to any Senior Indebtedness which may at any time be held by it, to the same extent as any other holder of Senior Indebtedness; and nothing in Article VII shall deprive the Trustee of any of its rights as such holder. Nothing in this Article XIII shall apply to claims of, or payments to, the Trustee under or pursuant to Section 7.06.

SECTION 13.10. Distribution or Notice to Representative. Whenever a

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distribution is to be made or a notice given to holders of Senior Indebtedness, the distribution may be made and the notice given to their Representative (if any).

SECTION 13.11. Article XIII Not to Prevent Defaults or Limit Right to

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Accelerate. The failure to make a payment pursuant to the Debt Securities by  
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reason of any provision in this Article XIII shall not be construed as preventing the occurrence of a Default. Nothing in this Article XIII shall have any effect on the right of the Holders or the Trustee to accelerate the maturity of the Subordinated Debt Securities.

SECTION 13.12. Trust Moneys Not Subordinated. Notwithstanding anything

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contained herein to the contrary, payments from money or the proceeds of U.S. Government Obligations held in a defeasance trust or in trust under Article XI by the Trustee for the payment of principal of, and premium, if any, and interest on, the Subordinated Debt Securities shall not be subordinated to the prior payment of any Senior Indebtedness or subject to the restrictions set forth in this Article XIII, and none of the Holders thereof shall be obligated to pay over any such amount to the Issuers or any holder of Senior Indebtedness or any other creditor of the Issuers.

SECTION 13.13. Trustee Entitled to Rely. Upon any payment or

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distribution pursuant to this Article XIII, the Trustee and the Holders shall be entitled to rely (i) upon any order or decree of a court of competent jurisdiction in which any proceedings of the nature referred to in Section 13.02 are pending, (ii) upon a certificate of the liquidating trustee or agent or other Person making such payment or distribution to the Trustee or to such Holders or (iii) upon the Representatives for the holders of Senior Indebtedness for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of the Senior

Indebtedness and other indebtedness of the Issuers, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article XIII. In the event that the Trustee determines, in good faith, that evidence is required with respect to the right of any Person as a holder of Senior Indebtedness to participate in any payment or distribution pursuant to this Article XIII, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and other facts pertinent to the rights of such Person under this Article XIII, 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. The provisions of Sections 7.01 and 7.02 shall be applicable to all actions or omissions of actions by the Trustee pursuant to this Article XIII.

SECTION 13.14. Trustee to Effectuate Subordination. Each Holder by  
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accepting a Subordinated Debt Security authorizes and directs the Trustee on its behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination between the Holders of Subordinated Debt Securities and the holders of Senior Indebtedness as provided in this Article XIII and appoints the Trustee as attorney-in-fact for any and all such purposes.

SECTION 13.15. Trustee Not Fiduciary for Holders of Senior  
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Indebtedness. The Trustee shall not be deemed to owe any fiduciary duty to the  
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holders of Senior Indebtedness and shall not be liable to any such holders if it shall mistakenly pay over or distribute to Holders of Subordinated Debt Securities or the Issuers or any other Person, money or assets to which any holders of Senior Indebtedness shall be entitled by virtue of this Article XIII or otherwise.

SECTION 13.16. Reliance by Holders of Senior Indebtedness on  
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Subordination Provisions. Each Holder by accepting a Subordinated Debt Security  
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acknowledges and agrees that the foregoing subordination provisions are, and are intended to be, an inducement and a consideration to each holder of any Senior Indebtedness, whether such Senior Indebtedness was created or acquired before or after the issuance of the Subordinated Debt Securities, to acquire and continue to hold, or to continue to hold, such Senior Indebtedness and such holder of Senior Indebtedness shall be deemed conclusively to have relied on such subordination provisions in acquiring and continuing to hold, or in continuing to hold, such Senior Indebtedness.

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The Trustee hereby accepts the trusts in the Indenture upon the terms and conditions herein set forth.

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

PLAINS ALL AMERICAN PIPELINE, L.P.

By: PLAINS PAA, L.P.,  
its General Partner

By: PLAINS ALL AMERICAN GP LLC,  
its General Partner

By \_\_\_\_\_  
Name:  
Title:

FIRST UNION NATIONAL BANK

By \_\_\_\_\_  
Name:  
Title:

VINSON & ELKINS  
ATTORNEYS AT LAW

VINSON & ELKINS L.L.P.  
2300 FIRST CITY TOWER  
1001 FANNIN STREET  
HOUSTON, TEXAS 77002-6760  
TELEPHONE (713) 758-2222  
FAX (713) 758-2346

August 27, 2001

Plains All American Pipeline, L.P.  
PAA Finance Corp.  
Plains Marketing, L.P.  
All American Pipeline, L.P.  
Plains Marketing GP Inc.  
Plains Marketing Canada LLC  
Plains Marketing Canada, L.P.  
PMC (Nova Scotia) Company  
(See attached addresses)

Ladies and Gentlemen:

We have acted as counsel for Plains All American Pipeline, L.P., a Delaware limited partnership (the "Partnership"), with respect to certain legal matters

in connection with the registration by the Partnership under the Securities Act of 1933, as amended (the "Securities Act"), of the offer and sale by the

Partnership from time to time, pursuant to Rule 415 under the Securities Act, of

- (1) common units representing limited partner interests in the Partnership (the "Units");
- (2) debt securities, which may be co-issued by PAA Finance Corp., a Delaware corporation ("PAA Finance"), in one or more series, consisting of notes, debentures or other evidences of indebtedness (the "Debt Securities"); and
- (3) guarantees (the "Guarantees") of the Debt Securities by Plains Marketing, L.P., a Delaware limited partnership ("Plains Marketing"), All American Pipeline, L.P., a Texas limited partnership ("All American Pipeline"), Plains Marketing GP Inc., a Delaware corporation ("Plains Marketing GP Inc."), Plains Marketing Canada LLC, a Delaware limited liability company ("Plains Marketing Canada LLC"), Plains Marketing Canada, L.P., a Canadian limited partnership ("Plains Marketing

Canada, L.P."), and PMC (Nova Scotia) Company, a Nova Scotia  
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unlimited liability company ("PMC Nova Scotia" and, together with  
-----  
Plains Marketing, All American Pipeline, Plains Marketing GP Inc.,  
Plains Marketing Canada LLC and Plains Marketing Canada, L.P., the  
"Subsidiary Guarantors"). The Units, Debt Securities and Guarantees  
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are collectively referred to herein as the "Securities." We have also  
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participated in the preparation of the Prospectus (the "Prospectus")  
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contained in the Partnership's Registration Statement on Form S-3 (the  
"Registration Statement") to which this opinion is an exhibit.  
-----  
Capitalized terms not defined herein shall have the meanings ascribed  
to them in the Prospectus.

We have examined the Registration Statement, the Prospectus, the Third  
Amended and Restated Agreement of Limited Partnership of the Partnership (the  
"Partnership Agreement"), the Certificate of Limited Partnership of the  
-----  
Partnership (the "Certificate") filed with the Secretary of State of Delaware  
-----  
pursuant to the Delaware Revised Uniform Limited Partnership Act in connection  
with the formation of the Partnership, other formation documents and agreements  
of limited partnership, as applicable, of PAA Finance and the Subsidiary  
Guarantors and such other documents as we have deemed necessary or appropriate  
for purposes of this opinion. In addition, we have reviewed certain  
certificates of officers of the general partner of the Partnership and of public  
officials, and we have relied on such certificates with respect to certain  
factual matters that we have not independently established.

In connection with this opinion, we have assumed that

- (1) the Registration Statement, and any amendments thereto (including post-effective amendments), will have become effective;
- (2) a Prospectus Supplement will have been prepared and filed with the Commission describing the Securities offered thereby;
- (3) all Securities will be issued and sold in compliance with applicable federal and state securities laws and in the manner stated in the Registration Statement and the appropriate Prospectus Supplement;
- (4) a definitive purchase, underwriting or similar agreement with respect to any Securities offered will have been duly authorized and validly executed and delivered by the Partnership and the other parties thereto; and
- (5) any Securities issuable upon conversion, exchange or exercise of any Security being offered will be duly authorized, created and, if appropriate, reserved for issuance upon such conversion, exchange or exercise.

Based upon and subject to the foregoing, we are of the opinion that:

- (1) With respect to the Units, when (i) the Partnership has taken all necessary action to approve the issuance of such Units, the terms of the offering thereof and related matters and (ii) the Units have been issued and delivered in accordance with the terms of the applicable definitive purchase, underwriting or similar agreement



approved by the Partnership upon payment of the consideration therefor provided for therein, then the Units will be validly issued, fully paid and non-assessable.

- (2) With respect to the Debt Securities and the Guarantees, when (i) the applicable Indenture has been duly qualified under the Trust Indenture Act of 1939, as amended; (ii) the Partnership, PAA Finance and the Subsidiary Guarantors, as applicable, have taken all necessary action to approve the issuance and terms of such Debt Securities and Guarantees, the terms of the offering thereof and related matters; and (iii) such Debt Securities and Guarantees have been duly executed, authenticated, issued and delivered in accordance with the provisions of the applicable Indenture and the applicable definitive purchase, underwriting or similar agreement approved by the Partnership, PAA Finance and the Subsidiary Guarantors, as applicable, upon payment of the consideration therefor provided for therein, such Debt Securities and Guarantees will be legally issued and will constitute valid and legally binding obligations of the Partnership, PAA Finance and the Subsidiary Guarantors, as applicable, enforceable against the Partnership, PAA Finance and the Subsidiary Guarantors, as applicable, in accordance with their terms, except as such enforcement may be subject to any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance or other law relating to or affecting creditors' rights generally and general principles of equity.

The opinions expressed herein are qualified in the following respects:

- (1) We have assumed, without independent verification, that the certificates for the Units will conform to the specimens thereof examined by us and will have been duly countersigned by a transfer agent and duly registered by a registrar of the Units.
- (2) We have assumed that (i) each document submitted to us for review is accurate and complete, each such document that is an original is authentic, each such document that is a copy conforms to an authentic original and all signatures on each such document are genuine and (ii) each certificate from governmental officials reviewed by us is accurate, complete and authentic, and all official public records are accurate and complete.
- (3) This opinion is limited in all respects to federal laws, the Delaware Revised Uniform Limited Partnership Act and the Constitution of the State of Delaware, as interpreted by the courts of the State of Delaware and of the United States.

We hereby consent to the references to this firm under the caption "Legal Matters" in the Prospectus and to the filing of this opinion as an Exhibit to the Registration Statement. By giving such consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Securities and Exchange Commission issued thereunder.

Very truly yours,

/s/ Vinson & Elkins L.L.P.

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Vinson & Elkins L.L.P.

Addresses

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Plains All American Pipeline, L.P.  
333 Clay Street  
Suite 2900  
Houston, Texas 77002  
Phone: (713) 646-4100  
Fax: (713) 646-4572

PAA Finance Corp.  
333 Clay Street  
Suite 2900  
Houston, Texas 77002  
Phone: (713) 646-4100  
Fax: (713) 646-4572

Plains Marketing, L.P.  
333 Clay Street  
Suite 2900  
Houston, Texas 77002  
Phone: (713) 646-4100  
Fax: (713) 646-4572

All American Pipeline, L.P.  
333 Clay Street  
Suite 2900  
Houston, Texas 77002  
Phone: (713) 646-4100  
Fax: (713) 646-4572

Plains Marketing GP Inc.  
333 Clay Street  
Suite 2900  
Houston, Texas 77002  
Phone: (713) 646-4100  
Fax: (713) 646-4572

Plains Marketing Canada LLC  
333 Clay Street  
Suite 2900  
Houston, Texas 77002  
Phone: (713) 646-4100  
Fax: (713) 646-4572

Plains Marketing Canada, L.P.  
1200 Bow Valley Square IV  
250 6th Ave. SW  
Calgary, Alberta T2P 3H7  
Canada

PMC (Nova Scotia) Company  
1959 Upper Water Street  
Suite 800  
Halifax, Nova Scotia B3J 2X2  
Canada

Vinson & Elkins L.L.P.  
1001 Fannin, Suite 2300  
Houston, Texas 77002-6760

Plains All American Pipeline, L.P.  
500 Dallas Street, Suite 700  
Houston, TX 77002

RE: PLAINS ALL AMERICAN PIPELINE, L.P.; REGISTRATION STATEMENT ON FORM S-3

Ladies and Gentlemen:

We have acted as counsel to Plains All American Pipeline, L.P. (the "Company") in connection with the offer and sale of up to \$700,000,000 of debt securities and common units representing limited partner interests in the Company pursuant to a Registration Statement on Form S-3 (the "Registration Statement") originally filed with the Securities and Exchange Commission under the Securities Act of 1933 on August 20, 2001. In connection therewith, we prepared the discussion set forth under the caption "Tax Considerations" in the Registration Statement (the "Discussion"). Capitalized terms not defined herein shall have the meanings ascribed to them in the Registration Statement.

All statements of legal conclusions contained in the Discussion, unless otherwise noted, reflect our opinion with respect to the matters set forth therein as of the effective date of the Registration Statement. In addition, we are of the opinion that the federal income tax discussion in the Registration Statement with respect to those matters as to which no legal conclusions are provided is an accurate discussion of such federal income tax matters (except for the representations and statements of fact of the Company and its General Partner, included in such discussion, as to which we express no opinion).

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name in the Registration Statement. This consent does not constitute an admission that we are "experts" within the meaning of such term as used in the Securities Act of 1933, as amended.

Very truly yours,

/s/ VINSON & ELKINS L.L.P.

VINSON & ELKINS L.L.P.

## STATEMENT OF COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	PREDECESSOR			PLAINS ALL AMERICAN PIPELINE			
	YEAR ENDED DECEMBER 31,		JANUARY 1 TO NOVEMBER 22,	NOVEMBER 23, 1998 TO DECEMBER 31,	YEAR ENDED DECEMBER 31,		SIX MONTHS ENDED JUNE 30,
	1996	1997	1998	1998	1999	2000	2001
<b>EARNINGS</b>							
Income from Continuing Operations	1,948	3,408	6,888	1,777	(101,815)	92,649	19,574
Fixed Charges	3,659	4,635	11,949	1,496	25,974	33,283	17,259
Total Earnings	5,607	8,043	18,837	3,273	(75,841)	125,932	36,833
<b>FIXED CHARGES</b>							
Interest Expense	3,559	4,516	11,260	1,371	21,139	28,691	14,707
Amortization of Debt Expense	-	-	568	114	2,201	2,051	1,283
Rental Interest Factor	100	119	121	11	2,634	2,541	1,269
Total Fixed Charges	3,659	4,635	11,949	1,496	25,974	33,283	17,259
RATIO: EARNINGS/FIXED CHARGES (1)	1.53x	1.74x	1.58x	2.19x	-	3.78x	2.13x

## FOOTNOTE:

(1) In 1999, available earnings failed to cover fixed charges by \$101.8 million. Included in the earnings for 1999 was \$166.4 million in unauthorized trading losses, a \$16.5 million gain on the sale of linefill and restructuring expenses of \$1.4 million. Income from continuing operations before extraordinary items used to calculate the ratio of earnings to fixed charges for the year ended December 31, 2000 includes a gain on sale of assets of \$48.2 million.

Subsidiaries of Plains All American Pipeline, L.P.

Name	Jurisdiction
- - - - -	- - - - -
PAA Finance Corp.	Delaware
Plains Marketing, L.P.	Delaware
All American Pipeline, L.P.	Texas
Plains Marketing Canada LLC	Delaware
Plains Marketing Canada, L.P.	Canada
PMC (Nova Scotia) Company	Nova Scotia
Plains Marketing GP Inc.	Delaware
3794865 Canada Ltd.	Canada

## CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our reports dated March 22, 2001, except Note 19 which is as of August 27, 2001, relating to the consolidated financial statements and the combined financial statements, which appear in the Current Report on Form 8-K of Plains All American Pipeline, L.P. dated August 27, 2001. We also consent to the incorporation by reference of our report dated August 27, 2001 relating to the balance sheet of Plains AAP, L.P., which appears in Plains All American Pipeline L.P.'s Current Report on Form 8-K dated August 27, 2001. In addition, we hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (File Nos 333-91141 and 333-54118) of Plains All American Pipeline, L.P. of our report dated March 22, 2001, except Note 19 which is as of August 27, 2001, relating to the consolidated financial statements and the combined financial statements, which appears in the Current Report on Form 8-K of Plains All American Pipeline, L.P. dated August 27, 2001. We also consent to the references to us under the headings "Experts" in such Registration Statement.

Houston, Texas  
August 27, 2001

Registration No. 333-

FORM T-1

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Statement of Eligibility Under the  
Trust Indenture Act of 1939 of a  
Corporation Designated to Act as Trustee

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

First Union National Bank  
(Exact name of trustee as specified in its charter)

United States of America  
(Jurisdiction of incorporation or organization if not a U.S. national bank)

22-1147033  
(I.R.S. Employer Identification Number)

One First Union  
301 South College Street  
Charlotte, North Carolina  
(Address of principal executive offices)

28288  
(Zip code)

Kevin M. Dobra  
First Union National Bank  
Corporate Trust Group  
5847 San Felipe, Suite 1050  
Houston, Texas 77057  
(713) 278-4320  
(Name, address and telephone number of agent for service)

Plains All American Pipeline, L. P.  
(Exact name of each obligor as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)

76-0669671  
(I.R.S. Employer Identification No.)

333 Clay Street, Suite 2900  
Houston, Texas 77002  
(Address of principal executive offices)

77002  
(Zip code)

Senior Debt Securities  
(Title of the indenture securities)



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

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

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

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

The Trustee is authorized to exercise corporate trust powers.

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

The obligor is not an affiliate of the trustee.

Item 3. Voting securities of the trustee. Furnish the following information as to each class of voting securities of the trustee:

As of \_\_\_\_\_ (Insert date within 31 days).

COL. A TITLE OF CLASS	COL. B AMOUNT OUTSTANDING
--------------------------	------------------------------

Not Applicable

Item 4. Trusteeships under other indentures. If the trustee is a trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the obligor are outstanding, furnish the following information:

a. Title of the securities outstanding under each such other indenture.

Not Applicable.

b. A brief statement of the facts relied upon as a basis for the claim that no conflicting interest within the meaning of Section 310(b)(1) of the Act arises as a result of the trusteeship under any such other indenture, including a statement as to how the indenture securities will rank as compared with the securities issued under such other indenture.

Not Applicable.

Item 5. Interlocking directorates and similar relationships with the obligor or underwriters. If the trustee or any of the directors or executive officers of the trustee is a director, officer, partner, employee, appointee, or representative of the obligor or any underwriter for the obligor, identify each such person having any such connection and state the nature of each such connection.

Not Applicable

Item 6. Voting securities of the trustee owned by the obligor or its officials. Furnish the following information as to the voting securities of the trustee owned beneficially by the obligor and each director, partner, and executive officer of the obligor.

As of \_\_\_\_\_ (Insert date within 31 days).

COL. A	COL. B	COL. C	COL. D
NAME OF OWNER	TITLE OF CLASS	AMOUNT OWNED BENEFICIALLY	PERCENTAGE OF VOTING SECURITIES REPRESENTED BY AMOUNT GIVEN IN COL. C

Not Applicable.

Item 7. Voting securities of the trustee owned by underwriters or their officials. Furnish the following information as to the voting securities of the trustee owned beneficially by each underwriter for the obligor and each director, partner, and executive officer of each such underwriter:

As of \_\_\_\_\_ (Insert date within 31 days).

COL. A	COL. B	COL. C	COL. D
NAME OF OWNER	TITLE OF CLASS	AMOUNT OWNED BENEFICIALLY	PERCENTAGE OF VOTING SECURITIES REPRESENTED BY AMOUNT GIVEN IN COL. C

Not Applicable

Item 8. Securities of the obligor owned or held by the trustee. Furnish the following information as to securities of the obligor owned beneficially or held as collateral security for obligations in default by the trustee:

As of \_\_\_\_\_ (Insert date within 31 days).

COL. A	COL. B	COL. C	COL. D
TITLE OF CLASS	WHETHER THE SECURITIES ARE VOTING OR NONVOTING SECURITIES	AMOUNT OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT	PERCENT OF CLASS REPRESENTED BY AMOUNT GIVEN IN COL. C

Not Applicable.

Item 9. Securities of underwriters owned or held by the trustee. If the trustee owns beneficially or hold as collateral security for obligations in default any securities of an underwriter for the obligor, furnish the following information as to each class of securities of such underwriter any of which are so owned or held by the trustee:

As of \_\_\_\_\_ (Insert date within 31 days).

COL. A	COL. B	COL. C	COL. D
TITLE OF ISSUER AND TITLE OF CLASS	AMOUNT OUTSTANDING	AMOUNT OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT BY TRUSTEE	PERCENT OF CLASS REPRESENTED BY AMOUNT GIVEN IN COL. C

Not Applicable

Item 10. Ownership or holdings by the trustee of voting securities of certain affiliates or security holders of the obligor. If the trustee owns beneficially or holds as collateral security for obligations in default voting securities of a person who, to the knowledge of the trustee (1) owns 10 percent or more of the voting securities of the obligor or (2) is an affiliate, other than a subsidiary, of the obligor, furnish the following information as to the voting securities of such person:

As of \_\_\_\_\_ (Insert date within 31 days).

COL. A	COL. B	COL. C	COL. D
TITLE OF ISSUER AND TITLE OF CLASS	AMOUNT OUTSTANDING	AMOUNT OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT BY TRUSTEE	PERCENT OF CLASS REPRESENTED BY AMOUNT GIVEN IN COL. C

Not Applicable

Item 11. Ownership or holdings by the trustee of any securities of a person owning 50 percent or more of the voting securities of the obligor. If the trustee owns beneficially or holds as collateral security for obligations in default any securities of a person who, to the knowledge of the trustee, owns 50 percent or more of the voting securities of the obligor, furnish the following information as to each class of securities of such person any of which are so owned or held by the trustee:

As of \_\_\_\_\_ (Insert date within 31 days).

COL. A	COL. B	COL. C	COL. D
TITLE OF ISSUER AND TITLE OF CLASS	AMOUNT OUTSTANDING	AMOUNT OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT BY TRUSTEE	PERCENT OF CLASS REPRESENTED BY AMOUNT GIVEN IN COL. C

Not Applicable

Item 12. Indebtedness of the Obligor to the Trustee. Except as noted in the instructions, if the obligor is indebted to the trustee, furnish the following information:

As of \_\_\_\_\_(Insert date within 31 days).

COL. A NATURE OF INDEBTEDNESS	COL. B AMOUNT OUTSTANDING	COL. C DATE DUE
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Not Applicable

Item 13 Defaults by the Obligor.

a. State whether there is or has been a default with respect to the securities under this indenture. Explain the nature of any such default.

None.

b. If the trustee is a trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the obligor are outstanding, or is trustee for more than one outstanding series of securities under the indenture, state whether there has been a default under any such indenture or series, identify the indenture or series affected, and explain the nature of any such default.

Not Applicable

Item 14. Affiliations with the Underwriters. If any underwriter is an affiliate of the trustee, describe each such affiliation.

Not Applicable

Item 15. Foreign Trustee. Identify the order or rule pursuant to which the foreign trustee is authorized to act as sole trustee under indentures qualified or to be qualified under the Act.

Not Applicable

Item 16. List of exhibits. List below all exhibits filed as a part of this statement of eligibility.

1. Articles of Association of First Union National Bank as now in effect.\*
2. Certificate of Authority of the trustee to commence business.\*
3. Copy of the authorization of the trustee to exercise corporate trust powers.\*
4. Existing bylaws of the trustee.
5. Not Applicable.
6. The consent of the trustee required by Section 321(b) of the Act.
7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.
8. Not Applicable.

9. Not Applicable.

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\* Previously filed with the Securities and Exchange Commission as an Exhibit to Form T-1 in connection with Registration Statement Number 333-47985 incorporated herein by reference.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the trustee, First Union National Bank, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the city of Houston, and State of Texas, on the 17/th/ day of August, 2001.

FIRST UNION NATIONAL BANK  
(Trustee)

By: /s/ Kevin M. Dobrava

-----  
Kevin M. Dobrava, Vice President  
(Name and Title)

EXHIBIT 6

First Union National Bank, pursuant to the requirements of Section 321(b) of the Trust Indenture Act of 1939, as amended (the "Act") in connection with the proposed issuance by Plains All American Pipeline, L.P. of its Senior Debt Securities to be issued hereby consents that reports of examination by federal, state, territorial, or district authorities may be furnished by such authorities to the Securities and Exchange Commission upon request therefor, as contemplated by Section 321(b) of the Act.

Dated: August 17, 2001

FIRST UNION NATIONAL BANK

By: /s/ Kevin M. Dobrava

-----  
Kevin M. Dobrava, Vice President

EXHIBIT 4  
BY-LAWS OF  
FIRST UNION NATIONAL BANK  
Charter No. 1  
Effective June 19, 2001

BY-LAWS OF  
FIRST UNION NATIONAL BANK

ARTICLE I

Meetings of Shareholders  
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Section 1.1 Annual Meeting. The annual meeting of the shareholders for the  
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election of directors and for the transaction of such other business as may properly come before the meeting shall be held on the third Tuesday of April in each year, commencing with the year 1998, except that the Board of Directors may, from time to time and upon passage of a resolution specifically setting forth its reasons, set such other date for such meeting during the month of April as the Board of Directors may deem necessary or appropriate; provided, however, that if an annual meeting would otherwise fall on a legal holiday, then such annual meeting shall be held on the second business day following such legal holiday. The holders of a majority of the outstanding shares entitled to vote which are represented at any meeting of the shareholders may choose persons to act as Chairman and as Secretary of the meeting.

Section 1.2 Special Meetings. Except as otherwise specifically provided by  
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statute, special meetings of the shareholders may be called for any purpose at any time by the Board of Directors or by any three or more shareholders owning, in the aggregate, not less than ten percent of the stock of the Association. Every such special meeting, unless otherwise provided by law, shall be called by mailing, postage prepaid, not less than ten days prior to the date fixed for such meeting, to each shareholder at his address appearing on the books of the Association, a notice stating the purpose of the meeting.

Section 1.3 Nominations for Directors. Nominations for election to the  
-----

Board of Directors may be made by the Board of Directors or by any stockholder of any outstanding class of capital stock of the bank entitled to vote for the election of directors. Nominations, other than those made by or on behalf of the existing management of the bank, shall be made in writing and shall be delivered or mailed to the President of the Bank and to the Comptroller of the Currency, Washington, D. C., not less than 14 days nor more than 50 days prior to any meeting of stockholders called for the election of directors, provided however, that if less than 21 days' notice of such meeting is given to shareholders, such nomination shall be mailed or delivered to the President of the Bank and to the Comptroller of the Currency not later than the close of business on the seventh day following the day on which the notice of meeting was mailed. Such notification shall contain the following information to the extent known to the notifying shareholder: (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the total number of shares of capital stock of the bank that will be voted for each proposed nominee; (d) the name and residence address of the notifying shareholder; and (e) the number of shares of capital stock of the bank owned by the notifying shareholder. Nominations not made in accordance herewith may, in his discretion, be disregarded by the chairman of the meeting, and upon his instructions, the vote tellers may disregard all votes cast for each such nominee.

Section 1.4 Judges of Election. The Board may at any time appoint from  
-----

among the shareholders three or more persons to serve as Judges of Election at any meeting of shareholders;



to act as judges and tellers with respect to all votes by ballot at such meeting and to file with the Secretary of the meeting a Certificate under their hands, certifying the result thereof.

Section 1.5 Proxies. Shareholders may vote at any meeting of the

shareholders by proxies duly authorized in writing, but no officer or employee of this Association shall act as proxy. Proxies shall be valid only for one meeting, to be specified therein, and any adjournments of such meeting. Proxies shall be dated and shall be filed with the records of the meeting.

Section 1.6 Quorum. A majority of the outstanding capital stock,

represented in person or by proxy, shall constitute a quorum at any meeting of shareholders, unless otherwise provided by law; but less than a quorum may adjourn any meeting, from time to time, and the meeting may be held, as adjourned, without further notice. A majority of the votes cast shall decide every question or matter submitted to the shareholders at any meeting, unless otherwise provided by law or by the Articles of Association.

ARTICLE II

Directors

Section 2.1 Board of Directors. The Board of Directors (hereinafter

referred to as the "Board"), shall have power to manage and administer the business and affairs of the Association. Except as expressly limited by law, all corporate powers of the Association shall be vested in and may be exercised by said Board.

Section 2.2 Number. The Board shall consist of not less than five nor more

than twenty-five directors, the exact number within such minimum and maximum limits to be fixed and determined from time to time by resolution of a majority of the full Board or by resolution of the shareholders at any meeting thereof; provided, however, that a majority of the full Board of Directors may not increase the number of directors to a number which, (1) exceeds by more than two the number of directors last elected by shareholders where such number was fifteen or less, and (2) to a number which exceeds by more than four the number of directors last elected by shareholders where such number was sixteen or more, but in no event shall the number of directors exceed twenty-five.

Section 2.3 Organization Meeting. The Secretary of the meeting upon

receiving the certificate of the judges, of the result of any election, shall notify the directors-elect of their election and of the time at which they are required to meet at the Main Office of the Association for the purpose of organizing the new Board and electing and appointing officers of the Association for the succeeding year. Such meeting shall be held as soon thereafter as practicable. If, at the time fixed for such meeting, there shall not be a quorum present, the directors present may adjourn the meeting from time to time, until a quorum is obtained.

Section 2.4 Regular Meetings. Regular meetings of the Board of Directors

shall be held at such place and time as may be designated by resolution of the Board of Directors. Upon adoption of such resolution, no further notice of such meeting dates or the places or times thereof shall be required. Upon the failure of the Board of Directors to adopt such a resolution, regular meetings of the Board of Directors shall be held, without notice, on the third Tuesday in February, April, June, August, October and December, commencing with the year 1997, at the main office or at such other place and time as may be designated by the Board of Directors. When any regular meeting of the Board would otherwise fall on a holiday, the meeting shall be held on the next business day unless the Board shall designate some other day.

Section 2.5 Special Meetings. Special meetings of the Board of Directors

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may be called by the President of the Association, or at the request of three (3) or more directors. Each member of the Board of Directors shall be given notice stating the time and place, by telegram, letter, or in person, of each such special meeting.

Section 2.6 Quorum. A majority of the directors shall constitute a quorum

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at any meeting, except when otherwise provided by law; but a less number may adjourn any meeting, from time to time, and the meeting may be held, as adjourned, without further notice.

Section 2.7 Vacancies. When any vacancy occurs among the directors, the

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remaining members of the Board, in accordance with the laws of the United States, may appoint a director to fill such vacancy at any regular meeting of the Board, or at a special meeting called for that purpose.

Section 2.8 Advisory Boards. The Board of Directors may appoint Advisory

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Boards for each of the states in which the Association conducts operations. Each such Advisory Board shall consist of as many persons as the Board of Directors may determine. The duties of each Advisory Board shall be to consult and advise with the Board of Directors and senior officers of the Association in such state with regard to the best interests of the Association and to perform such other duties as the Board of Directors may lawfully delegate.

The senior officer in such state, or such officers as directed by such senior officer, may appoint advisory boards for geographic regions within such state and may consult with the State Advisory Boards prior to such appointments.

ARTICLE III

Committees of the Board

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Section 3.1 The Board of Directors, by resolution adopted by a majority of

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the number of directors fixed by these By-Laws, may designate two or more directors to constitute an Executive Committee and other committees, each of which, to the extent authorized by law and provided in such resolution, shall have and may exercise all of the authority of the Board of Directors and the management of the Association. The designation of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility or liability imposed upon it or any member of the Board of Directors by law. The Board of Directors reserves to itself alone the power to act on (1) dissolution, merger or consolidation, or disposition of substantially all corporate property, (2) designation of committees or filling vacancies on the Board of Directors or on a committee of the Board (except as hereinafter provided), (3) adoption, amendment or repeal of By-laws, (4) amendment or repeal of any resolution of the Board which by its terms is not so amendable or repealable, and (5) declaration of dividends, issuance of stock, or recommendations to stockholders of any action requiring stockholder approval.

The Board of Directors or the Chairman of the Board of Directors of the Association may change the membership of any committee at any time, fill vacancies therein, discharge any committee or member thereof either with or without cause at any time, and change at any time the authority and responsibility of any such committee.

A majority of the members of any committee of the Board of Directors may fix such committee's rules of procedure. All action by any committee shall be reported to the Board of Directors at a meeting succeeding such action, except such actions as the Board may not require

to be reported to it in the resolution creating any such committee. Any action by any committee shall be subject to revision, alteration, and approval by the Board of Directors, except to the extent otherwise provided in the resolution creating such committee; provided, however, that no rights or acts of third parties shall be affected by any such revision or alteration.

#### ARTICLE IV

##### Officers and Employees -----

Section 4.1 Officers. The officers of the Association may be a Chairman of  
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the Board, a Vice Chairman of the Board, one or more Chairmen or Vice Chairmen (who shall not be required to be directors of the Association), a President, one or more Vice Presidents, a Secretary, a Cashier or Treasurer, and such other officers, including officers holding similar or equivalent titles to the above in regions, divisions or functional units of the Association, as may be appointed by the Board of Directors. The Chairman of the Board and the President shall be members of the Board of Directors. Any two or more offices may be held by one person, but no officer shall sign or execute any document in more than one capacity.

Section 4.2 Election, Term of Office, and Qualification. Each officer  
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shall be chosen by the Board of Directors and shall hold office until the annual meeting of the Board of Directors held next after his election or until his successor shall have been duly chosen and qualified, or until his death, or until he shall resign, or shall have been disqualified, or shall have been removed from office.

Section 4.2(a) Officers Acting as Assistant Secretary. Notwithstanding  
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Section 1 of these By-laws, any Senior Vice President, Vice President, or Assistant Vice President shall have, by virtue of his office, and by authority of the By-laws, the authority from time to time to act as an Assistant Secretary of the Bank, and to such extent, said officers are appointed to the office of Assistant Secretary.

Section 4.3 Chief Executive Officer. The Board of Directors shall  
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designate one of its members to be the President of this Association, and the officer so designated shall be an ex officio member of all committees of the Association except the Examining Committee, and its Chief Executive Officer unless some other officer is so designated by the Board of Directors.

Section 4.4 Duties of Officers. The duties of all officers shall be  
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prescribed by the Board of Directors. Nevertheless, the Board of Directors may delegate to the Chief Executive Officer the authority to prescribe the duties of other officers of the corporation not inconsistent with law, the charter, and these By-laws, and to appoint other employees, prescribe their duties, and to dismiss them. Notwithstanding such delegation of authority, any officer or employee also may be dismissed at any time by the Board of Directors.

Section 4.5 Other Employees. The Board of Directors may appoint from time  
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to time such tellers, vault custodians, bookkeepers, and other clerks, agents, and employees as it may deem advisable for the prompt and orderly transaction of the business of the Association, define their duties, fix the salary to be paid them, and dismiss them. Subject to the authority of the Board of Directors, the Chief Executive Officer or any other officer of the Association authorized by him, may appoint and dismiss all such tellers, vault custodians, bookkeepers and other clerks, agents, and employees, prescribe their duties and the conditions of their employment, and from time to time fix their compensation.

Section 4.6 Removal and Resignation. Any officer or employee of the

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Association may be removed either with or without cause by the Board of Directors. Any employee other than an officer elected by the Board of Directors may be dismissed in accordance with the provisions of the preceding Section 4.5. Any officer may resign at any time by giving written notice to the Board of Directors or to the Chief Executive Officer of the Association. Any such resignation shall become effective upon its being accepted by the Board of Directors, or the Chief Executive Officer.

ARTICLE V

Fiduciary Powers  
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Section 5.1 Capital Management Group. There shall be an area of this

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Association known as the Capital Management Group which shall be responsible for the exercise of the fiduciary powers of this Association. The Capital Management Group shall consist of four service areas: Fiduciary Services, Retail Services, Investments and Marketing. The Fiduciary Services unit shall consist of personal trust, employee benefits, corporate trust and operations. The General Office for the Fiduciary Services unit shall be located in Charlotte, N.C., with additional Trust Offices in such locations as the Association shall determine from time to time.

Section 5.2 Trust Officers. There shall be a General Trust Officer of this

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Association whose duties shall be to manage, supervise and direct all the activities of the Capital Management Group. Further, there shall be one or more Senior Trust Officers designated to assist the General Trust Officer in the performance of his duties. They shall do or cause to be done all things necessary or proper in carrying out the business of the Capital Management Group in accordance with provisions of applicable law and regulation.

Section 5.3 General Trust Committee. There shall be a General Trust

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Committee composed of not less than four (4) members of the Board of Directors or officers of this Association who shall be appointed annually, or from time to time, by the Board of Directors of this Association. Each member shall serve until his successor is appointed. The Board of Directors or the Chairman of the Board may change the membership of the General Trust Committee at any time, fill any vacancies therein, or discharge any member thereof with or without cause at any time. The General Trust Committee shall counsel and advise on all matters relating to the business or affairs of the Capital Management Group and shall adopt overall policies for the conduct of the business of the Capital Management Group, including, but not limited to: general administration, investment policies, new business development, and review for approval of major assignments of functional responsibilities. The General Trust Committee shall appoint the members of the following subcommittees: the Investment Policy Committee, Personal Trust Administration Committee, Account Review Committee, and Corporate and Institutional Accounts Committee. The General Trust Committee shall meet at least quarterly or as called for by its Chairman or any three (3) members of the Committee. A quorum shall consist of three (3) members. In carrying out its responsibilities, the General Trust Committee shall review the fiduciary activities of the Capital Management Group and may assign the administration and performance of any fiduciary powers or duties to any officers or employees of the Capital Management Group or to the Investment Policy Committee, Personal Trust Administration Committee, Account Review Committee, or Corporate and Institutional Accounts Committee, or other committees it may designate. One of the methods to be used in the review process will be the scrutiny of the Reports of Examination by the Office of the Comptroller of the Currency and the reports of the Audit Division of First Union Corporation, as they relate to the activities of the Capital Management Group. The Chairman of the General Trust Committee

shall be appointed by the Chairman of the Board of Directors. The Chairman of the General Trust Committee shall cause to be recorded in appropriate minutes all actions taken by the Committee. The minutes shall be signed by its Secretary, approved by its Chairman and submitted to the Board of Directors at its next regularly scheduled meeting following a meeting of the General Trust Committee. The Board of Directors retains responsibility for the proper exercise of this Association's fiduciary powers.

Section 5.4 Investment Policy Committee. There shall be an Investment

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Policy Committee composed of not less than seven (7) officers and/or employees of this Association, who shall be appointed annually or from time to time by the General Trust Committee. Each member shall serve until his or her successor is appointed. Meetings shall be called by the Chairman or by any two (2) members of the Committee. A quorum shall consist of five (5) members. The Investment Policy Committee shall exercise such fiduciary powers and perform such duties as may be assigned to it by the General Trust Committee. All actions taken by the Investment Policy Committee shall be recorded in appropriate minutes, signed by the Secretary thereof, approved by its Chairman, and submitted to the General Trust Committee at its next ensuing regular meeting for its review and approval."

Section 5.5 Personal Trust Administration Committee. There shall be a

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Personal Trust Administration Committee composed of not less than five (5) officers and/or employees of this Association, who shall be appointed annually or from time to time by the General Trust Committee. Each member shall serve until his or her successor is appointed. Meetings shall be called by the Chairman or by any three (3) members of the Committee. A quorum shall consist of three (3) members. The Personal Trust Administration Committee shall exercise such fiduciary powers and perform such duties as may be assigned to it by the General Trust Committee. All actions taken by the Personal Trust Administration Committee shall be recorded in appropriate minutes, signed by the Secretary thereof, approved by its Chairman, and submitted to the General Trust Committee at its next ensuing regular meeting for its review and approval."

Section 5.6 Account Review Committee. There shall be an Account Review

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Committee composed of not less than four (4) officers and/or employees of this Association, who shall be appointed annually or from time to time by the General Trust Committee. Each member shall serve until his or her successor is appointed. Meetings shall be called by the Chairman or by any two (2) members of the Committee. A quorum shall consist of three (3) members. The Account Review Committee shall exercise such fiduciary powers and perform such duties as may be assigned to it by the General Trust Committee. All actions taken by the Account Review Committee shall be recorded in appropriate minutes, signed by the Secretary thereof, approved by its Chairman, and submitted to the General Trust Committee at its next ensuing regular meeting for its review and approval."

Section 5.7 Corporate and Institutional Accounts Committee. There shall be

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a Corporate and Institutional Accounts Committee composed of not less than five (5) officers and/or employees of this Association, who shall be appointed annually or from time to time by the General Trust Committee. Each member shall serve until his or her successor is appointed. Meetings shall be called by the Chairman or by any two (2) members of the Committee. A quorum shall consist of three (3) members. The Corporate and Institutional Accounts Committee shall exercise such fiduciary powers and perform such duties as may be assigned to it by the General Trust Committee. All actions taken by the Corporate and Institutional Accounts Committee shall be recorded in appropriate minutes, signed by the Secretary thereof, approved by its Chairman, and submitted to the General Trust Committee at its next ensuing regular meeting for its review and approval."

ARTICLE VI

Stock and Stock Certificates

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Section 6.1 Transfers. Shares of stock shall be transferable on the books

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of the Association, and a transfer book shall be kept in which all transfers of stock shall be recorded. Every person becoming a shareholder by such transfer shall, in proportion to his shares, succeed to all rights and liabilities of the prior holder of such shares.

Section 6.2 Stock Certificates. Certificates of stock shall bear the

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signature of the Chairman, the Vice Chairman, the President, or a Vice President (which may be engraved, printed, or impressed), and shall be signed manually or by facsimile process by the Secretary, Assistant Secretary, Cashier, Assistant Cashier, or any other officer appointed by the Board of Directors for that purpose, to be known as an Authorized Officer, and the seal of the Association shall be engraved thereon. Each certificate shall recite on its face that the stock represented thereby is transferable only upon the books of the Association properly endorsed.

ARTICLE VII

Corporate Seal

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Section 7.1 The President, the Cashier, the Secretary, or any Assistant

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Cashier, or Assistant Secretary, or other officer thereunto designated by the Board of Directors shall have authority to affix the corporate seal to any document requiring such seal, and to attest the same. Such seal shall be substantially in the following form.

ARTICLE VIII

Miscellaneous Provisions

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Section 8.1 Fiscal Year. The fiscal year of the Association shall be the

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calendar year.

Section 8.2 Execution of Instruments. All agreements, indentures,

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mortgages, deeds, conveyances, transfers, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, notices, applications, schedules, accounts, affidavits, bonds, undertakings, proxies, and other instruments or documents may be signed, executed, acknowledged, verified, delivered or accepted in behalf of the Association by the Chairman of the Board, the Vice Chairman of the Board, any Chairman or Vice Chairman, the President, any Vice President or Assistant Vice President, the Secretary or any Assistant Secretary, the Cashier or Treasurer or any Assistant Cashier or Assistant Treasurer, or any officer holding similar or equivalent titles to the above in any regions, divisions or functional units of the Association, or, if in connection with the exercise of fiduciary powers of the Association, by any of said officers or by any Trust Officer or Assistant Trust Officer (or equivalent titles); provided, however, that where required, any such instrument shall be attested by one of said officers other than the officer executing such instrument. Any such instruments may also be executed, acknowledged, verified, delivered or

accepted in behalf of the Association in such other manner and by such other officers as the Board of Directors may from time to time direct. The provisions of this Section 8.2 are supplementary to any other provision of these By-laws.

Section 8.3 Records. The Articles of Association, the By-laws, and the

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proceedings of all meetings of the shareholders, the Board of Directors, standing committees of the Board, shall be recorded in appropriate minute books provided for the purpose. The minutes of each meeting shall be signed by the Secretary, Cashier, or other officer appointed to act as Secretary of the meeting.

#### ARTICLE IX

##### By-laws

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Section 9.1 Inspection. A copy of the By-laws, with all amendments

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thereto, shall at all times be kept in a convenient place at the Head Office of the Association, and shall be open for inspection to all shareholders, during banking hours.

Section 9.2 Amendments. The By-laws may be amended, altered or repealed,

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at any regular or special meeting of the Board of Directors, by a vote of a majority of the whole number of Directors.

Exhibit A

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First Union National Bank  
Article X  
Emergency By-laws

In the event of an emergency declared by the President of the United States or the person performing his functions, the officers and employees of this Association will continue to conduct the affairs of the Association under such guidance from the directors or the Executive Committee as may be available except as to matters which by statute require specific approval of the Board of Directors and subject to conformance with any applicable governmental directives during the emergency.

OFFICERS PRO TEMPORE AND DISASTER

Section 1. The surviving members of the Board of Directors or the Executive Committee shall have the power, in the absence or disability of any officer, or upon the refusal of any officer to act, to delegate and prescribe such officer's powers and duties to any other officer, or to any director, for the time being.

Section 2. In the event of a state of disaster of sufficient severity to prevent the conduct and management of the affairs and business of this Association by its directors and officers as contemplated by these By-laws, any two or more available members of the then incumbent Executive Committee shall constitute a quorum of that Committee for the full conduct and management of the affairs and business of the Association in accordance with the provisions of Article II of these By-laws; and in addition, such Committee shall be empowered to exercise all of the powers reserved to the General Trust Committee under Section 5.3 of Article V hereof. In the event of the unavailability, at such time, of a minimum of two members of the then incumbent Executive Committee, any three available directors shall constitute the Executive Committee for the full conduct and management of the affairs and business of the Association in accordance with the foregoing provisions of this section. This By-law shall be subject to implementation by resolutions of the Board of Directors passed from time to time for that purpose, and any provisions of these By-laws (other than this section) and any resolutions which are contrary to the provisions of this section or to the provisions of any such implementary resolutions shall be suspended until it shall be determined by an interim Executive Committee acting under this section that it shall be to the advantage of this Association to resume the conduct and management of its affairs and business under all of the other provisions of these By-laws.

Officer Succession

BE IT RESOLVED, that if consequent upon war or warlike damage or disaster, the Chief Executive Officer of this Association cannot be located by the then acting Head Officer or is unable to assume or to continue normal executive duties, then the authority and duties of the Chief Executive Officer shall, without further action of the Board of Directors, be automatically assumed by one of the following persons in the order designated:

Chairman



President

Division Head/Area Administrator - Within this officer class, officers shall take seniority on the basis of length of service in such office or, in the event of equality, length of service as an officer of the Association.

Any one of the above persons who in accordance with this resolution assumes the authority and duties of the Chief Executive Officer shall continue to serve until he resigns or until five-sixths of the other officers who are attached to the then acting Head Office decide in writing he is unable to perform said duties or until the elected Chief Executive Officer of this Association, or a person higher on the above list, shall become available to perform the duties of Chief Executive Officer of the Association.

BE IT FURTHER RESOLVED, that anyone dealing with this Association may accept a certification by any three officers that a specified individual is acting as Chief Executive Officer in accordance with this resolution; and that anyone accepting such certification may continue to consider it in force until notified in writing of a change, said notice of change to carry the signatures of three officers of the Association.

Alternate Locations

The offices of the Association at which its business shall be conducted shall be the main office thereof in each city which is designated as a City Office (and branches, if any), and any other legally authorized location which may be leased or acquired by this Association to carry on its business. During an emergency resulting in any authorized place of business of this Association being unable to function, the business ordinarily conducted at such location shall be relocated elsewhere in suitable quarters, in addition to or in lieu of the locations heretofore mentioned, as may be designated by the Board of Directors or by the Executive Committee or by such persons as are then, in accordance with resolutions adopted from time to time by the Board of Directors dealing with the exercise of authority in the time of such emergency, conducting the affairs of this Association. Any temporarily relocated place of business of this Association shall be returned to its legally authorized location as soon as practicable and such temporary place of business shall then be discontinued.

#### Acting Head Offices

BE IT RESOLVED, that in case of and provided because of war or warlike damage or disaster, the General Office of this Association, located in Charlotte, North Carolina, is unable temporarily to continue its functions, the Raleigh office, located in Raleigh, North Carolina, shall automatically and without further action of this Board of Directors, become the "Acting Head Office of this Association";

BE IT FURTHER RESOLVED, that if by reason of said war or warlike damage or disaster, both the General Office of this Association and the said Raleigh Office of this Association are unable to carry on their functions, then and in such case, the Asheville Office of this Association, located in Asheville, North Carolina, shall, without further action of this Board of Directors, become the "Acting Head Office of this Association"; and if neither the Raleigh Office nor the Asheville Office can carry on their functions, then the Greensboro Office of this Association, located in Greensboro, North Carolina, shall, without further action of this Board of Directors, become the "Acting Head Office of this Association"; and if neither the Raleigh Office, the Asheville Office, nor the Greensboro Office can carry on their functions, then the Lumberton Office of this Association, located in Lumberton, North Carolina, shall, without further action of this Board of Directors, become the "Acting Head Office of this Association". The Head Office shall resume its functions at its legally authorized location as soon as practicable.

EXHIBIT 7  
REPORT OF CONDITION

Consolidating domestic and foreign subsidiaries of the First Union National Bank at the close of business on June 30, 2001 published in response to call made by Comptroller of the Currency, under title 12, United States Code, Section 161. Charter Number 33869 Comptroller of the Currency Northeastern District.

Statement of Resources and Liabilities

ASSETS	Thousand of Dollars -----
Cash and balance due from depository institutions:	
Noninterest-bearing balances and currency and coin.....	9,537,000
Interest-bearing balances.....	1,509,000
Securities.....	//////////
Held-to-maturity securities.....	0
Available-for-sale securities.....	45,221,000
Federal funds sold and securities purchased under agreements to resell.....	////////// 6,315,000
Loans and lease financing receivables:	
Loan and leases, net of unearned income.....	122,125,000
LESS: Allowance for loan and lease losses.....	1,740,000
LESS: Allocated transfer risk reserve.....	0
Loans and leases, net of unearned income, allowance, and reserve.....	120,385,000
Assets held in trading accounts.....	19,000,000
Premises and fixed assets (including capitalized leases).....	2,742,000
Other real estate owned.....	100,000
Investment in unconsolidated subsidiaries and associated companies.....	////////// 316,000
Customer's liability to this bank on acceptances outstanding.....	856,000
Intangible assets.....	2,329,000
Other assets.....	12,844,000
Total assets.....	227,646,000
LIABILITIES	
Deposits:	
In domestic offices.....	131,429,000
Noninterest-bearing.....	20,764,000
Interest-bearing.....	110,665,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs.....	11,657,000
Noninterest-bearing.....	80,000
Interest-bearing.....	11,577,000
Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and IBFs	
Federal fund purchased.....	19,794,000
Securities sold under agreements to repurchase.....	
Trading liabilities.....	11,908,000
Other borrowed money:.....	22,811,000
Bank's liability on acceptances executed and outstanding.....	859,000
Subordinated notes and debentures.....	5,993,000
Other liabilities.....	6,513,000
Total liabilities.....	210,964,000
Minority interest in consolidated subsidiaries .....	964,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus.....	161,000
Common Stock.....	455,000
Surplus.....	13,309,000
Retained earnings.....	1,877,000
Accumulated other comprehensive income.....	(84,000)

Total equity capital.....	15,718,000
Total liabilities, limited-life preferred stock and equity... capital.....	///////// 227,646,000

Registration No. 333-

FORM T-1

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Statement of Eligibility Under the  
Trust Indenture Act of 1939 of a  
Corporation Designated to Act as Trustee

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

First Union National Bank  
(Exact name of trustee as specified in its charter)

United States of America  
(Jurisdiction of incorporation or organization if not a U.S. national bank)

22-1147033  
(I.R.S. Employer Identification Number)

One First Union  
301 South College Street  
Charlotte, North Carolina  
(Address of principal executive offices)

28288  
(Zip code)

Kevin M. Dobra  
First Union National Bank  
Corporate Trust Group  
5847 San Felipe, Suite 1050  
Houston, Texas 77057  
(713) 278-4320  
(Name, address and telephone number of agent for service)

Plains All American Pipeline, L. P.  
(Exact name of each obligor as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)

76-0669671  
(I.R.S. Employer Identification No.)

333 Clay Street, Suite 2900  
Houston, Texas 77002  
(Address of principal executive offices)

77002  
(Zip code)

Subordinated Debt Securities  
(Title of the indenture securities)

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

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

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

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

The Trustee is authorized to exercise corporate trust powers.

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

The obligor is not an affiliate of the trustee.

Item 3. Voting securities of the trustee. Furnish the following information as to each class of voting securities of the trustee:

As of \_\_\_\_\_ (Insert date within 31 days).

COL. A TITLE OF CLASS	COL. B AMOUNT OUTSTANDING
Not Applicable	

Item 4. Trusteeships under other indentures. If the trustee is a trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the obligor are outstanding, furnish the following information:

a. Title of the securities outstanding under each such other indenture.

Not Applicable.

b. A brief statement of the facts relied upon as a basis for the claim that no conflicting interest within the meaning of Section 310(b)(1) of the Act arises as a result of the trusteeship under any such other indenture, including a statement as to how the indenture securities will rank as compared with the securities issued under such other indenture.

Not Applicable.

Item 5. Interlocking directorates and similar relationships with the obligor or underwriters. If the trustee or any of the directors or executive officers of the trustee is a director, officer, partner, employee, appointee, or representative of the obligor or any underwriter for the obligor, identify each such person having any such connection and state the nature of each such connection.

Not Applicable

Item 6. Voting securities of the trustee owned by the obligor or its officials. Furnish the following information as to the voting securities of the trustee owned beneficially by the obligor and each director, partner, and executive officer of the obligor.

As of \_\_\_\_\_ (Insert date within 31 days).

COL. A	COL. B	COL. C	COL. D
NAME OF OWNER	TITLE OF CLASS	AMOUNT OWNED BENEFICIALLY	PERCENTAGE OF VOTING SECURITIES REPRESENTED BY AMOUNT GIVEN IN COL. C

Not Applicable.

Item 7. Voting securities of the trustee owned by underwriters or their officials. Furnish the following information as to the voting securities of the trustee owned beneficially by each underwriter for the obligor and each director, partner, and executive officer of each such underwriter:

As of \_\_\_\_\_ (Insert date within 31 days).

COL. A	COL. B	COL. C	COL. D
NAME OF OWNER	TITLE OF CLASS	AMOUNT OWNED BENEFICIALLY	PERCENTAGE OF VOTING SECURITIES REPRESENTED BY AMOUNT GIVEN IN COL. C

Not Applicable

Item 8. Securities of the obligor owned or held by the trustee. Furnish the following information as to securities of the obligor owned beneficially or held as collateral security for obligations in default by the trustee:

As of \_\_\_\_\_ (Insert date within 31 days).

COL. A	COL. B	COL. C	COL. D
TITLE OF CLASS	ARE VOTING OR NONVOTING SECURITIES	AMOUNT OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT	PERCENT OF CLASS REPRESENTED BY AMOUNT GIVEN IN COL. C

Not Applicable.

Item 9. Securities of underwriters owned or held by the trustee. If the trustee owns beneficially or hold as collateral security for obligations in default any securities of an underwriter for the obligor, furnish the following information as to each class of securities of such underwriter any of which are so owned or held by the trustee:

As of \_\_\_\_\_ (Insert date within 31 days).

COL. A	COL. B	COL. C	COL. D
TITLE OF ISSUER	AMOUNT	AMOUNT OWNED BENEFICIALLY	PERCENT OF CLASS
AND TITLE OF CLASS	OUTSTANDING	OR HELD AS COLLATERAL	REPRESENTED BY
		SECURITY FOR OBLIGATIONS	AMOUNT GIVEN
		IN DEFAULT BY TRUSTEE	IN COL. C

Not Applicable

Item 10. Ownership or holdings by the trustee of voting securities of certain affiliates or security holders of the obligor. If the trustee owns beneficially or holds as collateral security for obligations in default voting securities of a person who, to the knowledge of the trustee (1) owns 10 percent or more of the voting securities of the obligor or (2) is an affiliate, other than a subsidiary, of the obligor, furnish the following information as to the voting securities of such person:

As of \_\_\_\_\_ (Insert date within 31 days).

COL. A	COL. B	COL. C	COL. D
TITLE OF ISSUER	AMOUNT	AMOUNT OWNED BENEFICIALLY	PERCENT OF CLASS
AND TITLE OF CLASS	OUTSTANDING	OR HELD AS COLLATERAL	REPRESENTED BY
		SECURITY FOR OBLIGATIONS	AMOUNT GIVEN
		IN DEFAULT BY TRUSTEE	IN COL. C

Not Applicable

Item 11. Ownership or holdings by the trustee of any securities of a person owning 50 percent or more of the voting securities of the obligor. If the trustee owns beneficially or holds as collateral security for obligations in default any securities of a person who, to the knowledge of the trustee, owns 50 percent or more of the voting securities of the obligor, furnish the following information as to each class of securities of such person any of which are so owned or held by the trustee:

As of \_\_\_\_\_ (Insert date within 31 days).

COL. A	COL. B	COL. C	COL. D
TITLE OF ISSUER	AMOUNT	AMOUNT OWNED BENEFICIALLY	PERCENT OF CLASS
AND TITLE OF CLASS	OUTSTANDING	OR HELD AS COLLATERAL	REPRESENTED BY
		SECURITY FOR OBLIGATIONS	AMOUNT GIVEN
		IN DEFAULT BY TRUSTEE IN	IN COL. C

Not Applicable

Item 12. Indebtedness of the Obligor to the Trustee. Except as noted in the instructions, if the obligor is indebted to the trustee, furnish the following information:

As of \_\_\_\_\_ (insert date within 31 days).



COL. A	COL. B	COL. C
NATURE OF INDEBTEDNESS	AMOUNT OUTSTANDING	DATE DUE

Not Applicable

Item 13 Defaults by the Obligor.

a. State whether there is or has been a default with respect to the securities under this indenture. Explain the nature of any such default.

None.

b. If the trustee is a trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the obligor are outstanding, or is trustee for more than one outstanding series of securities under the indenture, state whether there has been a default under any such indenture or series, identify the indenture or series affected, and explain the nature of any such default.

Not Applicable

Item 14. Affiliations with the Underwriters. If any underwriter is an affiliate of the trustee, describe each such affiliation.

Not Applicable

Item 15. Foreign Trustee. Identify the order or rule pursuant to which the foreign trustee is authorized to act as sole trustee under indentures qualified or to be qualified under the Act.

Not Applicable

Item 16. List of exhibits. List below all exhibits filed as a part of this statement of eligibility.

1. Articles of Association of First Union National Bank as now in effect.\*
2. Certificate of Authority of the trustee to commence business.\*
3. Copy of the authorization of the trustee to exercise corporate trust powers. \*
4. Existing bylaws of the trustee.
5. Not Applicable.
6. The consent of the trustee required by Section 321(b) of the Act.
7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.
8. Not Applicable.

9. Not Applicable.

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\* Previously filed with the Securities and Exchange Commission as an Exhibit to Form T-1 in connection with Registration Statement Number 333-47985 incorporated herein by reference.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the trustee, First Union National Bank, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the city of Houston, and State of Texas, on the 17/th/ day of August, 2001.

FIRST UNION NATIONAL BANK  
(Trustee)

By: /s/ Kevin M. Dobrava

-----  
Kevin M. Dobrava, Vice President  
(Name and Title)

EXHIBIT 6

First Union National Bank, pursuant to the requirements of Section 321(b) of the Trust Indenture Act of 1939, as amended (the "Act") in connection with the proposed issuance by Plains All American Pipeline, L.P. of its Subordinated Debt Securities to be issued hereby consents that reports of examination by federal, state, territorial, or district authorities may be furnished by such authorities to the Securities and Exchange Commission upon request therefor, as contemplated by Section 321(b) of the Act.

Dated: August 17, 2001

FIRST UNION NATIONAL BANK

By: /s/ Kevin M. Dobrava

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Kevin M. Dobrava, Vice President

EXHIBIT 4  
BY-LAWS OF  
FIRST UNION NATIONAL BANK  
Charter No. 1  
Effective June 19, 2001

BY-LAWS OF  
FIRST UNION NATIONAL BANK

ARTICLE I

Meetings of Shareholders  
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Section 1.1 Annual Meeting. The annual meeting of the shareholders for the  
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election of directors and for the transaction of such other business as may properly come before the meeting shall be held on the third Tuesday of April in each year, commencing with the year 1998, except that the Board of Directors may, from time to time and upon passage of a resolution specifically setting forth its reasons, set such other date for such meeting during the month of April as the Board of Directors may deem necessary or appropriate; provided, however, that if an annual meeting would otherwise fall on a legal holiday, then such annual meeting shall be held on the second business day following such legal holiday. The holders of a majority of the outstanding shares entitled to vote which are represented at any meeting of the shareholders may choose persons to act as Chairman and as Secretary of the meeting.

Section 1.2 Special Meetings. Except as otherwise specifically provided by  
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statute, special meetings of the shareholders may be called for any purpose at any time by the Board of Directors or by any three or more shareholders owning, in the aggregate, not less than ten percent of the stock of the Association. Every such special meeting, unless otherwise provided by law, shall be called by mailing, postage prepaid, not less than ten days prior to the date fixed for such meeting, to each shareholder at his address appearing on the books of the Association, a notice stating the purpose of the meeting.

Section 1.3 Nominations for Directors. Nominations for election to the  
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Board of Directors may be made by the Board of Directors or by any stockholder of any outstanding class of capital stock of the bank entitled to vote for the election of directors. Nominations, other than those made by or on behalf of the existing management of the bank, shall be made in writing and shall be delivered or mailed to the President of the Bank and to the Comptroller of the Currency, Washington, D. C., not less than 14 days nor more than 50 days prior to any meeting of stockholders called for the election of directors, provided however, that if less than 21 days' notice of such meeting is given to shareholders, such nomination shall be mailed or delivered to the President of the Bank and to the Comptroller of the Currency not later than the close of business on the seventh day following the day on which the notice of meeting was mailed. Such notification shall contain the following information to the extent known to the notifying shareholder: (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the total number of shares of capital stock of the bank that will be voted for each proposed nominee; (d) the name and residence address of the notifying shareholder; and (e) the number of shares of capital stock of the bank owned by the notifying shareholder. Nominations not made in accordance herewith may, in his discretion, be disregarded by the chairman of the meeting, and upon his instructions, the vote tellers may disregard all votes cast for each such nominee.

Section 1.4 Judges of Election. The Board may at any time appoint from  
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among the shareholders three or more persons to serve as Judges of Election at any meeting of shareholders;

to act as judges and tellers with respect to all votes by ballot at such meeting and to file with the Secretary of the meeting a Certificate under their hands, certifying the result thereof.

Section 1.5 Proxies. Shareholders may vote at any meeting of the

shareholders by proxies duly authorized in writing, but no officer or employee of this Association shall act as proxy. Proxies shall be valid only for one meeting, to be specified therein, and any adjournments of such meeting. Proxies shall be dated and shall be filed with the records of the meeting.

Section 1.6 Quorum. A majority of the outstanding capital stock,

represented in person or by proxy, shall constitute a quorum at any meeting of shareholders, unless otherwise provided by law; but less than a quorum may adjourn any meeting, from time to time, and the meeting may be held, as adjourned, without further notice. A majority of the votes cast shall decide every question or matter submitted to the shareholders at any meeting, unless otherwise provided by law or by the Articles of Association.

ARTICLE II

Directors

Section 2.1 Board of Directors. The Board of Directors (hereinafter

referred to as the "Board"), shall have power to manage and administer the business and affairs of the Association. Except as expressly limited by law, all corporate powers of the Association shall be vested in and may be exercised by said Board.

Section 2.2 Number. The Board shall consist of not less than five nor more

than twenty-five directors, the exact number within such minimum and maximum limits to be fixed and determined from time to time by resolution of a majority of the full Board or by resolution of the shareholders at any meeting thereof; provided, however, that a majority of the full Board of Directors may not increase the number of directors to a number which, (1) exceeds by more than two the number of directors last elected by shareholders where such number was fifteen or less, and (2) to a number which exceeds by more than four the number of directors last elected by shareholders where such number was sixteen or more, but in no event shall the number of directors exceed twenty-five.

Section 2.3 Organization Meeting. The Secretary of the meeting upon

receiving the certificate of the judges, of the result of any election, shall notify the directors-elect of their election and of the time at which they are required to meet at the Main Office of the Association for the purpose of organizing the new Board and electing and appointing officers of the Association for the succeeding year. Such meeting shall be held as soon thereafter as practicable. If, at the time fixed for such meeting, there shall not be a quorum present, the directors present may adjourn the meeting from time to time, until a quorum is obtained.

Section 2.4 Regular Meetings. Regular meetings of the Board of Directors

shall be held at such place and time as may be designated by resolution of the Board of Directors. Upon adoption of such resolution, no further notice of such meeting dates or the places or times thereof shall be required. Upon the failure of the Board of Directors to adopt such a resolution, regular meetings of the Board of Directors shall be held, without notice, on the third Tuesday in February, April, June, August, October and December, commencing with the year 1997, at the main office or at such other place and time as may be designated by the Board of Directors. When any regular meeting of the Board would otherwise fall on a holiday, the meeting shall be held on the next business day unless the Board shall designate some other day.

Section 2.5 Special Meetings. Special meetings of the Board of Directors

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may be called by the President of the Association, or at the request of three (3) or more directors. Each member of the Board of Directors shall be given notice stating the time and place, by telegram, letter, or in person, of each such special meeting.

Section 2.6 Quorum. A majority of the directors shall constitute a quorum

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at any meeting, except when otherwise provided by law; but a less number may adjourn any meeting, from time to time, and the meeting may be held, as adjourned, without further notice.

Section 2.7 Vacancies. When any vacancy occurs among the directors, the

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remaining members of the Board, in accordance with the laws of the United States, may appoint a director to fill such vacancy at any regular meeting of the Board, or at a special meeting called for that purpose.

Section 2.8 Advisory Boards. The Board of Directors may appoint Advisory

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Boards for each of the states in which the Association conducts operations. Each such Advisory Board shall consist of as many persons as the Board of Directors may determine. The duties of each Advisory Board shall be to consult and advise with the Board of Directors and senior officers of the Association in such state with regard to the best interests of the Association and to perform such other duties as the Board of Directors may lawfully delegate.

The senior officer in such state, or such officers as directed by such senior officer, may appoint advisory boards for geographic regions within such state and may consult with the State Advisory Boards prior to such appointments.

ARTICLE III

Committees of the Board

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Section 3.1 The Board of Directors, by resolution adopted by a majority of

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the number of directors fixed by these By-Laws, may designate two or more directors to constitute an Executive Committee and other committees, each of which, to the extent authorized by law and provided in such resolution, shall have and may exercise all of the authority of the Board of Directors and the management of the Association. The designation of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility or liability imposed upon it or any member of the Board of Directors by law. The Board of Directors reserves to itself alone the power to act on (1) dissolution, merger or consolidation, or disposition of substantially all corporate property, (2) designation of committees or filling vacancies on the Board of Directors or on a committee of the Board (except as hereinafter provided), (3) adoption, amendment or repeal of By-laws, (4) amendment or repeal of any resolution of the Board which by its terms is not so amendable or repealable, and (5) declaration of dividends, issuance of stock, or recommendations to stockholders of any action requiring stockholder approval.

The Board of Directors or the Chairman of the Board of Directors of the Association may change the membership of any committee at any time, fill vacancies therein, discharge any committee or member thereof either with or without cause at any time, and change at any time the authority and responsibility of any such committee.

A majority of the members of any committee of the Board of Directors may fix such committee's rules of procedure. All action by any committee shall be reported to the Board of Directors at a meeting succeeding such action, except such actions as the Board may not require

to be reported to it in the resolution creating any such committee. Any action by any committee shall be subject to revision, alteration, and approval by the Board of Directors, except to the extent otherwise provided in the resolution creating such committee; provided, however, that no rights or acts of third parties shall be affected by any such revision or alteration.

#### ARTICLE IV

##### Officers and Employees -----

Section 4.1 Officers. The officers of the Association may be a Chairman of  
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the Board, a Vice Chairman of the Board, one or more Chairmen or Vice Chairmen (who shall not be required to be directors of the Association), a President, one or more Vice Presidents, a Secretary, a Cashier or Treasurer, and such other officers, including officers holding similar or equivalent titles to the above in regions, divisions or functional units of the Association, as may be appointed by the Board of Directors. The Chairman of the Board and the President shall be members of the Board of Directors. Any two or more offices may be held by one person, but no officer shall sign or execute any document in more than one capacity.

Section 4.2 Election, Term of Office, and Qualification. Each officer  
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shall be chosen by the Board of Directors and shall hold office until the annual meeting of the Board of Directors held next after his election or until his successor shall have been duly chosen and qualified, or until his death, or until he shall resign, or shall have been disqualified, or shall have been removed from office.

Section 4.2(a) Officers Acting as Assistant Secretary. Notwithstanding  
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Section 1 of these By-laws, any Senior Vice President, Vice President, or Assistant Vice President shall have, by virtue of his office, and by authority of the By-laws, the authority from time to time to act as an Assistant Secretary of the Bank, and to such extent, said officers are appointed to the office of Assistant Secretary.

Section 4.3 Chief Executive Officer. The Board of Directors shall  
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designate one of its members to be the President of this Association, and the officer so designated shall be an ex officio member of all committees of the Association except the Examining Committee, and its Chief Executive Officer unless some other officer is so designated by the Board of Directors.

Section 4.4 Duties of Officers. The duties of all officers shall be  
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prescribed by the Board of Directors. Nevertheless, the Board of Directors may delegate to the Chief Executive Officer the authority to prescribe the duties of other officers of the corporation not inconsistent with law, the charter, and these By-laws, and to appoint other employees, prescribe their duties, and to dismiss them. Notwithstanding such delegation of authority, any officer or employee also may be dismissed at any time by the Board of Directors.

Section 4.5 Other Employees. The Board of Directors may appoint from time  
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to time such tellers, vault custodians, bookkeepers, and other clerks, agents, and employees as it may deem advisable for the prompt and orderly transaction of the business of the Association, define their duties, fix the salary to be paid them, and dismiss them. Subject to the authority of the Board of Directors, the Chief Executive Officer or any other officer of the Association authorized by him, may appoint and dismiss all such tellers, vault custodians, bookkeepers and other clerks, agents, and employees, prescribe their duties and the conditions of their employment, and from time to time fix their compensation.



Section 4.6 Removal and Resignation. Any officer or employee of the

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Association may be removed either with or without cause by the Board of Directors. Any employee other than an officer elected by the Board of Directors may be dismissed in accordance with the provisions of the preceding Section 4.5. Any officer may resign at any time by giving written notice to the Board of Directors or to the Chief Executive Officer of the Association. Any such resignation shall become effective upon its being accepted by the Board of Directors, or the Chief Executive Officer.

ARTICLE V

Fiduciary Powers  
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Section 5.1 Capital Management Group. There shall be an area of this

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Association known as the Capital Management Group which shall be responsible for the exercise of the fiduciary powers of this Association. The Capital Management Group shall consist of four service areas: Fiduciary Services, Retail Services, Investments and Marketing. The Fiduciary Services unit shall consist of personal trust, employee benefits, corporate trust and operations. The General Office for the Fiduciary Services unit shall be located in Charlotte, N.C., with additional Trust Offices in such locations as the Association shall determine from time to time.

Section 5.2 Trust Officers. There shall be a General Trust Officer of this

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Association whose duties shall be to manage, supervise and direct all the activities of the Capital Management Group. Further, there shall be one or more Senior Trust Officers designated to assist the General Trust Officer in the performance of his duties. They shall do or cause to be done all things necessary or proper in carrying out the business of the Capital Management Group in accordance with provisions of applicable law and regulation.

Section 5.3 General Trust Committee. There shall be a General Trust

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Committee composed of not less than four (4) members of the Board of Directors or officers of this Association who shall be appointed annually, or from time to time, by the Board of Directors of this Association. Each member shall serve until his successor is appointed. The Board of Directors or the Chairman of the Board may change the membership of the General Trust Committee at any time, fill any vacancies therein, or discharge any member thereof with or without cause at any time. The General Trust Committee shall counsel and advise on all matters relating to the business or affairs of the Capital Management Group and shall adopt overall policies for the conduct of the business of the Capital Management Group, including, but not limited to: general administration, investment policies, new business development, and review for approval of major assignments of functional responsibilities. The General Trust Committee shall appoint the members of the following subcommittees: the Investment Policy Committee, Personal Trust Administration Committee, Account Review Committee, and Corporate and Institutional Accounts Committee. The General Trust Committee shall meet at least quarterly or as called for by its Chairman or any three (3) members of the Committee. A quorum shall consist of three (3) members. In carrying out its responsibilities, the General Trust Committee shall review the fiduciary activities of the Capital Management Group and may assign the administration and performance of any fiduciary powers or duties to any officers or employees of the Capital Management Group or to the Investment Policy Committee, Personal Trust Administration Committee, Account Review Committee, or Corporate and Institutional Accounts Committee, or other committees it may designate. One of the methods to be used in the review process will be the scrutiny of the Reports of Examination by the Office of the Comptroller of the Currency and the reports of the Audit Division of First Union Corporation, as they relate to the activities of the Capital Management Group. The Chairman of the General Trust Committee

shall be appointed by the Chairman of the Board of Directors. The Chairman of the General Trust Committee shall cause to be recorded in appropriate minutes all actions taken by the Committee. The minutes shall be signed by its Secretary, approved by its Chairman and submitted to the Board of Directors at its next regularly scheduled meeting following a meeting of the General Trust Committee. The Board of Directors retains responsibility for the proper exercise of this Association's fiduciary powers.

Section 5.4 Investment Policy Committee. There shall be an Investment

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Policy Committee composed of not less than seven (7) officers and/or employees of this Association, who shall be appointed annually or from time to time by the General Trust Committee. Each member shall serve until his or her successor is appointed. Meetings shall be called by the Chairman or by any two (2) members of the Committee. A quorum shall consist of five (5) members. The Investment Policy Committee shall exercise such fiduciary powers and perform such duties as may be assigned to it by the General Trust Committee. All actions taken by the Investment Policy Committee shall be recorded in appropriate minutes, signed by the Secretary thereof, approved by its Chairman, and submitted to the General Trust Committee at its next ensuing regular meeting for its review and approval."

Section 5.5 Personal Trust Administration Committee. There shall be a

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Personal Trust Administration Committee composed of not less than five (5) officers and/or employees of this Association, who shall be appointed annually or from time to time by the General Trust Committee. Each member shall serve until his or her successor is appointed. Meetings shall be called by the Chairman or by any three (3) members of the Committee. A quorum shall consist of three (3) members. The Personal Trust Administration Committee shall exercise such fiduciary powers and perform such duties as may be assigned to it by the General Trust Committee. All actions taken by the Personal Trust Administration Committee shall be recorded in appropriate minutes, signed by the Secretary thereof, approved by its Chairman, and submitted to the General Trust Committee at its next ensuing regular meeting for its review and approval."

Section 5.6 Account Review Committee. There shall be an Account Review

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Committee composed of not less than four (4) officers and/or employees of this Association, who shall be appointed annually or from time to time by the General Trust Committee. Each member shall serve until his or her successor is appointed. Meetings shall be called by the Chairman or by any two (2) members of the Committee. A quorum shall consist of three (3) members. The Account Review Committee shall exercise such fiduciary powers and perform such duties as may be assigned to it by the General Trust Committee. All actions taken by the Account Review Committee shall be recorded in appropriate minutes, signed by the Secretary thereof, approved by its Chairman, and submitted to the General Trust Committee at its next ensuing regular meeting for its review and approval."

Section 5.7 Corporate and Institutional Accounts Committee. There shall be

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a Corporate and Institutional Accounts Committee composed of not less than five (5) officers and/or employees of this Association, who shall be appointed annually or from time to time by the General Trust Committee. Each member shall serve until his or her successor is appointed. Meetings shall be called by the Chairman or by any two (2) members of the Committee. A quorum shall consist of three (3) members. The Corporate and Institutional Accounts Committee shall exercise such fiduciary powers and perform such duties as may be assigned to it by the General Trust Committee. All actions taken by the Corporate and Institutional Accounts Committee shall be recorded in appropriate minutes, signed by the Secretary thereof, approved by its Chairman, and submitted to the General Trust Committee at its next ensuing regular meeting for its review and approval."

ARTICLE VI

Stock and Stock Certificates

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Section 6.1 Transfers. Shares of stock shall be transferable on the books

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of the Association, and a transfer book shall be kept in which all transfers of stock shall be recorded. Every person becoming a shareholder by such transfer shall, in proportion to his shares, succeed to all rights and liabilities of the prior holder of such shares.

Section 6.2 Stock Certificates. Certificates of stock shall bear the

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signature of the Chairman, the Vice Chairman, the President, or a Vice President (which may be engraved, printed, or impressed), and shall be signed manually or by facsimile process by the Secretary, Assistant Secretary, Cashier, Assistant Cashier, or any other officer appointed by the Board of Directors for that purpose, to be known as an Authorized Officer, and the seal of the Association shall be engraved thereon. Each certificate shall recite on its face that the stock represented thereby is transferable only upon the books of the Association properly endorsed.

ARTICLE VII

Corporate Seal

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Section 7.1 The President, the Cashier, the Secretary, or any Assistant

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Cashier, or Assistant Secretary, or other officer thereunto designated by the Board of Directors shall have authority to affix the corporate seal to any document requiring such seal, and to attest the same. Such seal shall be substantially in the following form.

ARTICLE VIII

Miscellaneous Provisions

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Section 8.1 Fiscal Year. The fiscal year of the Association shall be the

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calendar year.

Section 8.2 Execution of Instruments. All agreements, indentures,

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mortgages, deeds, conveyances, transfers, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, notices, applications, schedules, accounts, affidavits, bonds, undertakings, proxies, and other instruments or documents may be signed, executed, acknowledged, verified, delivered or accepted in behalf of the Association by the Chairman of the Board, the Vice Chairman of the Board, any Chairman or Vice Chairman, the President, any Vice President or Assistant Vice President, the Secretary or any Assistant Secretary, the Cashier or Treasurer or any Assistant Cashier or Assistant Treasurer, or any officer holding similar or equivalent titles to the above in any regions, divisions or functional units of the Association, or, if in connection with the exercise of fiduciary powers of the Association, by any of said officers or by any Trust Officer or Assistant Trust Officer (or equivalent titles); provided, however, that where required, any such instrument shall be attested by one of said officers other than the officer executing such instrument. Any such instruments may also be executed, acknowledged, verified, delivered or

accepted in behalf of the Association in such other manner and by such other officers as the Board of Directors may from time to time direct. The provisions of this Section 8.2 are supplementary to any other provision of these By-laws.

Section 8.3 Records. The Articles of Association, the By-laws, and the

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proceedings of all meetings of the shareholders, the Board of Directors, standing committees of the Board, shall be recorded in appropriate minute books provided for the purpose. The minutes of each meeting shall be signed by the Secretary, Cashier, or other officer appointed to act as Secretary of the meeting.

#### ARTICLE IX

##### By-laws

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Section 9.1 Inspection. A copy of the By-laws, with all amendments

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thereto, shall at all times be kept in a convenient place at the Head Office of the Association, and shall be open for inspection to all shareholders, during banking hours.

Section 9.2 Amendments. The By-laws may be amended, altered or repealed,

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at any regular or special meeting of the Board of Directors, by a vote of a majority of the whole number of Directors.

Exhibit A

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First Union National Bank  
Article X  
Emergency By-laws

In the event of an emergency declared by the President of the United States or the person performing his functions, the officers and employees of this Association will continue to conduct the affairs of the Association under such guidance from the directors or the Executive Committee as may be available except as to matters which by statute require specific approval of the Board of Directors and subject to conformance with any applicable governmental directives during the emergency.

OFFICERS PRO TEMPORE AND DISASTER

Section 1. The surviving members of the Board of Directors or the Executive Committee shall have the power, in the absence or disability of any officer, or upon the refusal of any officer to act, to delegate and prescribe such officer's powers and duties to any other officer, or to any director, for the time being.

Section 2. In the event of a state of disaster of sufficient severity to prevent the conduct and management of the affairs and business of this Association by its directors and officers as contemplated by these By-laws, any two or more available members of the then incumbent Executive Committee shall constitute a quorum of that Committee for the full conduct and management of the affairs and business of the Association in accordance with the provisions of Article II of these By-laws; and in addition, such Committee shall be empowered to exercise all of the powers reserved to the General Trust Committee under Section 5.3 of Article V hereof. In the event of the unavailability, at such time, of a minimum of two members of the then incumbent Executive Committee, any three available directors shall constitute the Executive Committee for the full conduct and management of the affairs and business of the Association in accordance with the foregoing provisions of this section. This By-law shall be subject to implementation by resolutions of the Board of Directors passed from time to time for that purpose, and any provisions of these By-laws (other than this section) and any resolutions which are contrary to the provisions of this section or to the provisions of any such elementary resolutions shall be suspended until it shall be determined by an interim Executive Committee acting under this section that it shall be to the advantage of this Association to resume the conduct and management of its affairs and business under all of the other provisions of these By-laws.

Officer Succession

BE IT RESOLVED, that if consequent upon war or warlike damage or disaster, the Chief Executive Officer of this Association cannot be located by the then acting Head Officer or is unable to assume or to continue normal executive duties, then the authority and duties of the Chief Executive Officer shall, without further action of the Board of Directors, be automatically assumed by one of the following persons in the order designated:

Chairman

President

Division Head/Area Administrator - Within this officer class, officers shall take seniority on the basis of length of service in such office or, in the event of equality, length of service as an officer of the Association.

Any one of the above persons who in accordance with this resolution assumes the authority and duties of the Chief Executive Officer shall continue to serve until he resigns or until five-sixths of the other officers who are attached to the then acting Head Office decide in writing he is unable to perform said duties or until the elected Chief Executive Officer of this Association, or a person higher on the above list, shall become available to perform the duties of Chief Executive Officer of the Association.

BE IT FURTHER RESOLVED, that anyone dealing with this Association may accept a certification by any three officers that a specified individual is acting as Chief Executive Officer in accordance with this resolution; and that anyone accepting such certification may continue to consider it in force until notified in writing of a change, said notice of change to carry the signatures of three officers of the Association.

Alternate Locations

The offices of the Association at which its business shall be conducted shall be the main office thereof in each city which is designated as a City Office (and branches, if any), and any other legally authorized location which may be leased or acquired by this Association to carry on its business. During an emergency resulting in any authorized place of business of this Association being unable to function, the business ordinarily conducted at such location shall be relocated elsewhere in suitable quarters, in addition to or in lieu of the locations heretofore mentioned, as may be designated by the Board of Directors or by the Executive Committee or by such persons as are then, in accordance with resolutions adopted from time to time by the Board of Directors dealing with the exercise of authority in the time of such emergency, conducting the affairs of this Association. Any temporarily relocated place of business of this Association shall be returned to its legally authorized location as soon as practicable and such temporary place of business shall then be discontinued.

#### Acting Head Offices

BE IT RESOLVED, that in case of and provided because of war or warlike damage or disaster, the General Office of this Association, located in Charlotte, North Carolina, is unable temporarily to continue its functions, the Raleigh office, located in Raleigh, North Carolina, shall automatically and without further action of this Board of Directors, become the "Acting Head Office of this Association";

BE IT FURTHER RESOLVED, that if by reason of said war or warlike damage or disaster, both the General Office of this Association and the said Raleigh Office of this Association are unable to carry on their functions, then and in such case, the Asheville Office of this Association, located in Asheville, North Carolina, shall, without further action of this Board of Directors, become the "Acting Head Office of this Association"; and if neither the Raleigh Office nor the Asheville Office can carry on their functions, then the Greensboro Office of this Association, located in Greensboro, North Carolina, shall, without further action of this Board of Directors, become the "Acting Head Office of this Association"; and if neither the Raleigh Office, the Asheville Office, nor the Greensboro Office can carry on their functions, then the Lumberton Office of this Association, located in Lumberton, North Carolina, shall, without further action of this Board of Directors, become the "Acting Head Office of this Association". The Head Office shall resume its functions at its legally authorized location as soon as practicable.

EXHIBIT 7  
REPORT OF CONDITION

Consolidating domestic and foreign subsidiaries of the First Union National Bank at the close of business on June 30, 2001 published in response to call made by Comptroller of the Currency, under title 12, United States Code, Section 161. Charter Number 33869 Comptroller of the Currency Northeastern District.

Statement of Resources and Liabilities

ASSETS

Thousand of Dollars

	Thousand of Dollars
Cash and balance due from depository institutions:	
Noninterest-bearing balances and currency and coin.....	9,537,000
Interest-bearing balances.....	1,509,000
Securities.....	//////////
Held-to-maturity securities.....	0
Available-for-sale securities.....	45,221,000
Federal funds sold and securities purchased under agreements to resell.....	////////// 6,315,000
Loans and lease financing receivables:	
Loan and leases, net of unearned income.....	122,125,000
LESS: Allowance for loan and lease losses.....	1,740,000
LESS: Allocated transfer risk reserve.....	0
Loans and leases, net of unearned income, allowance, and reserve..	120,385,000
Assets held in trading accounts.....	19,000,000
Premises and fixed assets (including capitalized leases).....	2,742,000
Other real estate owned.....	100,000
Investment in unconsolidated subsidiaries and associated companies.....	////////// 316,000
Customer's liability to this bank on acceptances outstanding.....	856,000
Intangible assets.....	2,329,000
Other assets.....	12,844,000
Total assets.....	227,646,000

LIABILITIES

Deposits:	
In domestic offices.....	131,429,000
Noninterest-bearing.....	20,764,000
Interest-bearing.....	110,665,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs.....	11,657,000
Noninterest-bearing.....	80,000
Interest-bearing.....	11,577,000
Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and IBFs	
Federal fund purchased.....	19,794,000
Securities sold under agreements to repurchase.....	11,908,000
Trading liabilities.....	11,908,000
Other borrowed money:.....	22,811,000
Bank's liability on acceptances executed and outstanding.....	859,000
Subordinated notes and debentures.....	5,993,000
Other liabilities.....	6,513,000
Total liabilities.....	210,964,000
Minority interest in consolidated subsidiaries .....	964,000

EQUITY CAPITAL

Perpetual preferred stock and related surplus.....	161,000
Common Stock.....	455,000
Surplus.....	13,309,000
Retained earnings.....	1,877,000
Accumulated other comprehensive income.....	(84,000)



Total equity capital.....	15,718,000
Total liabilities, limited-life preferred stock and equity.....	////////
capital.....	227,646,000