

SECURITIES AND EXCHANGE COMMISSION

FORM S-3

Registration statement for specified transactions by certain issuers

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FILER

BROWNING FERRIS INDUSTRIES INC

CIK: **14827** | IRS No.: **741673682** | State of Incorporation: **DE** | Fiscal Year End: **0930**
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Business Address
757 N ELDRIDGE
HOUSTON TX 77079
7138708100

SECURITIES AND EXCHANGE COMMISSION

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

BROWNING-FERRIS INDUSTRIES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE
(STATE OR OTHER JURISDICTION
OF INCORPORATION OR ORGANIZATION)

74-1673682
(I.R.S. EMPLOYER
IDENTIFICATION NO.)

757 N. ELDRIDGE
HOUSTON, TEXAS 77079
(713) 870-8100
(ADDRESS, INCLUDING ZIP CODES, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF
REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

GERALD K. BURGER
VICE PRESIDENT AND SECRETARY
BROWNING-FERRIS INDUSTRIES, INC.

757 N. ELDRIDGE
HOUSTON, TEXAS 77079
(713) 870-7820
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA
CODE, OF AGENT FOR SERVICE)

Copies to:

FULBRIGHT & JAWORSKI L.L.P.
1301 MCKINNEY STREET
HOUSTON, TEXAS 77010
(713) 651-5421
ATTN: ARTHUR H. ROGERS

VINSON & ELKINS L.L.P.
1001 FANNIN STREET
2500 FIRST CITY TOWER
HOUSTON, TEXAS 77002-6760
(713) 758-2128
ATTN: MICHAEL P. FINCH

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 to be offered pursuant to dividend or interest reinvestment plans, please check the following box. / /

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

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1)	AMOUNT OF REGISTRATION FEE
Debt Securities (2)				
Preferred Stock (3)				
Common Stock, par value \$.16-2/3 per share (4)				
Warrants (5)				
Total	\$700,000,000 (6)	100%	\$700,000,000 (6)	\$241,380

- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o).
- (2) Subject to note (6) below, there are being registered hereunder an indeterminate principal amount of Debt Securities as may be sold from time to time by the Registrant, including sales upon the exercise of Warrants. If any Debt Securities are being issued at an original issue discount, then the offering price shall be in such greater principal amount as shall result in an aggregate initial offering price not to exceed \$700,000,000, less the dollar amount of any securities previously issued hereunder.
- (3) Subject to note (6) below, there are being registered hereunder an indeterminate number of shares of Preferred Stock as may be sold, from time to time, by the Registrant, including sales upon exercise of Warrants.
- (4) Subject to note (6) below, there are being registered hereunder an indeterminate number of shares of Common Stock as may be sold, from time to time, by the Registrant, including

sales upon exercise of Warrants. There are also being registered hereunder an indeterminate number of shares of Common Stock and Preferred Stock as shall be issuable upon conversion or redemption of Preferred Stock or Debt Securities registered hereby. Includes the preferred stock purchase rights associated with the Common Stock.

- (5) Subject to note (6) below, there are being registered hereunder an indeterminate amount and number of Warrants, representing rights to purchase Debt Securities, Preferred Stock or Common Stock.
- (6) In no event will the aggregate initial offering price of all securities issued from time to time pursuant to this Registration Statement exceed \$700,000,000. Any Securities registered hereunder may be sold separately or as units with other securities registered hereunder.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

SUBJECT TO COMPLETION, DATED JANUARY 12, 1994

PROSPECTUS

[BFI LOGO BOX]

BROWNING-FERRIS INDUSTRIES, INC.

DEBT SECURITIES
PREFERRED STOCK
COMMON STOCK
WARRANTS

Browning-Ferris Industries, Inc. (the "Company") may offer from time to time, either jointly or separately, at prices and on terms to be determined at or prior to the time of sale, up to an aggregate initial offering price of not more than \$700 million (or, if applicable, the equivalent thereof in other currencies) of its (i) unsecured debt securities ("Debt Securities") consisting of debentures, notes and/or other unsecured evidences of indebtedness in one or more series, (ii) shares of preferred stock, without par value ("Preferred Stock"), in one or more series, (iii) shares of common stock, par value \$.16 2/3 per share ("Common Stock") or (iv) Warrants ("Warrants") to purchase Debt Securities, Preferred Stock

or Common Stock (the Debt Securities, Preferred Stock, Common Stock and Warrants are collectively referred to as "Securities").

Specific terms of the Securities ("Offered Securities") in respect of which this Prospectus is being delivered will be set forth in an accompanying Prospectus Supplement ("Prospectus Supplement"), together with the terms of the offering of the Offered Securities and the initial price and the net proceeds to BFI from the sale thereof. The Prospectus Supplement will set forth with regard to the particular Offered Securities, without limitation, the following: (i) in the case of Debt Securities, the specific designation, aggregate principal amount, ranking as senior debt or subordinated debt, authorized denomination, maturity, rate or rates or method of calculation of interest and dates for payment thereof, any exchangeability, conversion, redemption, prepayment or sinking fund provisions, the currency or currencies or currency unit or currency units in which principal, premium, if any, or interest, if any, is payable, (ii) in the case of Preferred Stock, the designation, number of shares, liquidation preference per share, initial public offering price, dividend rate (or method of calculation thereof), dates on which dividends shall be payable and dates from which dividends shall accrue, any redemption or sinking fund provisions, any voting rights, and any conversion or exchange rights, (iii) in the case of Common Stock, the number of shares of Common Stock and the terms of the offering and sale thereof, and (iv) in the case of Warrants, the number and terms thereof, the designation and number of Securities issuable upon their exercise, the exercise price, the terms of the offering and sale thereof and, where applicable, the duration and detachability thereof.

The Company may sell the Securities directly, through agents designated from time to time or through underwriters or dealers. If any agents of the Company or any underwriters or dealers are involved in the sale of the Securities, the names of such agents, underwriters or dealers and any applicable commissions and discounts will be set forth in the Prospectus Supplement.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

_____, 1994

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

This Prospectus may not be used to consummate sales of the Securities unless accompanied by a Prospectus Supplement.

No person has been authorized to give any information or to make any representations other than those contained or incorporated by reference in this Prospectus and the Prospectus Supplement in connection with the offering made hereby and if given or made, such information or representations must not be relied upon as having been authorized by the Company or by any other person. This Prospectus and the Prospectus Supplement shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Neither the delivery of this Prospectus or any Prospectus Supplement nor any sale made hereunder or thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or thereof or that the information contained herein or therein is correct as of any time subsequent to their respective dates.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Reports, proxy statements and other information filed by the Company with the Commission may be inspected at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following Regional Offices of the Commission: New York Regional Office, Seven World Trade Center, New York, New York 10048; and Chicago Regional Office, Northwestern Atrium Center, 500 West Madison Street, Chicago, Illinois 60661, and copies of such material can be obtained from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such reports, proxy statements and other information can also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New

York, New York 10005, at the offices of the Midwest Stock Exchange, Inc., 120 S. LaSalle Street, Chicago, Illinois 60603, and at the offices of the Pacific Stock Exchange, Inc., 301 Pine Street, San Francisco, California 94104.

This Prospectus constitutes a part of a Registration Statement on Form S-3 (together with all amendments and exhibits thereto, the "Registration Statement") filed by the Company with the Commission under the Securities Act of 1933, as amended (the "Securities Act"). This Prospectus omits certain of the information contained in the Registration Statement, and reference is hereby made to the Registration Statement for further information with respect to the Company and the Securities offered hereby. Any statements contained herein concerning the provisions of any document filed as an exhibit to the Registration Statement or otherwise filed with the Commission are not necessarily complete, and in each instance reference is made to the copy of such document so filed. Each such statement is qualified in its entirety by such reference.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1993 (the "Annual Report"), including the financial statements and schedules of the Company for the fiscal years covered by the Annual Report and the report thereon by Arthur Andersen & Co. contained in the Annual Report, filed with the Commission pursuant to the Exchange Act, is incorporated herein by reference.

All documents filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus, and prior to the termination of the offering of the Securities, shall be deemed to be incorporated by reference in the Prospectus and to be a part hereof from the date of filing of such documents. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein or in the accompanying Prospectus Supplement modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Copies of all documents incorporated by reference (other than exhibits to such documents, unless such exhibits are specifically incorporated by reference in such documents) will be provided without charge to each person, including any beneficial owner, who receives a copy of this Prospectus on the written request of such person addressed to the Secretary's Department, Browning-Ferris

Industries, Inc., P.O. Box 3151, Houston, Texas 77253, or upon the oral request of such person directed to the Secretary's Department at (713) 870-7027.

THE COMPANY

The Company is one of the largest publicly-held companies engaged in providing waste services. Subsidiaries and affiliates collect, transport, treat and/or process, recycle and dispose of commercial, residential and municipal solid waste and industrial wastes. The Company's subsidiaries are also involved in resource recovery facilities, medical waste services, portable restroom services and municipal and commercial sweeping operations. The Company's subsidiaries or affiliates operate in approximately 430 operating locations in North America and 115 operating locations outside of North America (including approximately 17 operating locations of unconsolidated affiliates), and employ approximately 31,600 persons (including approximately 3,200 employees of unconsolidated affiliates). In addition to operations in the United States, Canada and Puerto Rico, subsidiaries of the Company own interests in subsidiaries or affiliates with operations in Australia, Finland, Hong Kong, Italy, Kuwait, the Netherlands, New Zealand, Spain, the United Kingdom and Venezuela.

The term "Company" refers to Browning-Ferris Industries, Inc., a Delaware corporation, and its subsidiaries, affiliates and predecessors unless the context requires otherwise. The Company's executive offices are located at 757 N. Eldridge, Houston, Texas 77079. The Company's mailing address is P.O. Box 3151, Houston, Texas 77253, and its telephone number is (713) 870-8100.

APPLICATION OF PROCEEDS

Unless otherwise indicated in a Prospectus Supplement with respect to the proceeds from the sale of the particular Securities to which such Prospectus Supplement relates, the net proceeds to be received by the Company from the sale of the Securities will be added to the Company's general funds and are expected to be applied to reduce certain outstanding debt and for general corporate purposes, including capital expenditures and acquisitions.

DESCRIPTION OF DEBT SECURITIES

The following description of the Debt Securities sets forth certain general terms and provisions of the Debt Securities to which any Prospectus Supplement may relate ("Offered Debt Securities"). The particular terms of the Offered Debt Securities and the extent to which such general provisions may apply will be described in a Prospectus Supplement relating to such Offered Debt Securities.

The Debt Securities will be general unsecured obligations of the Company and will constitute either senior debt securities or subordinated debt securities. In the case of Debt Securities that will be senior debt securities ("Senior Debt Securities" and "Offered Senior Debt Securities"), the Debt Securities will be issued under a Restated Indenture dated as of September 1, 1991, between the Company and Texas Commerce Bank, National Association, as Trustee (successor trustee to First City, Texas-Houston, National Association, which was formerly First City National Bank of Houston) (the "Senior Trustee"), (the "Senior Indenture"). In the case of Debt Securities that will be subordinated debt securities ("Subordinated Debt Securities" and "Offered Subordinated Debt Securities"), the Debt Securities will be issued under an Indenture dated as of August 1, 1987, as amended (the "Subordinated Indenture"), between the Company and NationsBank of Texas, National Association, as Trustee (successor trustee to First RepublicBank Houston, National Association, as Trustee) (the "Subordinated Trustee"). The Senior Indenture and the Subordinated Indenture are sometimes referred to herein individually as an "Indenture" and collectively as the "Indentures". The Senior Trustee and the Subordinated Trustee are sometimes referred to herein individually as a "Trustee" and collectively as the "Trustees". The statements under this caption relating to the Debt Securities and the Indentures are summaries only and do not purport to be complete. Such summaries make use of terms defined in the Indentures. Wherever such terms are used herein or particular provisions of the Indentures are referred to, such terms or provisions, as the case may be, are incorporated by reference as part of the statements made herein, and such statements are qualified in their entirety by such reference. Certain defined terms in the Indentures are capitalized herein. The references below apply to the section numbers in each of the Indentures, unless otherwise indicated. Both the Senior Indenture and the Subordinated Indenture, and the Securities issued thereunder, are governed by Texas law.

Provisions Applicable to Both Senior and Subordinated Debt Securities

General. The Indentures do not limit the aggregate principal amount of the Debt Securities issuable thereunder or of any particular series of the Debt Securities and provide that Debt Securities may be issued thereunder from time to time in one or more series with the same or various maturities at par, at a premium or at a discount. Offered Debt Securities bearing no interest or interest at a rate which at the time of issuance is below market rate ("Original Issue Discount Securities") will be sold at a discount (which may be substantial) from their stated principal amount. Federal income tax consequences and other special considerations applicable to any such Original Issue Discount Securities will be described in the Prospectus Supplement relating

thereto.

Reference is made to the Prospectus Supplement for the following terms of the Offered Debt Securities: (i) the title and the limit on the aggregate principal amount of Offered Debt Securities; (ii) the percentage of their principal amount at which the Offered Debt Securities will be sold; (iii) the date or dates on which the principal of (and premium, if any, on) the Offered Debt Securities will be payable; (iv) the rate or rates (which may be fixed or variable) per annum, if any, at which the Offered Debt Securities will bear interest or the method of determining such rate or rates; (v) the date or dates from which such interest, if any, shall accrue the date or dates on which such interest, if any, will be payable and the regular record date for interest payable on any payment date; (vi) the place or places where the principal of (and premium, if any) and interest, if any, on the Offered Debt Securities will be payable; (vii) the terms for redemption or early payment, if any, including any mandatory or optional sinking fund or analogous provision; (viii) the principal amount of any Offered Debt Securities that are Original Issue Discount Securities, which would be payable upon declaration of acceleration of the maturity of the Offered Debt Securities; (ix) any modifications of the Events of Default or covenants of the Company contained in the Indenture pertaining to the Offered Debt Securities; (x) information with respect to book-entry procedures, if any; (xi) as to Subordinated Debt Securities only, whether the offered Subordinated Debt Securities are convertible into Common Stock of the Company and, if so, the initial conversion price; and (xii) any other terms of the Offered Debt Securities not inconsistent with the Indenture under which they are issued. (Section 301)

Unless otherwise indicated in the Prospectus Supplement relating thereto, principal of and any premium and interest on the Offered Debt Securities will be payable, and the Offered Debt Securities will be exchangeable and transfer thereof will be registrable, at the corporate trust office of the Trustee or at the office of each paying agent, if any, identified in the Prospectus Supplement with respect to the Offered Debt Securities; provided that, at the option of the Company, payment of any interest may be made by check mailed to the address of the Person entitled thereto as it appears in the Security Register. The Corporate Trust Office of the Senior Trustee is located at 712 Main Street, Houston, Texas 77002, and the Corporate Trust Office of the Subordinated Trustee is located at 700 Louisiana Street, Houston, Texas 77002. (Sections 301, 305 and 1002)

Unless otherwise indicated in the Prospectus Supplement relating thereto, the Offered Debt Securities will be issued in only fully registered form without coupons in denominations of \$1,000 or any integral multiple thereof, and no service charge will be made for any transfer or exchange of such Offered Debt Securities, but the

Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

(Sections 302 and 305)

Global Securities. The Offered Debt Securities of a series may be issued in whole or in part in the form of one or more global securities ("Global Securities") that will be issued to and registered in the name of the depositary (the "Depositary") identified in the Prospectus Supplement, or its nominee, relating to such series. Global Securities may be issued only in fully-registered form and in either temporary or permanent form. Unless and until a Global Security is exchanged in whole or in part for the individual Debt Securities represented thereby, such Global Security may not be transferred except as a whole by the Depositary to its nominee or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor Depositary or nominee of such successor Depositary. (Section 305)

The specific terms of the depositary arrangement with respect to a series of Offered Debt Securities will be described in the Prospectus Supplement relating to such series. The Company anticipates that the following provisions will generally apply to depositary arrangements.

Upon the issuance of a Global Security, the Depositary or its nominee will credit, on its book-entry registration and transfer system, the respective principal amounts of the individual Debt Securities represented by such Global Security to the accounts of persons that have accounts with the Depositary. Such accounts shall be designated by the dealers, underwriters or agents with respect to such Debt Securities or by the Company if such Debt Securities are offered and sold directly by the Company. Ownership of beneficial interests in a Global Security will be limited to persons that have accounts with the Depositary ("Participants") or persons that may hold interests through Participants. Ownership of beneficial interests in such Global Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the Depositary or its nominee (with respect to interests of Participants) and the records of Participants (with respect to interests of persons other than Participants). The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a Global Security.

So long as the Depositary or its nominee is the registered owner of a Global Security, such registered owner will be considered the sole owner or holder of the Debt Securities represented by such Global Security for all purposes under the Indenture. Except as provided below, owners of beneficial interests in a Global Security

will not be entitled to have any of the individual Debt Securities represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of any such Debt Securities in definitive form and will not be considered the owners or holders thereof under the Indenture.

Payments of principal of and premium, if any, and interest, if any, on Debt Securities represented by a Global Security registered in the name of the Depository or its nominee will be made to the Depository or its nominee, as the case may be, as the registered owner of the Global Security representing such Debt Securities. None of the Company, the Trustee, any Paying Agent or the Security Registrar for such Debt Securities will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of the Global Security for such Debt Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Company expects the Depository or its nominee, immediately upon receipt of any payment of principal, premium or interest in respect of a Global Security, will credit Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Security as shown on the records of the Depository or its nominee. The Company also expects that payments by Participants to owners of beneficial interests in such Global Security held through such Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name". Such payments will be the sole responsibility of such Participants. The Company has no control over the practices of the Depository or the Participants and there can be no assurance that these practices will not be changed.

If the Depository for a series of Debt Securities is at any time unwilling, unable or ineligible to continue as depository and a successor depository is not appointed by the Company within 90 days, the Company will issue individual Debt Securities of such series in exchange for the Global Security representing such series of Debt Securities. In addition, the Company may at any time and in its sole discretion, subject to any limitations described in the Prospectus Supplement relating to such Debt Securities, determine not to have any Debt Securities of a series represented by one or more Global Securities and, in such event, will issue individual Debt Securities of such series in exchange for the Global Security representing such series of Debt Securities. Further, if there shall have occurred and be continuing an Event of Default, or an event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default with respect to any series of Debt Securities represented by a Global Security, such Global

Security shall be exchangeable for individual Debt Securities of such series. In any such instance, an owner of a beneficial interest in a Global Security will be entitled to a physical delivery of individual Debt Securities of the series represented by such Global Security equal in principal amount to such beneficial interest and to have such Debt Securities registered in its name. Individual Debt Securities of such series so issued will be issued in denominations, unless otherwise specified by the Company, of \$1,000 and integral multiples thereof.

Consolidation, Merger and Sale of Assets. Each Indenture provides that the Company, without the consent of the holders of any of the outstanding Debt Securities, may consolidate with or merge into any other corporation or transfer or lease its assets substantially as an entirety to any Person or may acquire or lease the assets of any Person substantially as an entirety or may permit any corporation to merge into the Company provided that (i) the successor is a corporation organized under the laws of any domestic jurisdiction; (ii) the successor corporation, if other than the Company, assumes the Company's obligations under the Indenture and the Debt Securities issued thereunder; (iii) after giving effect to the transaction, no Event of Default and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have occurred and be continuing; and (iv) certain other conditions are met. (Section 801)

Modification of the Indentures. Each Indenture provides that the Company and the Trustee may, without the consent of any holders of Debt Securities, enter into supplemental indentures for the purposes, among other things, of adding to the Company's covenants, adding additional Events of Default, establishing the form or terms of Debt Securities, curing ambiguities or inconsistencies in the Indenture or making any other provisions with respect to matters arising under the Indenture if such action shall not adversely affect the interests of the holders of any series of Debt Securities in any material respect or to change or eliminate any of the provisions of the Indenture with respect to a series of Debt Securities if such series is not then outstanding. (Section 901)

Each Indenture also contains provisions permitting the Company, with the consent of the holders of not less than a majority in principal amount of the outstanding Debt Securities of the affected series, to execute supplemental indentures adding any provisions to or changing or eliminating any of the provisions of the Indenture or modifying the rights of the holders of the Debt Securities of such series, except that no such supplemental indenture may, without the consent of the holders of all of the outstanding Debt Securities affected thereby, among other things: (i) change the maturity of the principal of or any installment of principal or interest on any of the Debt Securities; (ii) reduce the principal amount thereof or the rate of interest, if any, thereon or any

premium payable on the redemption thereof; (iii) reduce the amount of the principal of Original Issue Discount Securities payable on any date; (iv) change the place of payment where, or the coin or currency in which, any of the Debt Securities or any premium or interest thereon is payable; (v) impair the right to institute suit for the enforcement of any such payment on or after the applicable maturity date; (vi) reduce the percentage in principal amount of the Debt Securities of any outstanding series the consent of the holders of which is required for any such supplemental indenture or for any waiver of compliance with certain provisions of, or of certain defaults under, the Indenture; (vii) as to the Subordinated Indenture only, adversely affect the right to convert the Subordinated Debt Securities (if convertible) or modify the subordination provisions of the Subordinated Indenture in a manner adverse to the holders of Subordinated Debt Securities; or (viii) with certain exceptions, modify the foregoing requirements. (Section 902)

Events of Default, Notice and Waiver. Unless otherwise indicated in the Prospectus Supplement relating to a particular series of Debt Securities, an Event of Default in respect to any series of Debt Securities is defined in each Indenture to be a (i) default for 30 days in the payment of any installment of interest upon any of the Debt Securities of such series when due; (ii) default in the payment of principal of (or premium, if any, on) any of the Debt Securities of such series when due; (iii) default in the making or satisfaction of any sinking fund payment when the same becomes due by the terms of the Debt Securities of such series; (iv) default by the Company in the performance, or breach, of any of its other covenants in the Indenture which shall not have been remedied for a period of 60 days after notice by the Trustee or the holders of at least 25% in principal amount of the Debt Securities of such series; (v) certain events of bankruptcy, insolvency or reorganization of the Company; and (vi) such other events as may be specified for each series. (Section 501)

A default under other indebtedness of the Company or any of its subsidiaries will not be a default under either Indenture, and an Event of Default under one series of Debt Securities will not necessarily be an Event of Default under another series of Debt Securities issued under the same Indenture.

Each Indenture provides that if an Event of Default specified therein with respect to any outstanding series of Debt Securities issued thereunder shall have occurred and be continuing, either the Trustee or the holders of not less than 25% in principal amount of the Debt Securities of such series may declare the principal (or, if the Debt Securities of such series are Original Issue Discount Securities, such portion of the principal amount as may be specified by the terms of such series) of all of the Debt Securities of such series to be immediately due and payable. Such

declaration may be rescinded if certain conditions are satisfied.
(Section 502)

Each Indenture also provides that the holders of not less than a majority in principal amount of the Debt Securities of any outstanding series may 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 that the Trustee may take any other proper action not inconsistent with such direction and may decline to act if such direction is contrary to law or to the Indenture or would involve the Trustee in personal liability. (Section 512)

In addition, each Indenture also provides that the holders of not less than a majority in principal amount of the Debt Securities of any outstanding series thereunder may on behalf of the holders of all of the Debt Securities of such series waive any past default with respect to such series and its consequences, except a default (i) in the payment of the principal of (or premium, if any) or interest on any of the Debt Securities of such series or (ii) in respect of a covenant or provision of the Indenture which, under the terms thereof, cannot be modified or amended without the consent of the holders of all of the Debt Securities of such series. (Section 513)

Each Indenture contains provisions entitling the Trustee, subject to the duty of the Trustee during an Event of Default in respect of any series of Debt Securities issued thereunder to act with the required standard of care, to be indemnified by the holders of the Debt Securities of such series before proceeding to exercise any right or power under the Indenture at the request of the holders of the Debt Securities of such series. (Sections 601 and 603)

Each Indenture also provides that the Trustee will, within 90 days after the occurrence of a default in respect of any series of Debt Securities issued thereunder give to the holders of the Debt Securities of such series notice of all uncured and unwaived defaults known to it; provided, however, that, except in the case of a default in the payment of the principal of (or premium, if any), or interest on, or any sinking fund installment with respect to, any Debt Securities of such series, the Trustee will be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interest of the holders of the Debt Securities of such series; and provided further, that such notice shall not be given until at least 30 days after the occurrence of an Event of Default regarding the performance or breach of any covenant or warranty of the Company under the Indenture other than for the payment of the principal of (or premium, if any) or interest on, or any sinking fund installment with respect to, any of the Debt Securities of such

series. The term default for the foregoing purpose only means any event which is, or after notice or lapse of time, or both, would become, an Event of Default with respect to the Debt Securities of such series. (Section 602)

Each Indenture requires the Company to file annually with the Trustee a certificate, executed by an officer of the Company, indicating whether the Company has fulfilled all of its obligations or is in default under certain covenants under the Indenture. (Section 1004)

Provisions Applicable to Senior Debt Securities

General. The Senior Debt Securities will be unsecured obligations of the Company issued under the Senior Indenture and will rank on a parity with all other unsecured and unsubordinated indebtedness of the Company.

Limitations on Liens. The Senior Indenture does not contain any covenant restricting the amount of indebtedness which may be incurred by the Company or any of its Subsidiaries. The Senior Indenture, however, provides, in general, that except as provided in this and in the following paragraph, the Company will not, and will not permit any Restricted Subsidiary to, issue, assume or guarantee any Debt secured by a Lien upon any Principal Property of the Company or any Restricted Subsidiary or upon any shares of stock or Debt of any Restricted Subsidiary (whether such Principal Property, shares of stock or Debt are now owned or hereafter acquired) without in any such case effectively providing concurrently with the issuance, assumption or guaranty of any such Debt that the Senior Debt Securities (together with, if the Company shall so determine, any other indebtedness of or guaranty by the Company or such Restricted Subsidiary then existing or thereafter created which is not subordinate to the Senior Debt Securities) shall be secured equally and ratably with (or, at the option of the Company, prior to) such Debt, so long as such Debt shall be so secured; provided, however, that the foregoing restrictions shall not apply to Debt secured by: (1) Liens on property, shares of stock or indebtedness of any corporation existing at the time such corporation becomes a Restricted Subsidiary; (2) Liens on any property (including shares of stock or Debt) existing at the time of acquisition thereof or securing the payment of all or any part of the purchase price or construction cost thereof or securing any Debt incurred prior to, at the time of or within 180 days after, the acquisition of such property or the completion of any such construction for the purpose of financing all or any part of the purchase price or construction cost thereof; (3) Liens on any property to secure all or any part of the cost of development, operation, construction, alteration, repair or improvement of all or any part of such property, or to secure Debt incurred prior to, at the time of or within 180 days after, the completion of such

development, operation, construction, alteration, repair or improvement for the purpose of financing all or any part of such cost; (4) Liens which secure Debt owing by a Restricted Subsidiary to the Company or to another Restricted Subsidiary or by the Company to a Restricted Subsidiary; (5) Liens securing indebtedness of a corporation which becomes a successor of the Company by reason of a consolidation, merger or any conveyance, transfer or lease of the properties and assets of the Company substantially as an entirety; (6) Liens on property of the Company or a Restricted Subsidiary in favor of governmental authorities to secure partial, progress, advance or other payments or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of construction of the property subject to such Liens, or in favor of any trustee or mortgagee for the benefit of holders of indebtedness of any such entity incurred for any such purpose; (7) Liens incurred in connection with pollution control, sewage or solid waste disposal, industrial revenue or similar financing; (8) Liens existing at January 15, 1985; and (9) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Lien referred to in the foregoing clauses (1) to (8), inclusive, or of any Debt secured thereby; provided that such extension, renewal or replacement Lien shall be limited to all or any part of the same property that secured the Lien extended, renewed or replaced (plus any improvements on such property) and shall secure no larger amount of Debt than that existing at the time of such extension, renewal or replacement. (Section 1005)

The Company and any one or more Restricted Subsidiaries may issue, assume or guarantee Debt secured by a Lien which would otherwise be subject to the foregoing restrictions if at the time it does so (the "Incurrence Time") such Debt plus all other Debt of the Company and its Restricted Subsidiaries secured by a Lien which would otherwise be subject to the foregoing restrictions (not including Debt permitted to be secured as described in clauses (1) through (9) in the preceding paragraph), plus the aggregate Attributable Debt (determined as of the Incurrence Time) of Sale and Leaseback Transactions (other than Sale and Leaseback Transactions described in clauses (a) and (b) of the first paragraph under the caption "Limitation on Sale and Leaseback Transactions" herein) entered into after January 15, 1985 and in existence at the Incurrence Time (less the aggregate amount of proceeds of such Sale and Leaseback Transactions which shall have been applied as described in clause (d) of the first paragraph under the caption "Limitation on Sale and Leaseback Transactions" herein), does not exceed 10% of the Consolidated Net Tangible Assets. (Section 1005)

Limitation on Sale and Leaseback Transactions. The Senior Indenture provides, in general, that the Company will not itself, and will not permit any Restricted Subsidiary to, enter into any

arrangements with any bank, insurance company or other lender or investor (other than the Company or another Restricted Subsidiary) providing for the leasing as lessee by the Company or any such Restricted Subsidiary of any Principal Property (except a lease for a temporary period not to exceed three years by the end of which it is intended the use of such Principal Property by the lessee will be discontinued), which was or is owned by the Company or a Restricted Subsidiary and which has been or is to be sold or transferred by the Company or a Restricted Subsidiary, more than 180 days after the completion of construction and commencement of full operation thereof by the Company or such Restricted Subsidiary, to such lender or investor or to any person to whom funds have been or are to be advanced by such lender or investor on the security of such Principal Property (herein called a "Sale and Leaseback Transaction") unless: (a) the Company or such Restricted Subsidiary would (at the time of entering into such arrangement) be entitled, as described in clauses (1) through (9) of the first paragraph under the caption "Limitations on Liens" herein, without equally and ratably securing the Senior Debt Securities, to issue, assume or guarantee indebtedness secured by a Lien on such Principal Property, or (b) such Sale and Leaseback Transaction relates to a landfill or other waste disposal site (excluding any plant or similar facility located thereon) owned by the Company or such Restricted Subsidiary or which the Company or such Restricted Subsidiary has the right to use, or (c) the Attributable Debt of the Company and its Restricted Subsidiaries in respect of such Sale and Leaseback Transaction and all other Sale and Leaseback Transactions entered into after January 15, 1985 (other than such Sale and Leaseback Transactions as are referred to in clauses (a), (b) or (d) of this paragraph), plus the aggregate principal amount of Debt secured by Liens on Principal Properties then outstanding (excluding any such Debt secured by Liens described in clauses (1) through (9) of the first paragraph under the caption "Limitations on Liens" herein) which do not equally and ratably secure the Senior Debt Securities, would not exceed 10% of Consolidated Net Tangible Assets or (d) the Company, within 180 days after the sale or transfer, applies or causes a Restricted Subsidiary to apply (subject to certain reductions described in the Senior Indenture) an amount equal to the greater of the net proceeds of such sale or transfer or fair market value of the Principal Property so sold and leased back at the time of entering into such Sale and Leaseback Transaction to the retirement of Senior Debt Securities or other indebtedness of the Company (other than indebtedness subordinated to the Senior Debt Securities) or indebtedness of a Restricted Subsidiary, for money borrowed, having a stated maturity more than 12 months from the date of such application or which is extendible at the option of the obligor thereon to a date more than 12 months from the date of such application. (Section 1006)

Definitions. Certain terms used in the above described restrictions are given the following definitions in Section 101 of

the Senior Indenture:

"Attributable Debt" in respect of a Sale and Leaseback Transaction means, as of any particular time, the present value (discounted at the rate of interest implicit in the terms of the lease involved in such Sale and Leaseback Transaction, as determined in good faith by the Company) of the obligation of the lessee thereunder for net rental payments (excluding, however, any amounts required to be paid by such lessee, whether or not designated as rent or additional rent, on account of maintenance and repairs, services, insurance, taxes, assessments, water rates and similar charges or any amounts required to be paid by such lessee thereunder contingent upon monetary inflation or the amount of sales, maintenance and repairs, insurance, taxes, assessments, water rates or similar charges) during the remaining term of such lease (including any period for which such lease has been extended or may, at the option of the lessor, be extended).

"Consolidated Net Tangible Assets" means the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom (a) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles and (b) all current liabilities, all as reflected in the Company's latest audited consolidated balance sheet contained in the Company's most recent annual report to its stockholders prior to the time as of which "Consolidated Net Tangible Assets" shall be determined.

"Debt" means indebtedness for borrowed money.

"Lien" means any mortgage, pledge, security interest, lien or other encumbrance.

"Principal Property" means any waste processing, waste disposal or resource recovery plant or similar facility located within the United States of America (other than its territories and possessions and Puerto Rico) and owned by, or leased to, the Company or any Restricted Subsidiary, except (a) any such plant or facility (i) owned or leased jointly or in common with one or more persons other than the Company and its Subsidiaries, in which the interest of the Company and its Restricted Subsidiaries does not exceed 50%, or (ii) which the Board of Directors determines in good faith is not of material importance to the total business conducted, or assets owned, by the Company and its Subsidiaries as an entirety, or (b) any portion of any such plant or facility which the Board of Directors determines in good faith not to be of material importance to the use or operation thereof.

"Restricted Subsidiary" means any Subsidiary substantially all the property of which is located, or substantially all the business of which is carried on, within the United States of America (excluding

its territories and possessions and Puerto Rico).

"Subsidiary" means any corporation of which the Company directly or indirectly owns or controls stock which under ordinary circumstances (not dependent upon the happening of a contingency) has voting power to elect a majority of the board of directors of such corporation.

Defeasance. If so provided in the Prospectus Supplement accompanying the Offered Senior Debt Securities, the Company may discharge its indebtedness and its obligations under the Senior Indenture with respect to such series by depositing funds or obligations issued or guaranteed by the United States of America with the Senior Trustee. The Prospectus Supplement will more fully describe the provisions, if any, relating to such discharge. (Section 403)

Regarding the Senior Trustee. The Senior Trustee is a lending bank under an unsecured variable interest rate bank credit agreement with the Company. The Company has and may from time to time in the future have other banking relationships with the Senior Trustee in the ordinary course of business.

Provisions Applicable to Subordinated Debt Securities

General. The Subordinated Debt Securities will be unsecured obligations of the Company to be issued under the Subordinated Indenture, and will be subordinate in right of payment to certain other indebtedness of the Company as described under "Subordination".

Subordination. The Subordinated Debt Securities will be subordinate and junior in right of payment, as set forth in the Subordinated Indenture, to the prior payment in full of all Senior Debt of the Company. "Senior Debt" is defined in the Subordinated Indenture as the principal of (and premium, if any) and interest on any indebtedness, whether outstanding at the date of the Subordinated Indenture or thereafter created or incurred, which is for (a) money borrowed by the Company, (b) obligations of the Company evidencing the purchase price for acquisitions by the Company or a subsidiary other than in the ordinary course of business, (c) money borrowed by others and assumed or guaranteed by the Company, (d) capitalized lease obligations of the Company, (e) obligations under performance guarantees, support agreements and other agreements in the nature thereof relating to the obligations of any subsidiary of the Company with respect to waste-to-energy facilities and (f) renewals, extensions, refundings, amendments and modifications of any indebtedness, of the kind described in the foregoing clauses (a), (b), (c), (d) and (e) or of the instruments creating or evidencing such indebtedness, unless, in each case, by the terms of the instrument creating or evidencing such

indebtedness or such renewal, extension, refunding, amendment and modification, it is provided that such indebtedness is not senior in right of payment to the Subordinated Debt Securities. (Section 1311)

In the event of any distribution of assets of the Company upon its dissolution, winding up, liquidation or reorganization, the holders of Senior Debt shall first be paid in full in respect of principal, premium (if any) and interest before any such payments are made on account of the Subordinated Debt Securities. In addition, in the event that (a) the Subordinated Debt Securities or any other debt securities issued under the Subordinated Indenture are declared due and payable because of an Event of Default (other than under the circumstances described in the preceding sentence) or (b) any default by the Company has occurred and is continuing in the payment of principal, premium (if any), sinking funds or interest on any Senior Debt, then no payment shall be made on account of principal, premium (if any), sinking funds or interest on the Subordinated Debt Securities until all such payments due in respect of such Senior Debt have been paid full. (Sections 1301 and 1304)

By reason of such subordination, creditors of the Company who are not holders of Senior Debt may, subject to any subordination provisions that may be applicable to such creditors, recover more ratably than holders of the Subordinated Debt Securities.

As of September 30, 1993, the Company had outstanding approximately \$430 million principal amount of indebtedness which would constitute "Senior Debt". The Company also has unused lines of credit for up to a maximum of \$1 billion at January 11, 1994. The amount of Senior Debt may change in the future, and the Subordinated Indenture contains no limitations on the incurrence of Senior Debt.

Conversion. The Subordinated Indenture provides that a series of Subordinated Debt Securities may be convertible into Common Stock. The following provisions will apply to convertible Subordinated Debt Securities unless otherwise provided in the Prospectus Supplement for such series of Subordinated Debt Securities.

The holder of any convertible Subordinated Debt Securities will have the right, exercisable at any time prior to maturity, subject to prior redemption by the Company, to convert any portion of such Subordinated Debt Securities that is \$1,000 in principal amount or any integral multiple thereof, into shares of Common Stock at the conversion price or conversion rate set forth in the Prospectus Supplement, subject to adjustment.

In certain events, the conversion price or conversion rate will be subject to adjustment as set forth in the Subordinated Indenture. Such events include the issuance of shares of Common Stock as a

dividend or distribution on the Common Stock; subdivisions, combinations and reclassifications of the Common Stock; the fixing of a record date for the issuance to all holders of Common Stock of rights or warrants entitling the holders thereof (for a period expiring within 45 days of the record date) to subscribe for or purchase shares of Common Stock at a price per share less than the then current market price per share of Common Stock (as determined pursuant to the Subordinated Indenture); and the fixing of a record date for the distribution to all holders of Common Stock of evidences of indebtedness or assets (excluding cash dividends paid from surplus) of the Company or subscription rights or warrants (other than those referred to above). No adjustment of the conversion price or conversion rate will be required unless an adjustment would require a cumulative increase or decrease of at least 1% in such price or rate. (Section 1404)

Fractional shares of Common Stock will not be issued upon conversion, but, in lieu thereof, the Company will pay a cash adjustment based on the then current market price for the Common Stock. Upon conversion, no adjustments will be made for accrued interest or dividends, and, accordingly, convertible Subordinated Debt Securities surrendered for conversion between the record date for an interest payment and the interest payment date (except convertible Subordinated Debt Securities called for redemption on a redemption date during such period) must be accompanied by payment of an amount equal to the interest thereon which the registered holder is to receive. (Sections 1403 and 1405)

In the case of any reclassification or change in the outstanding shares of Common Stock, any consolidation or merger of the Company (with certain exceptions) or any conveyance, transfer or lease of the property and assets of the Company substantially as an entirety, the holder of convertible Subordinated Debt Securities, after the consolidation, merger, conveyance, transfer or lease, will have the right to convert such convertible Subordinated Debt Securities into the kind and amount of securities, cash and other property which the holder would have been entitled to receive upon or in connection with such consolidation, merger, conveyance, transfer or lease, if the holder had held the Common Stock issuable upon conversion of such convertible Subordinated Debt Securities immediately prior to such consolidation, merger, conveyance, transfer or lease. (Section 1406)

Regarding the Subordinated Trustee. The Subordinated Trustee is a lending bank under an unsecured variable interest rate bank credit agreement with the Company. The Company has and may from time to time in the future have other banking relationships with the Subordinated Trustee in the ordinary course of business.

CAPITAL STOCK

Pursuant to its Restated Certificate of Incorporation, the Company is authorized to issue (i) 400,000,000 shares of Common Stock, \$.16 2/3 par value and (ii) 25,000,000 shares of Preferred Stock, without par value, of which 4,000,000 shares have been designated by the Board of Directors as Series A Participating Preferred Stock which may be issued upon the exercise of Rights (hereinafter defined) associated with the Common Stock as discussed below.

On June 1, 1988, the Board of Directors of the Company declared a dividend distribution of one right (a "Right") on each share of Common Stock outstanding at the close of business on June 13, 1988, and in connection therewith entered into a Rights Agreement, dated as of June 1, 1988 (as amended, the "Rights Agreement") with Texas Commerce Bank National Association (subsequently succeeded by First Chicago Trust Company of New York) as Rights Agent. In addition, the Board authorized the issuance of one Right with respect to each share of Common Stock that becomes outstanding between June 13, 1988 and the earliest of the dates on which separate Right certificates are distributed or the Rights expire or are redeemed. The Rights distribution was not taxable to stockholders.

When exercisable, each Right will entitle the registered holder to purchase one one-hundredth of a share of Series A Participating Preferred Stock at an exercise price of \$110.00, subject to adjustment. The Rights will not be exercisable prior to the expiration of the Company's right to redeem the Rights. The Company is entitled to redeem the Rights at \$.05 per Right (subject to adjustment) up to and including the tenth business day (twentieth business day if the Board of Directors so determines) after the acquisition by a person of beneficial ownership of shares of the Company's stock having 10% or more of the general voting power of the Company. The Rights will expire on June 13, 1998, unless earlier redeemed.

In general, the Rights Agreement provides that if the Company is acquired in a merger or other business combination transaction on or at any time after the date on which a person obtains ownership of stock having 10% more of the Company's general voting power ("Stock Acquisition Date"), provision must be made prior to the consummation of such transaction to entitle each holder of a Right (except as provided in the Plan) to purchase at the exercise price a number of the acquiring company's common shares having a market value (determined as provided in the Rights Agreement) at the time of such transaction of two times the exercise price of the Right. The Rights Agreement also provides that in the event of (i) the acquisition of the Company on or at any time after the Stock Acquisition Date in a merger or other business combination transaction in which the Company's Common Stock remains outstanding and unchanged, (ii) certain self-dealing transactions by a 10% or greater stockholder, (iii) the acquisition by a person of at least 15% of the general voting power of the Company or (iv) an increase

in the ownership interest of a 10% or greater stockholder by more than 1% as a result of the occurrence of any of certain events specified in the Rights Agreement, then, in each such case, each holder of a Right (except as provided in the Rights Agreement) will have the right to receive, upon payment of the exercise price, a number of shares of Series A Participating Preferred Stock having a market value (determined as provided in the Rights Agreement) at the time of such transaction of two times the exercise price of a Right.

Certain provisions in the Company's Restated Certificate of Incorporation and By-laws may have the effect of delaying, deferring or preventing a change in control of the Company. These provisions require that the Company's Board of Directors be divided into three classes that are elected for staggered three-year terms; provide that stockholders may act only at annual or special meetings and may not act by written consent; provide that special meetings of stockholders may be called only by the Board of Directors; authorize the directors of the Company to determine the size of the Board of Directors; require that stockholder nominations for directors be made to the Nominating Committee of the Company prior to a meeting of stockholders; provide that directors may be removed only for cause and only by a supermajority vote (80% of shares outstanding) of the stockholders (a "Supermajority Vote"), including a majority in interest of the holders ("Minority Holders") of voting stock held by persons other than any person who, together with its affiliates and associates, owns more than 10% of the voting stock; provide for certain minimum price and procedural requirements in connection with certain business combinations, in the absence of which the business combination would require approval by a Supermajority Vote, including a majority in interest of the Minority Holders; require a Supermajority Vote, including a majority in interest of the Minority Holders, for the amendment of any of the foregoing provisions unless approved by a majority of the Board of Directors in certain events; and authorize the Board of Directors to establish one or more series of Preferred Stock, without any further stockholder approval, having rights, preferences, privileges and limitations that could impede or discourage the acquisition of control of the Company.

Description of Common Stock. At December 31, 1993, 174,402,335 shares of Common Stock were issued and outstanding and 34,300,722 shares were reserved for issuance (i) pursuant to the Company's Dividend Reinvestment Plan and employee benefit plans (including stock option plans), (ii) upon conversion of debentures, and (iii) in connection with the acquisition of businesses and properties in the normal course of business. Subject to the dividend preferences of any outstanding shares of Preferred Stock, all shares of Common Stock are entitled to participate in such dividends as may be declared by the Board of Directors out of assets available for such

payment. Holders of Common Stock are entitled to one vote for each share held. All outstanding shares are, and shares issuable hereunder will be, validly issued, fully paid and nonassessable. Holders of Common Stock have no cumulative voting rights or preemptive rights. In the event of a liquidation, dissolution or winding up of the Company, holders of Common Stock are entitled to share ratably in the distribution of assets remaining after payment of debts and expenses and of any preference due to holders of any preferred stock of the Company then outstanding. As described above, one Right will be issued in respect of each share of Common Stock issued before the earliest of the dates on which separate Right certificates are distributed or the Rights expire or are redeemed.

The Common Stock Transfer Agent and Registrar is First Chicago Trust Company of New York, Stock Transfer Department, Post Office Box 3891, Church Street Station, New York, New York 10008.

Description of Preferred Stock. Under the Company's Restated Certificate of Incorporation, the Board of Directors may provide for the issuance of up to 25,000,000 shares of Preferred Stock in one or more series. The rights, preferences, privileges and restrictions, including liquidation preferences, of the Preferred Stock of each series will be fixed or designated by the Board of Directors pursuant to a certificate of designation without any further vote or action by the Company's stockholders. The issuance of Preferred Stock could have the effect of delaying, deferring or preventing a change in control of the Company. Upon issuance against full payment of the purchase price therefor, shares of Preferred Stock offered hereby will be fully paid and nonassessable.

The specific terms of a particular series of Preferred Stock offered hereby will be described in a Prospectus Supplement relating to such series and will include the following:

- (i) The maximum number of shares to constitute the series and the distinctive designation thereof;
- (ii) The annual dividend rate, if any, on shares of the series, whether such rate is fixed or variable or both, the date or dates from which dividends will begin to accrue or accumulate and whether dividends will be cumulative;
- (iii) Whether the shares of the series will be redeemable and, if so, the price at and the terms and conditions on which the shares of the series may be redeemed, including the time during which shares of the series may be redeemed and any accumulated dividends thereon that the holders of shares of the series shall be entitled to receive upon the redemption thereof;

- (iv) The liquidation preference, if any, applicable to shares of the series;
- (v) Whether the shares of the series will be subject to operation of a retirement or sinking fund and, if so, the extent and manner in which any such fund shall be applied to the purchase or redemption of the shares of the series for retirement or for other corporate purposes, and the terms and provisions relating to the operation of such fund;
- (vi) The terms and conditions, if any, on which the shares of the series shall be convertible into, or exchangeable for, shares of any other class or classes of capital stock of the Company or another corporation or any series of any other class or classes, or of any other series of the same class, including the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same;
- (vii) The voting rights, if any, on the shares of the series; and
- (viii) Any other preferences and relative, participating, optional or other special rights or qualifications, limitations or restrictions thereof.

DESCRIPTION OF WARRANTS

The Company may issue Warrants, including Warrants to purchase Debt Securities ("Debt Warrants") and Warrants to purchase Common Stock or Preferred Stock ("Stock Warrants"). Warrants may be issued independently of or together with any other Securities and may be attached to or separate from such Securities. Each series of Warrants will be issued under a separate Warrant Agreement (each a "Warrant Agreement") to be entered into between the Company and a Warrant Agent ("Warrant Agent"). The Warrant Agent will act solely as an agent of the Company in connection with the Warrant of such series and will not assume any obligation or relationship of agency for or with holders or beneficial owners of Warrants. The following sets forth certain general terms and provisions of the Warrants offered hereby. Further terms of the Warrants and the applicable Warrant Agreement will be set forth in the applicable Prospectus Supplement.

Debt Warrants

The applicable Prospectus Supplement will describe the terms of any Debt Warrants, including the following: (i) the title of such Debt Warrants; (ii) the offering price for such Debt Warrants, if any; (iii) the aggregate number of such Debt Warrants; (iv) the

designation and terms of the Debt Securities purchasable upon exercise of such Debt Warrants; (v) if applicable, the designation and terms of the Securities with which such Debt Warrants are issued and the number of such Debt Warrants issued with each such Security; (vi) if applicable, the date from and after which such Debt Warrants and any Securities issued therewith will be separately transferable; (vii) the principal amount of Debt Securities purchasable upon exercise of a Debt Warrant and the price at which such principal amount of Debt Securities may be purchased upon exercise; (viii) the date on which the right to exercise such Debt Warrants shall commence and the date on which such right shall expire; (ix) if applicable, the minimum or maximum amount of such Debt Warrants that may be exercised at any one time; (x) whether the Debt Warrants represented by the Debt Warrant certificates or Debt Securities that may be issued upon exercise of the Debt Warrants will be issued in registered or bearer form; (xi) information with respect to book-entry procedures, if any; (xii) the currency, currencies or currency units in which the offering price, if any, and the exercise price are payable; (xiii) if applicable, a discussion of certain United States federal income tax considerations; (xiv) the antidilution provisions of such Debt Warrants, if any; (xv) the redemption or call provisions, if any, applicable to such Debt Warrants; and (xvi) any additional terms of the Debt Warrants, including terms, procedures and limitations relating to the exchange and exercise of such Debt Warrants.

Stock Warrants

The applicable Prospectus Supplement will describe the terms of any Stock Warrants, including the following: (i) the title of such Stock Warrants; (ii) the offering price of such Stock Warrants, if any; (iii) the aggregate number of such Stock Warrants; (iv) the designation and terms of the Common Stock or Preferred Stock purchasable upon exercise of such Stock Warrants; (v) if applicable, the designation and terms of the Securities with which such Stock Warrants are issued and the number of such Stock Warrants issued with each such Security; (vi) if applicable, the date from and after which such Stock Warrants and any Securities issued therewith will be separately transferrable; (vii) the number of shares of Common Stock or Preferred Stock purchasable upon exercise of a Stock Warrant and the price at which such shares may be purchased upon exercise; (viii) the date on which the right to exercise such Stock Warrants shall commence and the date on which such right shall expire; (ix) if applicable, the minimum or maximum amount of such Stock Warrants that may be exercised at any one time; (x) the currency, currencies or currency units in which the offering price, if any, and the exercise price are payable; (xi) if applicable, a discussion of certain United States federal income tax considerations; (xii) the antidilution provisions of such Stock Warrants, if any; (xiii) the redemption or call provisions, if any, applicable to such Stock Warrants; and (xiv) any additional terms

of such Stock Warrants, including terms, procedures and limitations relating to the exchange and exercise of such Stock Warrants.

PLAN OF DISTRIBUTION

The Company may sell the Securities being offered hereby in and/or outside the United States (i) through underwriters or a group of underwriters or dealers, (ii) through agents designated from time to time or (iii) directly to purchasers.

If an underwriter or underwriters are utilized in the sale, the Company will enter into an underwriting agreement with such underwriters at the time of sale to them, and the names of the underwriters and the terms and conditions of the transaction (including underwriting discounts and commissions and other items constituting underwriting compensation and discounts and commissions to be allowed or paid to any dealers) will be set forth in the Prospectus Supplement, which will be used by the underwriters to make sales of the Offered Securities in respect of which this Prospectus is delivered to the public. The underwriters may be entitled, under the underwriting agreement, to indemnification by the Company against certain civil liabilities, including liabilities under the Securities Act. Only underwriters named in the Prospectus Supplement are deemed to be underwriting in connection with the Offered Securities in respect of which such Prospectus Supplement and this Prospectus are delivered and any firms not named therein are not parties to the underwriting agreement in respect of such Offered Securities and will have no direct or indirect participation in the underwriting thereof, although they may participate in the distribution of such Securities under circumstances where they may be entitled to a dealer's commission.

If so indicated in the Prospectus Supplement, the Company will authorize underwriters to solicit offers by certain institutions to purchase Offered Securities from the Company at the price set forth in the Prospectus Supplement pursuant to delayed delivery contracts for payment and delivery at a future date. The Prospectus Supplement will set forth the commission payable to the underwriters for solicitation of such contracts.

Offers to purchase Offered Securities may be solicited directly by the Company or by agents designated by the Company from time to time. Unless otherwise indicated in the Prospectus Supplement, any such agent will be acting on a best efforts basis for the period of its appointment. Agents may be entitled under agreements which may be entered into with the Company to indemnification by the Company against certain civil liabilities, including liabilities under the Securities Act.

If an agent or agents are utilized in the sale, such persons may be

deemed to be "underwriters", and any discounts, commissions or concessions received by them from the Company or any profit on the resale of Offered Securities by them may be deemed to be underwriting discounts and commissions under the Securities Act. Any such person who may be deemed to be an underwriter and any such compensation received from the Company will be described in the Prospectus Supplement.

The time and place for delivery of the Offered Securities in respect of which this Prospectus is delivered are set forth in the Prospectus Supplement.

LEGAL OPINIONS

The legality of the Securities to be offered hereby will be passed upon for the Company by Fulbright & Jaworski L.L.P., 1301 McKinney Street, Houston, Texas 77010, and for any underwriters or agents of a particular issue of Offered Securities, by Vinson & Elkins L.L.P., 1001 Fannin Street, First City Tower, Houston, Texas 77002 or by other counsel identified in the relevant Prospectus Supplement as passing on the same for any such underwriters and agents. Vinson & Elkins L.L.P. has represented the Company in various legal matters from time to time.

EXPERTS

The consolidated financial statements and schedules included in the Annual Report of the Company on Form 10-K for the year ended September 30, 1993 incorporated herein by reference, have been audited by Arthur Andersen & Co., independent public accountants, as indicated in their report with respect thereto, and are incorporated herein by reference in reliance upon the authority of said firm as experts in giving said report.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. Other Expenses of Issuance and Distribution.*

Securities and Exchange Commission Registration Fee....\$	241,380
Printing and Engraving Expenses.....	50,000
Accounting Fees and Expenses.....	100,000
Legal Fees and Expenses.....	100,000
Trustee Fees.....	40,000
Fees of Rating Agencies.....	170,000
Blue Sky Fees and Expenses.....	10,000
Miscellaneous.....	28,620

*Estimated, except for the SEC Registration Fee.

ITEM 15. Indemnification of Directors and Officers.

Section 145 of the General Corporation Law of the State of Delaware empowers the Company to, and the By-laws of the Company provide that it shall, indemnify any person who was or is a party or is threatened to be made a party to, or otherwise becomes involved in, any threatened, pending or completed action, suit or proceeding (other than an action, suit or proceeding by or in the right of the Company) by reason of the fact that he is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful; except that, in the case of an action or suit by or in the right of the Company, no indemnification may be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine that such person is fairly and reasonably entitled to indemnity for proper expenses.

The Company's By-laws provide, pursuant to Section 145 of the General Corporation Law of the State of Delaware, for indemnification of officers, directors, employees and agents of the Company and persons serving at the request of the Company in such capacities for other business organizations against certain losses, costs, liabilities and expenses incurred by reason of their positions with the Company or such other business organizations.

The Company's Restated Certificate of Incorporation contains a provision which eliminates, to the fullest extent permitted by law, director liability for monetary damages for breaches of fiduciary duty of care.

At the annual meeting of stockholders held on March 4, 1987, the Company's stockholders adopted a resolution authorizing the Company to enter into an Indemnity Agreement (the "Indemnity Agreement") with each director of the Company and with certain officers of the Company designated by the Board of Directors or its Executive Committee. The Indemnity Agreement requires that the Company

indemnify directors and designated officers who are parties thereto in all cases to the fullest extent permitted by applicable law.

Pursuant to a policy of directors' and officers' liability and corporation reimbursement insurance, the Company's officers and directors are insured, subject to the limits, retention, exceptions and other terms and conditions of such policy, against liability for any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or other act done or wrongfully attempted while acting in their capacities as directors or officers of the Company.

Pursuant to a number of agreements by which the Company acquired ownership of businesses, the former owners of those businesses individually agreed to indemnify each officer of the Company, each person who may be liable as a director of the Company or as a person who controls or shall have controlled the Company within the meaning of the Securities Act of 1933, as amended (the "Securities Act") against certain liabilities that such officers, directors or controlling persons might incur. Generally, such former owners have agreed to indemnify such officers, directors or controlling persons against any and all damages or liabilities to which such officers, directors or control persons may become subject under the Securities Act, the Securities Exchange Act of 1934, as amended, state securities laws, the common law or otherwise, including legal and other expenses incurred in connection therewith, but only insofar as such liabilities arise out of or are based upon any untrue statement or omission or alleged omission based upon information furnished to the Company by or on behalf of such former owner for use in certain registration statements filed by the Company under the Securities Act or upon failure of such former owner to provide such information.

ITEM 16. Exhibits.

	SEC FILE OR REGISTRATION NUMBER -----	EXHIBIT NUMBER -----
1(a)	Form of Underwriting Agreement (for equity securities).	
1(b)	Form of Underwriting Agreement (for debt securities).	
*4(a)	Rights Agreement, dated June 1, 1988, between the Registrant and Texas Commerce Bank National Association.	1-6805 (10-K, September 10, 1988) 3.3
*4(b)	First Amendment, dated March 1, 1989, to	1-6805 (10-Q, 10.1

	Rights Agreement, dated as of June 1, 1988, between the Company and Texas Commerce Bank National Association.	June 30, 1989)	
*4(c)	Second Amendment, dated March 7, 1990, to Rights Agreement, dated as of June 1, 1988, between the Registrant and First Chicago Trust Company of New York as successor Rights Agent.	1-6805 (10-Q, March 31, 1990)	4.1
*4(d)	Restated Indenture, dated as of September 1, 1991, between First City, Texas-Houston, National Association, Trustee, and the Registrant.	1-6805 (10-K, September 10, 1991)	4.8
*4(e)	Indenture, dated as of August 1, 1987, between First RepublicBank Houston, National Association, Trustee, and the Registrant.	33-16537	4.1
4(f)	First Supplemental Indenture, dated as of January 11, 1994, between the Registrant and NationsBank of Texas, National Association, as Trustee.		
5	Opinion of Fulbright & Jaworski as to legality of the securities being registered.		
*12	Computation of Ratios of Earnings to Fixed Charges and Earnings to Fixed Charges.	1-6805 (10-K, September 30, 1993)	12.1
23(a)	Consent of Arthur Andersen & Co.		
23(b)	Consent of Fulbright & Jaworski (included in their opinion filed as Exhibit 5).		
24	Powers of Attorney (included under the caption "Power of Attorney and Signatures").		
25(a)	Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of Texas Commerce Bank National Association relating to the Senior Indenture.		
25(b)	Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of NationsBank of Texas, National Association relating to the Subordinated		

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* Incorporated by reference.

ITEM 17. Undertakings.

- (a) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Company, the Company has been advised that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer or controlling person of the Company 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 Company will, unless in the opinion of its counsel the matter has been settled by a controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by a final adjudication of such issue.
- (c) The undersigned Registrant hereby undertakes:
 - (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act;
 - (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;

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

provided, however, that paragraphs (i) and (ii) above 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 and Section 15(d) of 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.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for the 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 this 11th of January, 1994.

BROWNING-FERRIS INDUSTRIES, INC.
(Registrant)

By: /s/ William D. Ruckelshaus

William D. Ruckelshaus,
Chairman of the Board,
Chief Executive Officer
and Director

POWER OF ATTORNEY AND SIGNATURES

KNOWN ALL MEN BY THESE presents, that each person whose signature appears below constitutes and appoints WILLIAM D. RUCKELSHAUS, JEFFREY E. CURTISS, and RUFUS WALLINGFORD, and each of them, acting without the others, true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him 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 to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission and to make any and all state securities law or blue sky filings, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, thereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or 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 date indicated.

/s/ William D. Ruckelshaus

William D. Ruckelshaus,
Chairman of the Board,
Chief Executive Officer
and Director

/s/ Bruce E. Ranck

Bruce E. Ranck,
President, Chief Operating
Officer and Director

/s/ Norman A. Myers

Norman A. Myers, Vice
Chairman, Chief Marketing
Officer and Director

/s/ Jeffrey E. Curtiss

Jeffrey E. Curtiss,
Senior Vice President and
Chief Financial Officer

/s/ David R. Hopkins

David R. Hopkins,

Vice President, Controller and
Chief Accounting Officer

/s/ William T. Butler

William T. Butler,
Director

/s/ C. Jackson Grayson, Jr.

C. Jackson Grayson, Jr.,
Director

/s/ Gerald Grinstein

Gerald Grinstein, Director

/s/ Harry J. Phillips, Sr.

Harry J. Phillips, Sr.,
Director

/s/ Joseph L. Roberts, Jr.

Joseph L. Roberts, Jr.,
Director

/s/ Robert M. Teeter

Robert M. Teeter, Director

/s/ Louis A. Waters

Louis A. Waters, Director

/s/ Marina v.N. Whitman

Marina v.N. Whitman, Director

/s/ Peter S. Willmott

Peter S. Willmott, Director

January 11, 1994.

EXHIBIT INDEX

SEC FILE OR
REGISTRATION
NUMBER

EXHIBIT
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caption "Power of Attorney and Signatures").

25(a) Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of Texas Commerce Bank National Association relating to the Senior Indenture.

25(b) Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of NationsBank of Texas, National Association relating to the Subordinated Indenture.

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* Incorporated by reference.

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM S-3

REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933

Browning-Ferris Industries, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

74-1673682
(I.R.S. Employer
Identification No.)

757 N. Eldridge
Houston, Texas 77079
(713) 870-8100

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

EXHIBITS

Browning-Ferris Industries, Inc.

Equity Securities

Underwriting Agreement

Browning-Ferris Industries, Inc.

Equity Securities

UNDERWRITING AGREEMENT

_____, 199_

Dear Sirs:

1. Introductory. Browning-Ferris Industries, Inc., a Delaware corporation (the "Company"), proposes to issue and sell to the several Underwriters named in Schedule A hereto (the "Underwriters") a certain number of its shares (the "Firm Shares") of [Common Stock, \$.16-2/3 par value (the "Common Stock")] [Preferred Stock, without par value (the "Preferred Stock")] as are specified in Schedule A hereto, and also proposes to grant to the Underwriters an option, exercisable by the Representatives of the Underwriters, to purchase a certain number of additional shares (the "Optional Shares") of the [Common Stock] [Preferred Stock] as set forth below and in Schedule B. The Firm Shares and the Optional Shares that may be sold to the Underwriters are herein collectively called the "Securities." The Company hereby agrees with the several Underwriters as follows:

2. Representations and Warranties of the Company. The Company represents and warrants to, and agrees with, the several Underwriters that:

(a) A registration statement (No. 33-_____), including a form of prospectus relating to the Company's debt securities, Preferred Stock and Common Stock and the offering hereof from time to time in accordance with Rule 415, has been filed with the Securities and Exchange Commission ("Commission") under the Securities Act of 1933 (the "1933 Act"). Such registration statement has been declared effective by the Commission. A prospectus supplement reflecting the terms of the Securities, the terms of the offering thereof and the other matters set forth therein has been prepared and will be filed pursuant to Rule 424 under the 1933 Act. Such prospectus supplement, in the form first filed after the date hereof pursuant to Rule 424, is herein referred to as the "Prospectus Supplement." Such registration statement, as amended at the date hereof, including the exhibits thereto and the documents incorporated by reference therein, is herein called the "Registration Statement", and the basic prospectus included therein relating to all offerings of securities under the Registration Statement, as supplemented by the Prospectus Supplement, is herein called the "Prospectus", except that, if such basic prospectus is amended or supplemented on or prior to the date on which the Prospectus Supplement is first filed pursuant to Rule 424, the term "Prospectus" shall refer to the basic prospectus as so amended or supplemented and as supplemented by the Prospectus Supplement, in either case including the documents filed by the Company with the Commission pursuant to the Securities Exchange Act of 1934 (the "1934 Act"), that are incorporated by reference herein.

(b) On the original effective date of the Registration Statement, on the effective date of the most recent post-effective

amendment thereto, if any, and on the date of the filing by the Company of any annual report on Form 10-K after the original filing of the Registration Statement, if any, the Registration Statement complied in all material respects with the requirements of the 1933 Act and the rules and regulations of the Commission thereunder (the "1933 Act Regulations") and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statement therein not misleading; on the date hereof and at the Closing Date (as hereinafter defined), the Registration Statement, and any amendments thereof, and the Prospectus, and any amendments thereof and supplements thereto, comply and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and none of such documents includes or will include an untrue statement of a material fact or omits or will omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. The foregoing does not apply to statements in or omissions from the Registration Statement or the Prospectus based upon written information furnished to the Company by any Underwriter through you specifically for use therein.

(c) There are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the 1933 Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the 1933 Act.

3. Purchase, Sale and Delivery of Securities. On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to the Underwriters, and the Underwriters agree, severally and not jointly, to purchase from the Company, at the purchase price set forth in Schedule B, the respective numbers of Firm Shares set forth opposite the names of the Underwriters in Schedule A hereto.

The Company will deliver the Firm Shares to you for the accounts of the Underwriters, against payment of the purchase price by certified or official bank check or checks in New York Clearing House (next day) funds drawn to the order of the Company at the office of the Company, 757 N. Eldridge, Houston, Texas, at 9:30 A.M., New York time, on the date specified in Schedule B, or at such other place, date and time not later than seven full business days thereafter as you and the Company determine, such time and date being herein referred to as the "First Closing Date." The certificates for the Firm Shares so to be delivered will be in

definitive form, in such denominations and registered in such names as you request and will be made available for checking and packaging at the office specified in Schedule B, at least 24 hours prior to the First Closing Date.

In addition, upon written notice from you given to the Company not more than 30 days subsequent to the date of the initial public offering of the Securities, the Underwriters may purchase all or less than all of the Optional Shares at the purchase price per share to be paid for the Firm Shares. The Company agrees to sell to the Underwriters the number of Optional Shares specified in such notice and the Underwriters agree, severally and not jointly, to purchase such Optional Shares. Such Optional Shares shall be purchased for the account of each Underwriter in the same proportion as the number of Firm Shares set forth opposite such Underwriter's name bears to the total number of Firm shares (subject to adjustment by you to eliminate fractions) and may be purchased by the Underwriters only for the purpose of covering over-allotments made in connection with the sale of the Firm Shares. No Optional Shares shall be sold or delivered unless the Firm Shares previously have been, or simultaneously are, sold and delivered. The right to purchase the Optional Shares or any portion thereof may be surrendered and terminated at any time upon notice by you on behalf of the Underwriters to the Company.

The time for the delivery of and payment for the Optional Shares, being herein referred to as the "Second Closing Date," which may be the First Closing Date (the First Closing Date and the Second Closing Date, if any, being sometimes referred to as the "Closing Date"), shall be determined by you but shall be not earlier than two nor later than seven business days after written notice of election to purchase Optional Shares is given. The Company will deliver the Optional Shares to you for the accounts of the several Underwriters, against payment of the purchase price therefor by certified or official bank check or checks in New York Clearing House (next day) funds drawn to the order of the Company, at the above office of the Company. The certificates for the Optional Shares will be in definitive form, in such denominations and registered in such names as you request upon reasonable notice prior to the Second Closing Date and will be made available for checking and packaging at the above office specified in Schedule B, at a reasonable time in advance of the Second Closing Date.

4. Offering by Underwriters. It is understood that the several Underwriters propose to offer the Securities for sale to the public as set forth in the Prospectus.

5. Certain Agreements of the Company. The Company agrees with the several Underwriters that:

(a) If specified in Schedule B, the Company shall have

prepared a preliminary prospectus supplement in connection with the offering of the Securities, containing such information as you and the Company deem appropriate, and, immediately following the execution of this Agreement, the Company will prepare a Prospectus Supplement that complies with the 1933 Act and 1933 Act Regulations and that sets forth the amount of Securities and their terms, the name of each Underwriter participating in the offering and the Securities that each severally has agreed to purchase, the name of each Underwriter, if any, acting as a representative of the Underwriters in connection with the offering, the price at which the Securities are to be purchased by the Underwriters from the Company, and any initial public offering price, dividend, convertibility, exchange, sinking fund and liquidation preference provisions, if any, and such other information as you and the Company deem appropriate in connection with the offering of the Securities. The Company will promptly transmit copies of the Prospectus Supplement to the Commission for filing pursuant to Rule 424 under the 1933 Act and will furnish to the Underwriters as many copies of any preliminary prospectus supplement and the Prospectus as you request.

(b) The Company will advise you promptly of any proposal to amend or supplement the registration statement as filed or the related prospectus or the Registration Statement or the Prospectus and, except for filings pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), will not effect such amendment or supplementation without your prior consent (which consent shall not be unreasonably withheld); and the Company will also advise you promptly of the effectiveness of any amendment or supplementation of the Registration Statement or the Prospectus and of the institution by the Commission of any stop order proceedings in respect of the Registration Statement and will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued. With respect to filings under the 1934 Act, the Company will deliver to you a copy of the proposed filing at least one day prior to the filing date.

(c) If, at any time when a prospectus relating to the Securities is required to be delivered under the 1933 Act, any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the 1933 Act, the Company promptly will prepare and file with the Commission an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance. Neither your consent to, nor the Underwriters' delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 6.

(d) As soon as practicable, but not later than the Availability Date (as defined below), the Company will make generally available to its securityholders an earnings statement covering a period of at least 12 months beginning after the effective date (as defined in Rule 158 of the 1933 Act Regulations) which will satisfy the provisions of Section 11(a) of the Act. For the purpose of the preceding sentence, "Availability Date" means the 45th day after the end of the fourth fiscal quarter following the fiscal quarter that includes the Effective Date, except that, if such fourth fiscal quarter is the last quarter of the Company's fiscal year, "Availability Date" means the 90th day after the end of such fourth fiscal quarter.

(e) The Company will furnish to you copies of the Registration Statement (two of which will be signed and will include all exhibits), the related preliminary prospectus, the Prospectus, all documents incorporated by reference in the Prospectus, and all amendments and supplements to such documents, in each case as soon as available and in such quantities as you request.

(f) The Company will arrange for the qualification of the Securities for sale under the laws of such jurisdictions in the United States and Canada as you designate and will continue such qualifications in effect so long as required for the distribution.

(g) During the period of five years hereafter, the Company will furnish to you and, upon request, to each of the other Underwriters, as soon as practicable after the end of each fiscal year, a copy of its annual report to stockholders for such year; and the Company will furnish to you (i) as soon as available, a copy of each report or definitive proxy statement of the Company filed with the Commission under the 1934 Act or mailed to stockholders, and (ii) from time to time, such other information concerning the Company as you may reasonably request.

(h) The Company will pay all expenses incident to the performance of its obligations under this Agreement and will reimburse the Underwriters for any expenses (including fees and disbursements of counsel) incurred by them in connection with qualification of the Securities for sale under the laws of such jurisdictions in the United States and Canada as you designate and the printing of memoranda relating thereto, for the filing fee of the National Association of Securities Dealers, Inc., if any, relating to the Securities and for expenses incurred in distributing preliminary prospectuses and the Prospectus (including any amendments and supplements thereto) to the Underwriters.

(i) The Company will not, directly or indirectly, offer, sell, contract to sell or otherwise dispose of, or file with the

Commission a Registration Statement under the Act relating to, any additional shares of its [Common Stock] [Preferred Stock] or any security convertible into or exchangeable for [Common Stock] [Preferred Stock] without your prior written consent for a period of 90 days after the date of the initial public offering of the Securities, except issuances upon conversion of convertible securities outstanding on the date hereof or pursuant to the Company's Dividend Reinvestment Plan or its employee benefit plans (including employee stock option plans) existing on the date hereof or pursuant to the acquisition of any business or properties in the Company's ongoing acquisition program.

6. Conditions of the Obligations of the Underwriter. The obligations of the several Underwriters to purchase and pay for the Firm Shares on the First Closing Date and the Optional Shares on the Second Closing Date will be subject to the accuracy of the representations and warranties on the part of the Company herein, to the accuracy of the statements of Company officers made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

(a) You shall have received a letter, dated the date of delivery thereof (which shall be on or prior to the date of this Agreement) of Arthur Andersen & Co. confirming that they are independent public accountants within the meaning of the Act and the applicable published 1933 Act Regulations thereunder and stating in effect that:

(i) in their opinion the financial statements examined by them and incorporated by reference in the Registration Statement comply in form in all material respects with the applicable accounting requirements of the 1933 Act and the 1934 Act and the related published rules and regulations;

(ii) they have made a review of the unaudited financial statements included or incorporated by reference in the Registration Statement in accordance with standards established by the American Institute of Certified Public Accountants;

(iii) on the basis of the review referred to in clause (ii) above, a reading of the latest available interim financial statements of the Company, inquiries of officials of the Company who have responsibility for financial and accounting matters and other specified procedures, nothing came to their attention that caused them to believe that:

(A) the unaudited financial statements included or incorporated by reference in the Registration Statement do not comply in form in all material respects with the applicable accounting requirements of the 1934 Act and the related published

rules and regulations or are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements incorporated by reference in the Registration Statement;

(B) at the date of the latest available balance sheet read by such accountants, or at a subsequent specified date not more than five days prior to the date of this Agreement, there was any change in the common stock or additional paid-in capital account or in short-term indebtedness or long-term debt of the Company and its subsidiaries consolidated or any decrease in consolidated common stockholders' equity, as compared with amounts shown on the latest consolidated balance sheet included or incorporated by reference in the Prospectus; or

(C) for the period from the closing date of the latest consolidated income statement included or incorporated by reference in the Prospectus to the closing date of the latest available consolidated income statement read by such accountants, or at a subsequent specified date not more than five days prior to the date of this Agreement, there were any decreases, as compared with the corresponding period of the previous year, in consolidated revenues, or in the total or per share amounts of consolidated net income;

except in all cases set forth in clauses (B) and (C) above for changes, increases or decreases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(iv) they have compared specified dollar amounts (or percentages derived from such dollar amounts) and other financial information contained in the Registration Statement (in each case to the extent that such dollar amounts, percentages and other financial information are derived from the general accounting records of the Company and its subsidiaries subject to the internal controls of the Company's accounting system or are derived directly from such records by analysis or computation) with the results obtained from inquiries, a reading of such general accounting records and other procedures specified in such letter and have found such dollar amounts, percentages and other financial information to be in agreement with such results, except as otherwise specified in such letter.

All financial statements and schedules included in material incorporated by reference into the Prospectus shall be deemed included in the Registration Statement for purposes of this subsection.

(b) At the Closing Date, no stop order suspending the effectiveness of the Registration Statement shall have been issued

and no proceedings for that purpose shall have been instituted or, to the knowledge of the Company or you, shall be contemplated by the Commission.

(c) Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) any change, or any development involving a prospective change, in or affecting particularly the business or properties of the Company or its subsidiaries which, in the judgment of a majority in interest of the Underwriters including you, materially impairs the investment quality of the Securities; (ii) any downgrading in the rating of any debt securities of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (iii) any suspension or limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (iv) any banking moratorium declared by Federal or New York authorities; or (v) any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the judgment of a majority in interest of the Underwriters including you, the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the sale of and payment for the Securities.

(d) You shall have received an opinion, dated such Closing Date, of Fulbright & Jaworski L.L.P., special counsel to the Company, to the effect that:

(i) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware and has the corporate power and authority to own, lease and operate its properties and conduct its business as described in the Registration Statement and Prospectus;

(ii) The Securities to be issued and sold by the Company on such Closing Date have been duly authorized and validly issued, are fully paid and non-assessable and conform in all material respects to the description thereof in the Prospectus; and the stockholders of the Company have no preemptive rights under Delaware law with respect to such Securities; [the Certificate of Designation relating to any Securities has been duly authorized, executed and filed and any shares of Common Stock issuable upon conversion of the securities have been duly authorized and reserved for issuance or delivery upon conversion of the Securities by all

necessary corporate actions; and such shares, when issued upon such conversion as provided in the Certificate of Designation with respect to the Securities, will be validly issued, fully paid and nonassessable;]

[(iii) The preferred stock purchase rights (the "Rights") issued with such Securities have been duly authorized and, upon issuance of the Securities to be issued and sold by the Company on such Closing Date, will be validly issued and conform in all material respects to the description thereof in the Prospectus];

(iv) The Registration Statement has become effective under the 1933 Act and, to the best of their knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for that purpose has been instituted or threatened by the Commission;

(v) This Agreement has been duly authorized, executed and delivered by the Company;

(vi) All regulatory consents, authorizations, approvals and filings required to be obtained or made by the Company or any direct or indirect subsidiary of the Company under the Federal laws of the United States, the laws of the States of New York and Texas and the General Corporation Law of the State of Delaware, except as may be required under state securities or blue sky laws, for the issuance, sale and delivery of the Securities by the Company to the Underwriters on such Closing Date have been obtained or made and remain in full force and effect;

(vii) The issuance and sale of the Securities by the Company on such Closing Date pursuant to this Agreement do not and the execution, delivery and performance by the Company of its obligations under this Agreement will not, (A) violate the Company's certificate of incorporation or by-laws, or (B) violate the General Corporation Law of the State of Delaware, any Federal law of the United States or law of the State of New York or Texas applicable to the Company or any direct or indirect subsidiary of the Company; provided, however, that, for the purposes of this subparagraph (vii), such counsel need express no opinion with respect to Federal or state securities laws, anti-fraud laws and fraudulent transfer laws; and provided, further, that insofar as performance by the Company of its obligations under this Agreement is concerned, such counsel need express no opinion as to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights;

(viii) Neither the Company nor any of its subsidiaries is an "investment company," or a company "controlled"

by an "investment company," within the meaning of the Investment Company Act of 1940, as amended;

(ix) Neither the Company nor any of its subsidiaries is a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of a "holding company," within the meaning of the Public Utility Holding Company Act of 1935;

[(x) The descriptions in the Registration Statement of under "Certain Federal Income Tax Matters" are accurate in all material respects and present the information required to be shown in all material respects;]

(xi) The Registration Statement, as of the date hereof, and the Prospectus, as of the date of the Prospectus, and any amendment or supplement thereto, as of its date, appeared on their face to be appropriately responsive to the requirements of the Act and the applicable rules and regulations of the Commission thereunder. Such counsel shall also state that nothing which came to the attention of such counsel in the course of their review of the Registration Statement has caused them to believe that the Registration Statement, as of its effective date, or the Prospectus, as of the date of the Prospectus, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or the Prospectus, as amended or supplemented on such Closing Date, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Such opinion shall also state that such counsel do not know of any documents that are required to be filed as exhibits to the Registration Statement and are not so filed. Such opinion may state that such counsel does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement and Prospectus, except as otherwise expressly provided in such opinion, and does not express any opinion or belief as to the financial statements or other financial or statistical data contained in the Registration Statement and the Prospectus. In rendering the foregoing opinion or opinions, Fulbright & Jaworski L.L.P. may state that such opinion or opinions are limited to the Federal laws of the United States, the laws of the States of New York and Texas and the General Corporation Law of the State of Delaware, and that they are expressing no opinion as to the effect of the laws of any other jurisdiction. In addition, such counsel may state that they have relied as to certain matters on information obtained from public officials, officers of the Company and other sources believed by them to be responsible. In rendering their opinion in clause (iii) of subsection (d) of this Section regarding the validity of the Rights, such counsel may note that the question whether the Board of Directors of the Company

might be required to redeem the Rights at some future time will depend upon the facts and circumstances existing at that time and, accordingly, is beyond the scope of such opinion.

(e) You shall have received an opinion or opinions, dated such Closing Date, of J. Rufus Wallingford, Senior Vice President and General Counsel of the Company, to the effect that:

(i) Each of the subsidiaries of the Company listed on Schedule C hereto (the "Principal Subsidiaries") has been duly incorporated and is an existing corporation in good standing under the laws of its jurisdiction of incorporation and has the corporate power and authority to own, lease and operate its properties and conduct its business as described in the Registration Statement and Prospectus;

(ii) Each of the Company and the Principal Subsidiaries is duly qualified to do business in each jurisdiction in which the ownership or leasing of its property or the conduct of its business requires such qualification, except where the failure to so qualify, considering all such cases in the aggregate, does not have a material adverse effect on the business, properties, financial position or results of operations of the Company and its subsidiaries taken as a whole; and, except as otherwise stated in the Registration Statement, all of the outstanding shares of capital stock of each Principal Subsidiary have been duly authorized and validly issued, are fully paid and non-assessable, are owned beneficially, directly or indirectly, by the Company and are not subject to any security interest, other encumbrance or adverse claim;

(iii) To such counsel's knowledge, the execution and delivery of this Agreement, the consummation of the transactions contemplated herein and therein and the compliance by the Company with any of the provisions hereof or thereof, will not conflict with, constitute a default under or violate, (A) any judgment, writ, injunction, decree, order or ruling of any court or governmental authority binding on the Company or any of its subsidiaries of which such counsel is aware or (B) any indenture, mortgage or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which any of them or their respective property is bound, in either case which is material to the Company and its subsidiaries taken as a whole;

(iv) Such counsel does not know of any litigation or any governmental proceeding instituted or threatened against the Company or any of its subsidiaries that would be required to be disclosed in the Prospectus and is not so disclosed; and

(v) Such counsel does not know of any contracts, agreements or understandings between the Company and any person

granting such person the right to require the Company to file a registration statement under the 1933 Act with respect to any securities of the Company owned (or to be owned) by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the 1933 Act.

Such counsel shall also state that nothing has come to his attention that has caused him to believe that the Registration Statement, as of its effective date, or the Prospectus, as of the date of the Prospectus, contained any untrue statement of material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or the Prospectus, as amended or supplemented on the Closing Date, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Such counsel shall also state that he does not know of any documents that are required to be summarized in the Prospectus that are not so summarized. Such counsel may also state that he does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement and the Prospectus and does not express any opinion or belief as to the financial statements or other financial or statistical data contained in the Registration Statement and the Prospectus. In rendering the foregoing opinion or opinions, such counsel may rely, to the extent recited therein, upon opinions of local or foreign counsel. Such counsel may also state that he has relied as to certain factual matters on information obtained from public officials, officers of the Company and other sources believed by him to be responsible.

(f) You shall have received from Vinson & Elkins L.L.P., counsel for the Underwriters, such opinion or opinions, dated such Closing Date, with respect to the incorporation of the Company, the validity of the Securities delivered on such Closing Date, the Registration Statement, the Prospectus and other related matters as you may require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(g) You shall have received a certificate, dated such Closing Date, of the President or any Vice President and a principal financial or accounting officer of the Company in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Company in this Agreement are true and correct, that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to such Closing Date, that no stop order suspending the

effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are contemplated by the Commission and that, subsequent to the date of the most recent financial statements in the Prospectus, there has been no material adverse change in the financial position or results of operation of the Company and its subsidiaries except as set forth in or contemplated by the Prospectus or as described in such certificate.

(h) You shall have received a letter, dated such Closing Date, of Arthur Andersen & Co. which meets the requirements of subsection (a) of this Section, except that the specified date referred to in such subsection will be a date not more than five days prior to such Closing Date for the purposes of this subsection.

The Company will furnish you with such conformed copies of such opinions, certificates, letters and documents as you reasonably request.

7. Indemnification and Contribution. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the 1933 Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, either of the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Underwriter through you specifically for use therein; and provided, further, that with respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus the indemnity agreement contained in this subsection (a) shall not inure to the benefit of any Underwriter from whom the person asserting any such losses, claims, damages or liabilities purchased the Securities concerned, to the extent that any such loss, claim, damage or liability of such Underwriter results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Securities to such person,

a copy of the Prospectus (exclusive of material incorporated by reference) if the Company had previously furnished copies thereof to such Underwriter.

(b) Each Underwriter will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the 1933 Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, either of the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Underwriter through you specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party—otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying

party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriters and the parties relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Company under this Section shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section shall be in addition to any liability which the respective Underwriters may otherwise have and

shall extend, upon the same terms and conditions, to each director of the Company, to each officer of the Company who has signed the Registration Statement and to each person, if any, who controls the Company within the meaning of the 1933 Act.

8. Default of Underwriters. If any Underwriter or Underwriters default in their obligations to purchase Securities hereunder on either the First or Second Closing Date and the aggregate number of shares of Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the total number of shares of Securities that the Underwriters are obligated to purchase on such Closing Date, you may make arrangements satisfactory to the Company for the purchase of such Securities by other persons, including any of the Underwriters, but if no such arrangements are made by such Closing Date the non-defaulting Underwriters shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Securities that such defaulting Underwriters agreed but failed to purchase on such Closing Date. If any Underwriter or Underwriters so default and the aggregate number of shares of Securities with respect to which such default or defaults occur exceeds 10% of the total number of shares of Securities that the Underwriters are obligated to purchase on such Closing Date and arrangements satisfactory to you and the Company for the purchase of such Securities by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Company, except as provided in Section 9 (provided that if such default occurs with respect to the Optional Shares after the First Closing Date, this Agreement will not terminate as to the Firm Shares). As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section. Nothing herein will relieve a defaulting Underwriter from liability for its default.

9. Survival of Certain Representations and Obligations. The respective indemnities, agreements, representations, warranties and other statements of the Company, of its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter, the Company or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Securities. If this Agreement is terminated pursuant to Section 8 or if for any reason the purchase of the Securities by the Underwriters is not consummated, the Company shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 5 and the respective obligations of the Company and the Underwriters pursuant to Section 7 shall remain in effect and if any Securities have been purchased hereunder the representations and warranties in Section 2

and all obligations under Section 5 shall also remain in effect. If the purchase of the Securities by the Underwriters is not consummated for any reason other than solely because of the termination of this Agreement pursuant to Section 8 or the occurrence of any event specified in clause (iii), (iv) or (v) of Section 6(c), the Company will reimburse the Underwriters for all out-of-pocket expenses (including fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Securities.

10. Notices. All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed, delivered or telegraphed and confirmed to you c/o _____ or, if sent to the Company, will be mailed, delivered or telegraphed and confirmed to it at 757 N. Eldridge, Houston, Texas 77079, Attention: Henry L. Hirvela; provided, however, that any notice to an Underwriter pursuant to Section 7 will be mailed, delivered or telegraphed and confirmed to such Underwriter.

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

12. Representation of Underwriters. You will act for the several Underwriters in connection with this financing, and any action under this Agreement taken by you jointly or by _____ will be binding upon all the Underwriters.

13. Counterpart. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

14. Consent to Representation. The Company and the Underwriters acknowledge that Fulbright & Jaworski L.L.P., which will be acting as special counsel to the Company in connection with the offer and sale of the Securities, also acts as counsel from time to time to one or more of the Underwriters in connection with unrelated matters. The Company and the Underwriters consent to Fulbright & Jaworski L.L.P. so acting as special counsel to the Company. The Company and the Underwriters also acknowledge that Vinson & Elkins L.L.P., which is acting as counsel to the Underwriters in connection with the offer and sale of the Securities, also acts as counsel from time to time to the Company and certain of its subsidiaries in connection with unrelated matters. The Company and Underwriters consent to Vinson & Elkins L.L.P. so acting as counsel to the Underwriters.

15. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us one of the counterparts hereof, whereupon it will become a binding agreement between the Company and the several Underwriters in accordance with its terms.

Very truly yours,

BROWNING-FERRIS INDUSTRIES, INC.

By _____
Henry L. Hirvela
Vice President and Treasurer

The foregoing Underwriting Agreement is hereby confirmed and accepted as of the date first above written.

Acting on behalf of themselves and as Representatives of the several Underwriters

By _____

By _____

SCHEDULE A

Underwriter

Number of
Firm Shares

Total

SCHEDULE B

Terms of Securities

Number of shares of [Preferred Stock][Common Stock] to be issued: _____

Initial public offering price per share of [Preferred Stock][Common Stock]: \$_____, [plus accrued and unpaid dividend, if any, from _____, 19__.]

Purchase price per share of [Preferred Stock][Common Stock] (amount equal to the initial public offering price set forth above, less \$_____ per share)

Optional Shares, if any: _____

Dividends: At a rate of ___% per annum (equivalent to \$_____ per share of Preferred Stock), payable quarterly on _____ of each year. If cumulative, commencing _____, 199_.

Regular Record Dates:

Additional representations, if any:

Liquidation Preference:

Redemption provisions:

Sinking Fund provisions:

S&P Rating:

Moody's Rating:

Duff & Phelps Rating:

Names and Addresses of Representatives:

Forms of Preferred Stock:

Listing Requirement:

Form of Payment if Other than Check in Next-Day Funds:

Other terms and conditions:

Exchangeability or convertibility requirements, if any:

Office for inspection of Securities:

SCHEDULE C

Principal Subsidiaries

Browning-Ferris Industries of Florida, Inc.
Browning-Ferris Industries of Illinois, Inc.
Browning-Ferris Industries of Ohio, Inc.
Browning-Ferris Industries of Pennsylvania, Inc.
Browning-Ferris Services, Inc.
Browning-Ferris Industries of California, Inc.
Browning-Ferris, Inc.
Browning-Ferris Industries, Inc. (Mass.)
Browning-Ferris Industries of New York, Inc.
Browning-Ferris Industries of South Atlantic, Inc.
Browning-Ferris Industries of Tennessee, Inc.
BFI International, Inc.
Azusa Land Reclamation Co., Inc.
BFI Energy Systems of Hempstead, Inc.
Browning-Ferris Industries Ltd.
Browning-Ferris Industries B.V.
Browning-Ferris Industries UK Limited
Browning-Ferris Industries (Italia) S.r.l.

BROWNING-FERRIS INDUSTRIES, INC.

\$ _____

[Title of Securities]

UNDERWRITING AGREEMENT

_____, 199__

Browning-Ferris Industries, Inc.
757 N. Eldridge
Houston, Texas 77079

Dear Sirs:

We (the "Representatives") understand that Browning-Ferris Industries, Inc., a Delaware corporation (the "Company"), proposes to issue and sell \$_____ aggregate principal amount of its [Title of Securities] (the "Underwritten Securities"). Subject to the terms and conditions set forth herein or incorporated by reference herein, the underwriters named below (the "Underwriters") offer to purchase, severally and not jointly, the principal amount of Underwritten Securities set forth below opposite their respective names at ___% of the principal amount thereof, together with accrued interest, if any, thereon from _____, 199__ to the Delivery Date:

Underwriter

Principal
Amount

\$

Total

\$ _____

The Underwritten Securities shall have the following terms:

Maturity:

Interest rate:

Interest payment dates:

Redemption provisions:

Sinking fund provisions:

Other terms:

Delivery date: _____, 199__

Underwriting discounts and commissions: ____% of the principal amount

Public offering price:

Arrangements, if any, with respect to Delayed Delivery Contracts:

Information in Prospectus Supplement which has been furnished by Underwriters for inclusion therein:

Other terms and conditions:

All the provisions contained in Exhibit A to Exhibit 1(b) to the Company's Registration Statement on Form S-3 (No. 33-_____) entitled "Browning-Ferris Industries, Inc. - Debt Securities - Underwriting Agreement Basic Provisions" are herein incorporated by reference in their entirety and shall be deemed to be a part of this Underwriting Agreement to the same extent as if such provisions had been set forth in full herein. Terms defined in such document are used herein as therein defined.

Please accept this offer no later than _____ o'clock __M. on 199__ by signing a copy of this Underwriting Agreement in the space set forth below and returning the signed copy to us, or by sending us a written acceptance in the following form:

"We hereby accept your offer, set forth in the Underwriting Agreement, dated _____, 199__ to purchase the Underwritten Securities on the terms set forth therein."

Very truly yours,

As Representatives of the Underwriters

By _____

By _____

Accepted:

BROWNING-FERRIS INDUSTRIES, INC.

By _____

EXHIBIT A

BROWNING-FERRIS INDUSTRIES, INC.
Debt Securities

UNDERWRITING AGREEMENT PROVISIONS

Browning-Ferris Industries, Inc., a Delaware corporation (the "Company"), proposes to issue and sell certain of its Debt Securities (the "Securities") in one or more offerings on terms determined at the time of sale. The Securities will be issued under a Restated Indenture, dated as of September 1, 1991, as amended between the Company and Texas Commerce Bank, National Association, as Trustee (successor trustee to First City, Texas-Houston, National Association, formerly First City National Bank of Houston), and an Indenture dated as of August 1, 1987 between the Company and NationsBank Texas, N.A., as Trustee (successor trustee to First RepublicBank Houston, National Association) (the "Indentures").

Each issue of Securities may vary as to aggregate principal amount, maturity date, interest rate or rates and timing of payments thereof, redemption provisions and sinking fund requirements, if

any, and any other variable terms which the Indenture contemplates may be set forth in the Securities as issued thereunder from time to time. The standard provisions set forth herein may be incorporated by reference in any underwriting agreement relating to a particular issue of Underwritten Securities (an "Underwriting Agreement"). The Underwriting Agreement, including the provisions incorporated therein by reference, is herein referred to as this Agreement. Unless otherwise defined therein, terms defined in the Underwriting Agreement are used herein as therein defined.

1. The Company represents, warrants and agrees that:

(a) A registration statement on Form S-3 (No. 33-_____) with respect to the Securities has been prepared and filed by the Company in conformity with the requirements of the Securities Act of 1933, as amended (the "Act"), and the rules and regulations (the "Rules and Regulations") of the Securities and Exchange Commission (the "Commission") thereunder and has become effective. As used in this Agreement, (i) "Preliminary Prospectus" means each prospectus (including all documents incorporated therein by reference) included in that registration statement, or amendments or supplements thereof, before it became effective under the Act, including any prospectus filed with the Commission pursuant to Rule 424(a) of the Rules and Regulations; (ii) "Registration Statement" means that registration statement (including all documents incorporated therein by reference), as amended or supplemented at the date of the Underwriting Agreement; (iii) "Basic Prospectus" means the prospectus (including all documents incorporated therein by reference) included in Registration Statement; (iv) "Prospectus" means the Basic Prospectus, together with any prospectus amendment or supplement (including in each case all documents incorporated therein by reference) specifically relating to the Underwritten Securities, as filed with the Commission pursuant to paragraph (b) of Rule 424 of the Rules and Regulations (other than an Interim Prospectus); and (v) "Interim Prospectus" means any preliminary form of Prospectus specifically relating to the Underwritten Securities, as filed with the Commission pursuant to paragraph (b) of Rule 424 of the Rules and Regulations. The Commission has not issued any order preventing or suspending the use of the Prospectus.

(b) The Registration Statement contains, and the Prospectus contains and will contain at all times during the period specified in Paragraph 7(c), all statements which are required by the Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and the rules and regulations of the Commission under such Acts; the Indenture, including any amendments and supplements thereto, conforms with the requirements of and has been duly qualified under, the Trust Indenture Act and the rules and regulations of the Commission thereunder; the Registration

Statement, as of its effective date, did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and the Prospectus does not and will not at any time during the period specified in Paragraph 7(c), contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty as to (i) information contained in or omitted from the Registration Statement or the Prospectus in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for use in connection with the preparation thereof or (ii) that part of the Registration Statement which constitutes the Statement of Eligibility and Qualification under the Trust Indenture Act (Form T-1) of the Trustee.

(c) The accountants who have certified or shall certify the financial statements of the Company included in the Company's most recent Annual Report on Form 10-K which is incorporated by reference in the Prospectus (the "Form 10-K"), are independent accountants, as required by the Act and the Rules and Regulations.

(d) The consolidated financial statements filed as part of or incorporated by reference in the Registration Statement present fairly, and the consolidated financial statements included in any Preliminary Prospectus, any Interim Prospectus or the Prospectus present and will present fairly at all times during the period specified in Paragraph 7(c), the financial position, results of operations, stockholders' equity and cash flow of the entities purported to be shown thereby, as of the respective dates of, and for the respective periods covered by, such financial statements, all in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods involved and comply and will comply as to form in all material respects with the Act, the Exchange Act and the rules and regulations of the Commission promulgated thereunder. The term "financial statements" includes the financial statements and the accompanying notes and schedules.

(e) The Company and each of its consolidated subsidiaries (the "Subsidiaries") have been duly incorporated, are validly existing as corporations in good standing under the laws of their respective jurisdictions of incorporation, are duly qualified to do business and are in good standing as foreign corporations in each jurisdiction in which their respective ownership of property or the conduct of their respective businesses requires qualification (except where the failure to be in good standing or to qualify would not have a material adverse effect upon the Company and its subsidiaries taken as a whole). The Company has all requisite

power and authority necessary to enter into this Agreement, any Delayed Delivery Contracts (as defined in Paragraph 3) and the Indentures, and to carry out the provisions and conditions hereof and thereof. This Agreement has been duly and validly authorized, executed and delivered by the Company and is a legal, valid and binding instrument of the Company.

(f) Except as set forth or contemplated in the Prospectus, there has not been any material adverse change in the financial condition, results of operations, business or properties of the Company and its subsidiaries taken as a whole from that on the latest dates as of which or during the latest period for which such financial condition, results of operations, business or properties is set forth in the Prospectus.

(g) Except as referred to in the Prospectus, there is no material litigation or governmental or other proceeding pending or, to the best of the knowledge of the Company, threatened against or affecting, or involving the properties or business of, the Company or any of the Subsidiaries which singly or in the aggregate poses a material risk of adversely affecting the transactions contemplated by the Prospectus or which would pose a material risk of adversely affecting the financial condition, results of operations, business or properties of the Company or any Subsidiary to an extent material to the Company and the Subsidiaries taken as a whole or where an adverse decision would adversely affect the validity or enforceability of this Agreement.

(h) All contracts, agreements and other documents required to be filed as exhibits to the Registration Statement have been filed with the Commission.

(i) Neither the Company nor any of the Subsidiaries is in violation of its corporate charter or by-laws or in default under any agreement, indenture or instrument, the effect of which violation or default would be material to the Company and its subsidiaries taken as a whole.

(j) The execution, delivery and performance by the Company of this Agreement and any Delayed Delivery Contracts and compliance by the Company with the provisions of the Underwritten Securities and the Indentures will not conflict with, result in the creation or imposition of any lien, security interest or other encumbrance upon any of the assets of the Company or any of the Subsidiaries pursuant to the terms of, or constitute a default under, any agreement, indenture or instrument to which the Company is a party or by which it is bound where any such default would be material to the Company and the Subsidiaries taken as a whole or result in a violation of the corporate charter or by-laws of the Company or any of the Subsidiaries or, to the best knowledge of the Company, any law applicable to the Company or the Subsidiaries the penalties for

violations of which would be material singly or in the aggregate to the Company and the Subsidiaries taken as a whole; and except as required by the Act, the Trust Indenture Act, the Exchange Act and applicable state securities laws or "Blue Sky" laws of any jurisdiction, no consent, authorization or order of, or filing or registration with, any court or governmental agency is required for the execution, delivery and performance by the Company of this Agreement, the Delayed Delivery Contracts, if any, and the Indentures.

(k) On the Delivery Date (as defined in Paragraph 6), (i) each Indenture (including all amendments thereof and supplements thereto) will have been validly authorized, executed and delivered by the Company and will constitute the legally binding obligation of the Company, (ii) the Underwritten Securities will have been validly authorized and, upon payment therefor as provided in this Agreement, will be validly issued and outstanding, and will constitute valid and legally binding obligations of the Company entitled to the benefits of the Indenture pursuant to which they are issued, and (iii) the Underwritten Securities, and the Indenture pursuant to which they are issued, will conform in all material respects to the descriptions thereof contained in the Prospectus.

(l) Since the end of its most recently completed fiscal year, the Company has filed all documents and amendments to previously filed documents required to be filed by it pursuant to Section 12, 13(a), 13(b), 14 or 15(d) of the Exchange Act; the documents incorporated by reference into any Preliminary Prospectus, any Interim Prospectus or the Prospectus have been, and (in the case of any amendment or supplement to any such document, or any material incorporated reference in any such document, filed with the Commission after the date as of which this representation is being made) will be at all times during the period specified in Paragraph 7(c), prepared by the Company in conformity with the applicable requirements of the Act and the Rules and Regulations and the Exchange Act and the rules and regulations of the Commission thereunder, and such documents have been, or (in the case of any amendment or supplement to any such document, or any material incorporated by reference in any such document, filed with the Commission after the date as of which this representation is being made) will be at all times during the period specified in Paragraph 7(c), timely filed as required thereby.

2. The obligation of the Underwriters to purchase, and the Company to sell, the Underwritten Securities is evidenced by an Underwriting Agreement delivered at the time the Company determines to sell the Underwritten Securities. The Underwriting Agreement specifies the firm or firms which will be Underwriters, the principal amount of the Underwritten Securities to be purchased by each Underwriter, the purchase price to be paid by the Underwriters

for the Underwritten Securities, the public offering price, if any, of the Underwritten Securities, whether or not the Underwriters are authorized to solicit institutional investors to purchase Underwritten Securities pursuant to Delayed Delivery Contracts, certain terms thereof and the Underwriters' compensation therefor and any terms of the Underwritten Securities not already specified in the Indenture pursuant to which they are issued (including, but not limited to, designations, denominations, interest rates and payment dates, maturity and redemption provisions and sinking fund requirements). The Underwriting Agreement specifies any details of the terms of the offering which should be reflected in the post-effective amendment to the Registration Statement or the supplement to the Prospectus relating to the offering of the Underwritten Securities.

It is understood that, in making this Agreement, the Underwriters are contracting severally and not jointly, and that their several agreements to purchase Securities on the basis of the agreements and representations herein contained shall be several and not joint and shall apply only to the respective principal amounts of Securities to be purchased by them as provided therein.

3. Any offer to purchase Underwritten Securities by institutional investors solicited by the Underwriters for delayed delivery shall be made pursuant to contracts substantially in the form of Exhibit I attached hereto, with such changes therein as the Company and the Representatives may approve (the "Delayed Delivery Contracts"). The Company shall have the right, in its sole discretion, to approve or disapprove each such institutional investor. Underwritten Securities which are subject to Delayed Delivery Contracts are herein sometimes called "Delayed Delivery Underwritten Securities" and Underwritten Securities which are not subject to Delayed Delivery Contracts are herein sometimes called "Immediate Delivery Underwritten Securities".

Contemporaneously with the purchase on the Delivery Date by the Underwriters of the Immediate Delivery Underwritten Securities pursuant to this Agreement, the Company will pay to the Representatives, for the account of the Underwriters, the compensation specified in the Underwriting Agreement for arranging the sale of Delayed Delivery Underwritten Securities. The Underwriters shall have no responsibility with respect to the validity or performance of any Delayed Delivery Contracts.

For the purpose of determining the principal amount of Immediate Delivery Underwritten Securities to be purchased by each Underwriter, there shall be deducted from the principal amount of Underwritten Securities to be purchased by such Underwriter as set forth in the Underwriting Agreement that portion of the aggregate principal amount of Delayed Delivery Underwritten Securities that the principal amount of Underwritten Securities to be purchased by

such Underwriter as set forth in the Underwriting Agreement bears to the aggregate principal amount of Underwritten Securities set forth therein to be purchased by all of the Underwriters (in each case as adjusted by the Representatives to avoid fractions of the minimum principal amount in which the Underwritten Securities may be issued), except to the extent that the Representatives determine, in their discretion, that such deduction shall be otherwise than in such proportion and so advise the Company.

4. The Company shall not be obligated to deliver any Underwritten Securities except upon tender of payment for all Immediate Delivery Underwritten Securities to be purchased pursuant to this Agreement as hereinafter provided.

5. If any Underwriter defaults in the performance of its obligations under this Agreement, the remaining non-defaulting Underwriters shall be obligated to purchase the Immediate Delivery Underwritten Securities which the defaulting Underwriter agreed but failed to purchase in the respective proportions which the principal amount of Underwritten Securities set forth in the Underwriting Agreement to be purchased by each remaining non-defaulting Underwriter set forth therein bears to the aggregate principal amount of Underwritten Securities set forth therein to be purchased by all the remaining non-defaulting Underwriters; provided that the remaining non-defaulting Underwriters shall not be obligated to purchase any Immediate Delivery Underwritten Securities if the aggregate principal amount of Immediate Delivery Underwritten Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase exceeds 10% of the total principal amount of Underwritten Securities. If the foregoing maximum is exceeded, the remaining non-defaulting Underwriters, or those other underwriters satisfactory to the Representatives, shall have the right, but shall not be obligated, to purchase, in such proportion as may be agreed upon among them, all the Immediate Delivery Underwritten Securities. If the remaining Underwriters or other underwriters satisfactory to the Representatives do not elect to purchase the Immediate Delivery Underwritten Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company, except that the Company will continue to be liable for the payment of expenses as set forth in Paragraphs 7(j) and 11.

Nothing contained in this Paragraph 5 shall relieve a defaulting Underwriter of any liability it may have to the Company or to the other several Underwriters for damages caused by its default. If other Underwriters are obligated or agree to purchase the Immediate Delivery Underwritten Securities of a defaulting or withdrawing Underwriter, either the Representatives or the Company may postpone the Delivery Date for up to seven full business days in order to effect any changes that in the opinion of counsel for

the Company or counsel for the Underwriters may be necessary in the Registration Statement, the Prospectus or in any other document or arrangement. As used in this Agreement, the term "Underwriter" shall include any party substituted under this Section 5 with the same effect as if it had originally been a party to this Agreement with respect to such Immediate Delivery Underwritten Securities.

6. Delivery of and payment for the Immediate Delivery Underwritten Securities shall be made at such location as may be agreed upon by the Representatives and the Company, at 10:00 A.M., New York City time, on the fifth business day following the date of the Underwriting Agreement (unless postponed in accordance with the provisions of Paragraph 5 hereof), or at such other time and date as shall be agreed upon. This date and time are sometimes referred to as the "Delivery Date". On the Delivery Date the Company shall deliver the Immediate Delivery Underwritten Securities to the Representatives for the account of each Underwriter against payment to or upon the order of the Company of the purchase price by certified or official bank check or checks payable in New York Clearing House (next day) funds. Upon delivery, the Immediate Delivery Underwritten Securities shall be in definitive fully registered form and in such denominations and registered in such names as the Representatives shall request in writing not later than 10:30 A.M., New York City time, on the third business day prior to the Delivery Date. For the purpose of expediting the checking and packaging of the Immediate Delivery Underwritten Securities, the Company shall make the Immediate Delivery Underwritten Securities available for inspection by the Representatives in New York, New York, or such other place as may be agreed upon by the Representatives and the Company, not later than 2:00 P.M., New York City time, on the business day prior to the Delivery Date.

7. The Company agrees:

(a) To furnish promptly to each of the Representatives and to counsel for the Underwriters a signed copy of the Registration Statement as originally filed and each amendment or supplement thereto filed prior to the date of the Underwriting Agreement or relating to or covering the Underwritten Securities, and a copy of the Prospectus filed with the Commission, including all documents incorporated therein by reference and all consents and exhibits filed therewith;

(b) To deliver promptly to the Underwriters such number of the following documents as the Representatives may reasonably request: (i) conformed copies of the Registration Statement (excluding exhibits other than the computation of the ratio of earnings to fixed charges, the Indentures and this Agreement), (ii) the Prospectus and (iii) any documents incorporated by reference in the Prospectus, and the Company authorizes the Underwriters and all

dealers to whom any Underwritten Securities may be offered or sold by the several Underwriters to use such documents during the period referred to in (c) below in connection with the sale of the Underwritten Securities in accordance with the applicable provisions of the Act and the Rules and Regulations;

(c) To file with the Commission, during such period following the date of the Underwriting Agreement as, in the opinion of counsel for the Underwriters, the Prospectus is required by law to be delivered, any amendment or supplement to the Registration Statement or the Prospectus that may, in the judgment of the Company or the Representatives, be required by the act or requested by the Commission;

(d) Prior to filing with the Commission during the period referred to in (c) above (i) any amendment or supplement to the Registration Statement, (ii) the Prospectus or any amendment or supplement thereto or (iii) any document incorporated by reference in any of the foregoing or any amendment or supplement to any such incorporated document, to furnish a copy thereof to the Representatives and to counsel for the Underwriters and, with respect to any such filing prior to the Delivery Date, obtain the consent of the Representatives to the filing, which consent shall not be unreasonably withheld;

(e) To advise the Representatives promptly (i) when any post-effective amendment to the Registration Statement relating to or covering the Underwritten Securities becomes effective, (ii) of any request or proposed request by the Commission for an amendment or supplement to the Registration Statement (insofar as the amendment or supplement relates to or covers the Underwritten Securities), to the Prospectus, to any document incorporated by reference in any of the foregoing or for any additional information relating to the Registration Statement (insofar as such information relates to or covers the Underwritten Securities), (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any order directed to the Prospectus or any document incorporated therein by reference or the initiation or threat of any stop order proceeding or of any challenge to the accuracy or adequacy of any document incorporated by reference in the Prospectus and (iv) of receipt by the Company of any notification with respect to the suspension of the qualification of the Underwritten Securities for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose. In case of the happening at any time during the period referred to in (c) above of any event which materially affects the Company or the Underwritten Securities and which should be set forth in a supplement to or an amendment of the Prospectus relating to the Underwritten Securities in order to make the statements therein not misleading, the Company agrees to prepare and furnish to the several Underwriters at its own expense

such amendment or amendments to such Prospectus as will correct such Prospectus so that as corrected it will not contain, or such supplement or supplements to such Prospectus which when read in conjunction with such Prospectus will make the combined information not contain, any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements in such Prospectus, in light of the circumstances under which they were made, not misleading;

(f) If, during the period referred to in (c) above, the Commission shall issue a stop order suspending the effectiveness of the Registration Statement, to make every reasonable effort to obtain the lifting of that order at the earliest possible time;

(g) As soon as practicable, in accordance with Rule 158 under the Act, to make generally available to the holders of Securities and to deliver to the Representatives an earnings statement (which need not be audited), conforming with the requirements of Section 11(a) of the Act, covering a period of at least 12 months beginning after the effective date of the Registration Statement;

(h) For a period of three years after the Delivery Date for the Underwritten Securities, to furnish to each of the Representatives copies of all public reports and all reports and financial statements furnished by the Company to the New York Stock Exchange, Inc. pursuant to requirements of or agreements with such Exchange or to the Commission pursuant to the Exchange Act or any rule or regulation of the Commission thereunder;

(i) To endeavor to qualify the Underwritten Securities for offer and sale under the securities laws of such jurisdictions as the Representatives may reasonably request, provided that the Company shall not be required to register or qualify as a foreign corporation nor, except as to matters relating to the offer and sale of the Underwritten Securities, take any action which would subject it to service of process generally in any jurisdiction, or to the imposition of any taxes based on, or measured by, all or any part of the income of the Company, in any jurisdiction where it is not at such date so subject;

(j) To pay all costs incident to the authorization, issuance, sale and delivery of the Underwritten Securities; the costs incident to the preparation, printing and filing under the Act of the Registration Statement and any amendments, supplements and exhibits thereto; the costs incident to the preparation, printing and filing of any document and any amendments and exhibits thereto required to be filed by the Company under the Exchange Act; the costs of distributing the Registration Statement as originally filed and each amendment and post-effective amendment thereof (including exhibits), any Preliminary Prospectus, the Prospectus

and any documents incorporated by reference in any of the foregoing documents; the costs of printing this Agreement, any Agreement Among Underwriters and the Delayed Delivery Contracts, if any; fees paid in connection with any filings with the National Association of Securities Dealers, Inc.; fees paid to rating agencies in connection with the rating of the Securities, including the Underwritten Securities; the fees and expenses of qualifying the Securities, including the Underwritten Securities, under the securities laws of the several jurisdictions as provided in this Paragraph and of preparing and printing a Blue Sky Memorandum, and a memorandum concerning the legality of the Securities, including the Underwritten Securities, as an investment (including reasonable fees of counsel to the Underwriters in connection therewith); and all other costs and expenses incident to the performance of the Company's obligations under this Agreement; provided, that, except as provided in this Paragraph and in Paragraph 11, the Underwriters shall pay all their own costs and expenses, including the fees and expenses of their counsel, any transfer taxes on the Underwritten Securities which they may sell and the expenses of advertising any offering of the Underwritten Securities made by the Underwriters; and

(k) Until the termination of the offering of the Underwritten Securities, to timely file all documents, and any amendments to previously filed documents, required to be filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act.

8. (a) The Company shall indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of the Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act or otherwise insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, as of its effective date or as of the effective date of any post-effective amendment thereof, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, any Interim Prospectus or the Prospectus, or in any amendment thereof or supplement thereto, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and reimburse each such indemnified party upon demand for any legal or other expenses reasonably incurred by it in connection with investigating or defending any such loss, claim, damage, liability or action and shall, if requested by any such indemnified party, assume the defense of such

indemnified party in any action based upon allegations of any such loss, claim, damage or liability, with counsel satisfactory to such indemnified party; provided, however, that the Company will not be liable in any such case (i) to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Company by or on behalf of any Underwriter through the Representatives expressly for use in connection with the preparation of the Registration Statement or (ii) with respect to the Prospectus, if used outside the period during which the Underwriters are authorized to use the same or (iii) with respect to any Preliminary Prospectus, if such statement or omission was contained or made in any Preliminary Prospectus and corrected in the Prospectus and (x) the loss, claim, damage or liability suffered or incurred by any Underwriter (or any person who controls any Underwriter) resulted from an action, claim, or suit by any person who purchased Underwritten Securities which are the subject thereof from such Underwriter in the offering, and (y) such Underwriter failed to deliver or provide a copy of the Prospectus to such person at or prior to the confirmation of the sale of Underwritten Securities in any case where such delivery is required by the Act (unless such failure is the result of non-compliance by the Company with subparagraph (b) of Paragraph 7). This indemnity agreement will be in addition to any liability which the Company may otherwise have.

(b) Each Underwriter shall indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the Registration Statement and each person, if any, who controls the Company within the meaning of the Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act or otherwise insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement as of its effective date or as of the effective date of any post-effective amendment thereof, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, any Interim Prospectus or the Prospectus, or in any amendment thereof or supplement thereto, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that the same was made therein in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Underwriter through the Representatives

specifically for use in connection with the preparation of the Registration Statement, and reimburse each such indemnified party upon demand for any legal or other expenses reasonably incurred by it in connection with investigating or defending any such loss, claim, damage, liability or action. This indemnity agreement will be in addition to any liability which any Underwriter may otherwise have.

(c) Promptly after receipt by an indemnified party under this Paragraph 8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Paragraph 8, notify the indemnifying party in writing of the commencement of such action in sufficient time to permit the indemnifying party to assume the defense thereof, but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this Paragraph 8. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will (i) if it is so required under subparagraph (a) of this Paragraph, assume the defense of such action with counsel satisfactory to such indemnified party, or (ii) if not required to assume the defense under such paragraph (a), will be entitled to participate therein, and to the extent that it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel satisfactory to such indemnified party; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party, and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assert such legal defenses (in which case the indemnifying party shall not have the right to direct the defense of such action on behalf of the indemnified party or parties, but the indemnifying party shall not, in connection with any one such action, or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses with respect to any period during the pendency of such action or similar or related actions of more than one separate firm of attorneys for all indemnified parties so named, designated in writing by the Representatives if the indemnifying party is the Company or by the Company if the indemnifying party is any Underwriter. Upon the assumption by the indemnifying party of the defense of such action pursuant to clause (i) or clause (ii) of this subparagraph (c), and approval by the indemnified party of counsel, the indemnifying party shall not be liable to such indemnified party under this Paragraph 8 for any legal or other expenses subsequently incurred by such indemnified

party in connection with the defense thereof (other than reasonable costs of investigation) unless (x) the indemnified party shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the next preceding sentence, (y) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time, or (z) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party. The indemnifying party shall not be liable for any settlement of any action or claim effected without its consent which consent shall not be unreasonably withheld.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in subparagraph (a) or (b) of this Paragraph 8 is for any reason held to be unavailable from an indemnifying party, then the Company and the Underwriters shall contribute to the aggregate losses, claims, damages and liabilities (including any investigation, legal and other expenses incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claims asserted) to which the Company and one or more of the Underwriters may be subject in such proportion so that the Underwriters are responsible for that portion represented by the percentage that the underwriting commissions with respect to the Underwritten Securities bears to the public offering price, and the Company is responsible for the balance; provided, however, that (y) in no case shall any Underwriter (except as may be provided in any Agreement Among Underwriters) be responsible for any amount in excess of the underwriting commission applicable to the Underwritten Securities purchased by such Underwriter hereunder, and (z) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Paragraph 8, each person, if any, who controls an Underwriter within the meaning of the Act shall have the same rights to contribution as such Underwriter, and each person, if any, who controls the Company within the meaning of the Act, each officer of the Company who shall have signed the Registration Statement and each director of the Company shall have the same rights to contribution as the Company, subject in each case to clauses (y) and (z) of this subparagraph (d). Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this subparagraph (d), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this subparagraph (d).

(e) The respective indemnity and contribution agreements of the Company and the Underwriters contained in this Paragraph 8, and the representations and warranties of the Company contained in Paragraph 1, shall remain operative and in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any Underwriter or the Company or any director or officer or any controlling person referred to in this Paragraph 8, and such agreement, representations and warranties, as well as the other covenants contained herein, shall survive the delivery of the Underwritten Securities and any successor of any Underwriter or of the Company or any legal representative of any such director or officer or of any such controlling person, as the case may be, shall be entitled to the benefits of the respective indemnity and contribution agreements.

9. The obligations of the Underwriters under this Agreement may be terminated by the Representatives, in their absolute discretion, by notice given to and received by the Company prior to the delivery of and payment for the Immediate Delivery Underwritten Securities, if, during the period beginning on the date of the Underwriting Agreement to and including the Delivery Date, there shall have occurred (a) any change, or any development involving a prospective change, in or affecting primarily the financial condition, results of operations, business or property of the Company and its Subsidiaries taken as a whole which has a material adverse effect on the investment quality of the Underwritten Securities; (b) a suspension or material limitation in trading in securities generally on the New York Stock Exchange or the establishment of minimum prices on such exchange; (c) a general moratorium on commercial banking activities declared by Federal, New York State or Texas State authorities; (d) any downgrading in the rating accorded the Company's debt securities by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act; or (e) any material adverse change in the existing financial, political or economic conditions in the United States, including any effect of international conditions on the financial markets in the United States that, in the judgment of the Representatives, makes it impracticable or inadvisable to commence or continue the offering of the Underwritten Securities or to enforce contracts for the resale of the Underwritten Securities by the Underwriters.

10. The respective obligations of the Underwriters under this Agreement with respect to the Underwritten Securities are subject to the accuracy in all material respects, on the date of the Underwriting Agreement and on the Delivery Date, of the representations and warranties of the Company contained herein, to performance by the Company of its obligations hereunder required to be performed at or prior to the Delivery Date, and to each of the

following additional terms and conditions applicable to the Underwritten Securities:

(a) At or before the Delivery Date, no stop order suspending the effectiveness of the Registration Statement nor any order directed to any document incorporated by reference in the Prospectus shall have been issued and prior to that time no stop order proceeding shall have been initiated or threatened by the Commission, and no challenge shall have been made to the accuracy or adequacy of any document incorporated by reference in the Prospectus; any request of the Commission for inclusion of additional information in the Registration Statement or the Prospectus or otherwise shall have been complied with; and after the date of the Underwriting Agreement the Company shall not have filed with the Commission any amendment or supplement to the Registration Statement or the Prospectus (or any document incorporated by reference therein) without the consent of the Representatives, which consent shall not be unreasonably withheld.

(b) No Underwriter shall have discovered and disclosed to the Company on or prior to the Delivery Date that the Registration Statement contained at the date of the Underwriting Agreement, or that the Prospectus contained at such date or contains, an untrue statement of a fact which, in the opinion of counsel for the Underwriters, is material or omitted or omits to state a fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein (and in the case of the Prospectus, in light of the circumstances under which they were made) not misleading.

(c) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the Underwritten Securities and the Indentures and the form of the Registration Statement, the Prospectus (other than financial statements and other financial data) and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be satisfactory in all material respects to counsel for the Underwriters, the Underwriters shall have received the favorable opinion of counsel for the Underwriters, dated as of the Delivery Date, with respect to such matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel all documents and information that it may reasonably request to enable it to pass upon such matters.

(d) The Company shall have furnished to the Representatives, on the Delivery Date, a certificate, dated as of the Delivery Date, of its Chairman of the Board or the President or a Vice President and of the chief financial officer of the Company, stating that, to the best of their knowledge after due investigation:

(i) There is no litigation or governmental proceeding

pending or threatened of a character which would materially adversely affect the subject matter of this Agreement or be required to be disclosed in the Registration Statement which is not so disclosed;

(ii) On the Delivery Date, the representations and warranties contained in Paragraph 1 are true and correct in all material respects, the Company has complied, in all material respects, with all its agreements herein contained, and the conditions to be performed by the Company referred to in this Paragraph have been fulfilled; and

(iii) There have been no material adverse changes in the financial condition, results of operations, business or properties of the Company and its subsidiaries taken as a whole, from that shown in the Registration Statement and the Prospectus, other than changes disclosed by or contemplated in the Registration Statement or the Prospectus.

(e) The Company shall have furnished to the Representatives, on the Delivery Date, the opinion of counsel for the Company, addressed to the Representatives and in form and substance satisfactory to the Representatives and counsel for the Underwriters, with respect to the issuance and sale of the Underwritten Securities and such other related matters as the Representatives may reasonably require. In rendering such opinions, such counsel may rely as to matters governed by the laws of other jurisdictions (other than the United States, New York and Texas) on the opinions of local counsel satisfactory to such counsel.

(f) You shall have received a letter, dated the date of delivery thereof (which shall be on or prior to the date of this Agreement) of Arthur Andersen & Co. confirming that they are independent public accountants within the meaning of the Act and the applicable published 1933 Act Regulations thereunder and stating in effect that:

(i) in their opinion the financial statements examined by them and incorporated by reference in the Registration Statement comply in form in all material respects with the applicable accounting requirements of the 1933 Act and the 1934 Act and the related published rules and regulations;

(ii) they have made a review of the unaudited financial statements included or incorporated by reference in the Registration Statement in accordance with standards established by the American Institute of Certified Public Accountants;

(iii) on the basis of the review referred to in clause (ii) above, a reading of the latest available interim financial

statements of the Company, inquiries of officials of the Company who have responsibility for financial and accounting matters and other specified procedures, nothing came to their attention that caused them to believe that:

(A) the unaudited financial statements included or incorporated by reference in the Registration Statement do not comply in form in all material respects with the applicable accounting requirements of the 1934 Act and the related published rules and regulations or are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements incorporated by reference in the Registration Statement;

(B) at the date of the latest available balance sheet read by such accountants, or at a subsequent specified date not more than five days prior to the date of this Agreement, there was any change in the common stock or additional paid-in capital account or in short-term indebtedness or long-term debt of the Company and its subsidiaries consolidated or any decrease in consolidated common stockholders' equity, as compared with amounts shown on the latest consolidated balance sheet included or incorporated by reference in the Prospectus; or

(C) for the period from the closing date of the latest consolidated income statement included or incorporated by reference in the Prospectus to the closing date of the latest available consolidated income statement read by such accountants, or at a subsequent specified date not more than five days prior to the date of this Agreement, there were any decreases, as compared with the corresponding period of the previous year, in consolidated revenues, or in the total or per share amounts of consolidated net income;

except in all cases set forth in clauses (B) and (C) above for changes, increases or decreases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(iv) they have compared specified dollar amounts (or percentages derived from such dollar amounts) and other financial information contained in the Registration Statement (in each case to the extent that such dollar amounts, percentages and other financial information are derived from the general accounting records of the Company and its subsidiaries subject to the internal controls of the Company's accounting system or are derived directly from such records by analysis or computation) with the results obtained from inquiries, a reading of such general accounting records and other procedures specified in such letter and have found such dollar amounts, percentages and other financial information to be in agreement with such results, except as

otherwise specified in such letter.

All financial statements and schedules included in material incorporated by reference into the Prospectus shall be deemed included in the Registration Statement for purposes of this subsection.

(g) Subsequent to the date of the Underwriting Agreement, there shall not have been any change or other development in the financial condition or business of the Company which, in the reasonable judgment of the Representatives, has had or may have materially adverse consequences for the Company or which makes it impractical or inadvisable, in the reasonable judgment of the Representatives, to proceed with the public offering or the delivery of the Underwritten Securities.

11. If the Company shall fail to tender the Immediate Delivery Underwritten Securities for delivery to the Underwriters, or if the Underwriters shall decline to purchase the Immediate Delivery Underwritten Securities for any reason permitted under this Agreement, the Company shall reimburse the Underwriters for the reasonable fees and expenses of their counsel and for such other out-of-pocket expenses as shall have been incurred by them in connection with this Agreement and the proposed purchase of Immediate Delivery Underwritten Securities and the solicitation of any purchases of the Delayed Delivery Underwritten Securities, and upon demand the Company shall pay the full amount thereof to the Representatives. If this Agreement is terminated pursuant to Paragraph 5 hereof by reason of the default of one or more Underwriters, the Company shall not be obligated to reimburse the several Underwriters on account of those expenses.

12. The Company shall be entitled to act and rely upon any request, consent, notice or agreement by the Representatives. Any notice by the Company to the Underwriters shall be sufficient if given in writing or by telegraph addressed to the Representatives specified in the Underwriting Agreement, and any notice by the Underwriters to the Company shall be sufficient if give in writing or by telegraph addressed to the Company at 757 N. Eldridge, Houston, Texas 77079, Attention: Secretary.

13. This Agreement shall inure to the benefit of and be binding upon the Underwriters, the Company, and their respective successors and assigns. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (a) the representations, warranties, indemnities and agreements of the Company contained in this Agreement shall also be deemed to be for the benefit of any person or persons, if any, who control any Underwriter within the meaning of the Act, and (b) the indemnity agreement of the Underwriters contained in Paragraph 8 shall be deemed to be for the benefit of directors of the Company, officers

of the Company who have signed the Registration Statement and any person controlling the Company within the meaning of the Act, and, in each case, their respective legal representatives, successors and assigns. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to above in this Paragraph, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. The term "successors" or the term "successors and assigns" as used in this Agreement shall not include any Purchaser, as such Purchaser, from any of the Underwriters of any of the Underwritten Securities.

14. For purposes of this Agreement, (a) "business day" means any day on which the New York Stock Exchange, Inc. is open trading, and (b) "subsidiary" has the meaning set forth in Rule 405 of the Rules and Regulations.

15. This Agreement shall be governed by and construed in accordance with this laws of New York applicable to contracts made and to be performed within the State of New York. The Underwriting Agreement may be executed in one or more counterparts and if executed in more than one counterpart, the executed counterparts shall together constitute a single instrument.

EXHIBIT I

BROWNING-FERRIS INDUSTRIES, INC.

[Title of Securities]

Delayed Delivery Contract

_____, 199_

Browning-Ferris Industries, Inc.
757 N. Eldridge
Houston, Texas 77079

Dear Sirs:

The undersigned hereby agrees to purchase from Browning-Ferris Industries, Inc., a Delaware corporation (the "Company"), and the Company hereby agrees to sell to the undersigned \$ _____ principal amount of the Company's above-captioned securities (the "Securities"), offered by the Company's prospectus dated _____, 199_, as supplemented by the prospectus supplement dated _____, 199_ (collectively, the "Prospectus"), receipt of a copy of which is hereby acknowledged, at a purchase price of ___% of the principal amount thereof plus accrued interest from _____, 199_ to the Delivery Date (as defined in the next paragraph) and on the further terms and conditions set forth in

this Contract.

Payment for and delivery of the Securities to be purchased by the undersigned shall be made on _____, 199_ herein called the "Delivery Date".

At 10:00 A.M., New York City time, on the Delivery Date, the Securities to be purchased by the undersigned hereunder will be delivered by the Company to the undersigned, and the undersigned will accept delivery of such Securities and will make payment to the Company of the purchase price therefor, at the office of _____. Payment will be certified or official bank check payable in New York Clearing House funds to or upon the order of the Company. The Securities will be delivered in definitive fully registered form in such authorized denominations and registered in such names as the undersigned may designate by written or telegraphic communication addressed to the Company not less than two full business days prior to the Delivery Date, or if the undersigned fails to make a timely designation in the foregoing manner, in the form of one definitive fully registered certificate representing the Securities in the above principal amount, registered in the name of the undersigned.

This Contract will terminate and be of no further force and effect after _____, 199_, unless (i) on or before such date it shall have been executed and delivered by both parties hereto and (ii) the Company shall have sold to the Underwriters named in the Prospectus the Immediate Delivery Underwritten Securities (as defined in the Underwriting Agreement referred to in the Prospectus), and the Company shall have mailed or delivered to the undersigned at its address set forth below a notice to that effect, stating the date of the occurrence thereof, accompanied by copies of the opinions of counsel for the Company delivered to such Underwriters pursuant to Paragraph 10(e) of the Underwriting Agreement Basic Provisions.

The obligation of the undersigned to accept delivery of and make payment for the Securities on the Delivery Date will be subject to the condition that the Securities shall not, on the Delivery Date, be an investment prohibited by the laws of the jurisdiction to which the undersigned is subject, the undersigned hereby representing that such an investment is not so prohibited on the date hereof.

This Contract will inure to the benefit of and be binding upon the parties hereto and their respective successors but will not be assignable by either party hereto without the written consent of the other.

It is understood that acceptance of any Delayed Delivery Contract (as defined in said Underwriting Agreement) is in the Company's

sole discretion and, without limiting the foregoing, need not be on a first-come, first-served basis. If this Contract is acceptable to the Company, it is requested that the Company sign the form of acceptance below and mail or deliver one of the counterparts hereof to the undersigned at its address set forth below. This will become a binding contract between the Company and the undersigned when such counterpart is so mailed or delivered.

This Contract shall be governed by the laws of the State of New York.

Very truly yours,

(Name of Purchaser)

By: _____

Title: _____

Address

Accepted as of _____, 199_

BROWNING-FERRIS INDUSTRIES, INC.

By: _____

Title: _____

PURCHASER -- PLEASE COMPLETE AT TIME OF SIGNING

The name and telephone number of the representative of the Purchaser with whom details of delivery on the Delivery Date may be discussed is as follows: (Please Print.)

Name

Telephone No.
(including
Area Code)

=====

BROWNING-FERRIS INDUSTRIES, INC.

AND

NATIONSBANK OF TEXAS, NATIONAL ASSOCIATION,
As Trustee

FIRST SUPPLEMENTAL INDENTURE

Dated as of January 11, 1994

SUPPLEMENTING AND AMENDING THE
INDENTURE DATED AS OF AUGUST 1, 1987

=====

THIS FIRST SUPPLEMENTAL INDENTURE, is dated as of January 11, 1994,

between BROWNING-FERRIS INDUSTRIES, INC., a corporation duly organized and existing under the laws of the State of Delaware (the "Company"), and NATIONSBANK OF TEXAS, NATIONAL ASSOCIATION (as successor to First RepublicBank Houston, National Association), a national banking association duly organized and existing under the laws of the United States of America, as trustee under the Original Indenture referred to below (the "Trustee").

W I T N E S S E T H:

WHEREAS, to provide for its lawful corporate purposes the Company has duly authorized the issue from time to time of its unsecured subordinated debentures, notes or other evidences of indebtedness ("Securities"), to be issued in one or more series; and

WHEREAS, the Company has heretofore made, executed and delivered to the Trustee its Indenture dated as of August 1, 1987 (the "Original Indenture"); and

WHEREAS, by virtue of the provisions of the Original Indenture, the Company is empowered to deliver Securities of any series authorized and executed by the Company to the Trustee for authentication, and the Trustee is thereupon empowered in the manner set forth in Articles One, Two and Three of the Original Indenture to authenticate and deliver said Securities to or upon the written order of the Company without any further action by the Company; and

WHEREAS, it is deemed advisable to supplement and amend the Original Indenture as provided in this First Supplemental Indenture (the Original Indenture, as so supplemented and amended by this First Supplemental Indenture, being sometimes referred to herein as the "Indenture"); and

WHEREAS, Section 901 of Article Nine of the Original Indenture provides that under certain conditions the Company and Trustee, may, without the consent of the Holders of Securities, from time to time and at any time, enter into an indenture or indentures supplemental thereto, for the purpose, among others, of supplementing any provision contained therein which may be defective or inconsistent with any other provision contained therein; to make such other provisions in regard to matters or questions arising under the Original Indenture as the Company by or pursuant to a Board Resolution may deem necessary or desirable and which shall not adversely affect the interests of the holders of Securities; or to establish the form or terms and to provide for the issuance of Securities of any series as permitted by Sections 201 and 301; and

WHEREAS, all the requirements prescribed by law and by the Certificate of Incorporation of the Company have been fully complied with and all conditions and requirements necessary to authorize the execution, acknowledgement and delivery of this First Supplemental Indenture, to effect duly and legally the modifications and alterations

of the Original Indenture provided in this First Supplemental Indenture and to make the Indenture a valid, binding and legal instrument for the benefit of the Holders of Securities, have been complied with;

NOW, THEREFORE, for and in consideration of the premises and the acceptances or purchases of the Securities by the Holders thereof, the Company and the Trustee mutually covenant and agree for the equal and proportionate benefit of the respective Holders from time to time of the Securities as follows:

ARTICLE 1

MODIFICATION OF THE ORIGINAL INDENTURE

Section 1.1. Supplement and Amendment to Section 101 of the Original Indenture. Article One of the Original Indenture is amended to include therein the following provisions:

(a) After the definition of Defaulted Interest:

"`Depositary' means, with respect to the Securities of any series issuable or issued in whole or in part in the form of one or more Global Securities, the Person designated as Depositary for such series by the Company pursuant to Section 301 or otherwise appointed by the Company as a successor to such Person in the event such Person is unwilling or unable to continue to serve in such capacity."

(b) After the definition of Event of Default:

"`Global Security' means a Security in the form prescribed in Section 203 evidencing all or part of a series of Securities, which in each case have the same terms, issued to the Depositary for such series or its nominee, and registered in the name of such Depositary or nominee."

Section 1.2. [Reserved.]

Section 1.3 Supplement and Amendment to Section 107 of the Original Indenture. Section 107 of the Original Indenture is amended to read in its entirety as follows:

"SECTION 107. Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with any other provision hereof which is required to be included in this Indenture, or is deemed applicable to this Indenture, by any of the provisions of the Trust Indenture Act, such required provisions shall control."

Section 1.4. Supplement and Amendment to Article Two of the Original Indenture. Article Two of the Original Indenture is modified by adding a new Section 203 to read in its entirety as follows:

"SECTION 203. Additional Provisions Required in Global Security.

Any Global Security issued hereunder shall, in addition to the provisions contained in Sections 201 and 202, bear a legend in substantially the following form:

`This Security is a Global Security within the meaning of the Indenture hereinafter referred to and is registered in the name of a Depositary or a nominee of a Depositary. This Security is exchangeable for Securities registered in the name of a person other than the Depositary or its nominee only in the limited circumstances described in the Indenture and may not be transferred except as a whole by the Depositary to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor of such Depositary or a nominee of such successor.'"

Section 1.5. Supplement and Amendment to Section 301 of the Original Indenture. Article Three of the Original Indenture is modified by deleting the word "and" at the end of Section 301(12) of the Original Indenture, renumbering Section 301(13) of the Original Indenture as Section 301(14), and adding new Section 301(13) to read in its entirety as follows:

"(13) whether the Securities of the series shall be issued in whole or in part in the form of one or more Global Securities and, in such case, the Depositary for such Global Security or Securities, which Depositary shall be a clearing agency registered under the Securities Exchange Act of 1934, as amended; and"

Section 1.6. Supplement and Amendment of Section 305 of the Original Indenture. Article Three of the Original Indenture is modified by adding the following paragraphs to the end of Section 305 of the Original Indenture:

"Notwithstanding the foregoing, any Global Security shall be exchangeable pursuant to this Section 305 for Securities registered in the names of Persons other than the Depositary for such Security or its nominee only if (i) such Depositary notifies the Company that it is unwilling or unable to continue as Depositary for such Global Security or if at any time such Depositary ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, and the Company fails to appoint a successor Depositary for such Global Security within 90 days after the Company receives such notice or becomes aware of such event, (ii) the Company executes and delivers to the Trustee a Company Order that such Global Security shall be so exchangeable, or (iii) there shall have occurred and be continuing an Event of Default or an event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default with respect to the Securities. Any Global Security that is exchangeable pursuant to the preceding sentence shall be exchangeable for Securities registered in such names as the Depositary

shall direct.

Except as provided in the immediately preceding paragraph, a Global Security may not be transferred except as a whole by the Depositary with respect to such Global Security to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor of such Depositary or a nominee of such successor.

None of the Company, the Trustee, any Paying Agent or the Security Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests."

Section 1.7. Supplement and Amendment to Section 308 of the Original Indenture. Article Three of the Original Indenture is modified by adding the following paragraph to the end of Section 308 of the Original Indenture:

"Notwithstanding the foregoing, with respect to any Global Security, nothing herein shall prevent the Company, the Trustee, or any agent of the Company or the Trustee, from giving effect to any written certification, proxy or other authorization furnished by a Depositary or impair, as between a Depositary and holders of beneficial interests in any Global Security, the operation of customary practices governing the exercise of the rights of the Depositary as Holder of such Global Security."

Section 1.8. Supplement and Amendment to Section 608 of the Original Indenture. Section 608(a) of the Original Indenture is amended to read in its entirety as follows:

"(a) If Trustee has or shall acquire any conflicting interest, as defined in this Section, with respect to the Securities of any series, within 90 days after ascertaining that it has such conflicting interest, and if the default, as defined in this Section, to which such conflicting interest relates has not been cured or duly waived or otherwise eliminated before the end of such 90-day period, the Trustee shall either eliminate such conflicting interest or, except as otherwise provided below, resign with respect to that series, and the Company shall take prompt steps to have a successor appointed in the manner provided in Section 610."

Section 608(b) of the Original Indenture is amended to read in its entirety as follows:

"(b) If the Trustee shall fail to comply with the provisions of Subsection (a) of this Section with respect to the Securities of any series, the Trustee shall, within 10 days after the expiration of such 90-

day period, transmit by mail to all Holders of Securities of that series, as their names and addressees appear in the Security Register, notice of such failure and, subject to the provisions of Section 514, unless the Trustee's duty to resign is stayed as provided below, any Holder who has been a bona fide Holder of Securities for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor, if the Trustee fails, after written request thereof by such Holder to comply with the provisions of Subsection (a).

Except in the case of a default in the payment of the principal of or interest on any Security, or in the payment of any sinking or purchase fund installment, the Trustee shall not be required to resign as provided by this Section if the Trustee shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that (i) the default under the Indenture may be cured or waived during a reasonable period and under the procedures described in such application, and (ii) a stay of the Trustee's duty to resign will not be inconsistent with the interests of the Holders of the Securities.

The filing of such an application shall automatically stay the performance of the duty to resign until the Commission orders otherwise. Any resignation of the Trustee shall become effective only upon the appointment of a successor Trustee in accordance with the provisions of Section 610 and such successor's acceptance of such an appointment."

Section 608(c) of the Original Indenture is amended to read in its entirety, except as otherwise noted, as follows:

"(c) For the purposes of this Section, the Trustee shall be deemed to have a conflicting interest with respect to the Securities of any series if the Securities of such series are in default (as determined in accordance with the provisions of Section 501, but exclusive of any period of grace or requirement of notice) and

(1) the Trustee is trustee under this Indenture with respect to the Outstanding Securities of any series other than that series or is trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the Company are outstanding, unless such other indenture is a collateral trust indenture under which the only collateral consists of Securities issued under this Indenture, provided that there shall be excluded from the operation of this paragraph this Indenture with respect to the Securities of any series other than that series or any indenture or indentures under which other securities, or certificates of interest or participation in other securities, of the Company are outstanding, if

(i) this Indenture and such other indenture or indentures (and all series of securities issuable thereunder) are wholly unsecured and rank equally and such other indenture or indentures are hereafter qualified under the Trust Indenture Act, unless the Commission

shall have found and declared by order pursuant to Section 305(b) or Section 307(c) of the Trust Indenture Act that differences exist between the provisions of this Indenture with respect to Securities of that series and one or more other series or the provisions of such other indenture or indentures which are so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under this Indenture with respect to the Securities of that series and such other series or under such other indenture or indentures, or

(ii) [no change to this Subsection]

(2) the Trustee or any of its directors or executive officers is an underwriter for the Company;

(3) the Trustee directly or indirectly controls or is directly or indirectly controlled by or is under direct or indirect common control with an underwriter for the Company;

[(4)-(8) No change in these Subsections except that the "or" at the end of Subsection (8) shall be deleted]

(9) the Trustee owns, on the date of default (as determined in accordance with the provisions of Section 501, but exclusive of any period of grace or requirement of notice) or on any anniversary of such default while such default remains outstanding, in the capacity of executor, administrator, testamentary or inter vivos trustee, guardian, committee or conservator, or in any other similar capacity, an aggregate of 25% or more of the voting securities, or of any class of security, of any person, the beneficial ownership of a specified percentage of which would have constituted a conflicting interest under paragraphs (6), (7) or (8) of this Subsection. As to any such securities of which the Trustee acquired ownership through becoming executor, administrator or testamentary trustee of an estate which included them, the provisions of the preceding sentence shall not apply, for a period of two years from the date of such acquisition, to the extent that such securities included in such estate do not exceed 25% of such voting securities or 25% of any such class of security. Promptly after the dates of any such default and annually in each succeeding year that the Securities remain in default, the Trustee shall make a check of its holdings of such securities in any of the above-mentioned capacities as of such dates. If the Company fails to make payment in full of the principal of (or premium, if any) or interest on any of the Securities when and as the same becomes due and payable, and such failure continues for 30 days thereafter, the Trustee shall make a prompt check of its holdings of such securities in any of the above-mentioned capacities as of the date of the expiration of such 30-day period, and after such date, notwithstanding the foregoing provisions of this paragraph, all such securities so held by the Trustee, with sole or joint control over such securities vested in it, shall, but only so long as such failure shall continue, be considered as though beneficially owned by the Trustee for the purposes of paragraphs (6), (7)

and (8) of this Subsection; or

(10) except under the circumstances described in paragraphs (1), (3), (4), (5) or (6) of Section 613(b), the Trustee shall be or shall become a creditor of the Company.

For purposes of this Subsection, the term "series of securities" or "series" means a series, class or group of securities issuable under an indenture pursuant to whose terms holders of one such series may vote to direct the Trustee, or otherwise take action pursuant to a vote of such holders, separately from holders of another such series; provided, that "series of securities" or "series" shall not include any series of securities issuable under an indenture if all such series rank equally and are wholly unsecured.

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

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

Section 608(d)(1) of the Original Indenture is amended to read in its entirety as follows:

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

distributor's or seller's commission."

Section 1.9. Supplement and Amendment to Section 609 of the Original Indenture. Section 609 of the Original Indenture is amended to read in its entirety as follows:

"SECTION 609. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000 subject to the supervision and examination by Federal or State authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. No obligor upon the Securities or a Person directly or indirectly controlling, controlled by, or under common control with such obligor shall serve as Trustee upon the Securities. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article."

Section 1.10. Supplement and Amendment to Section 613 of the Original Indenture. Section 613 of the Original Indenture is modified by deleting each reference therein to "four months'" and inserting in its place "three months'".

Section 1.11. Supplement and Amendment to Section 703 of the Original Indenture. Section 703(a) of the Original Indenture is amended to read in its entirety as follows:

"(a) On or before May 15 of each year commencing with the year 1988, the Trustee shall transmit by mail to all Holders, as their names and addresses appear in the Security Register, a brief report dated as of the preceding March 15 with respect to any of the following events which may have occurred within the last 12 months (but if no such event has occurred within such period, no report need be transmitted):

(1) any change to its eligibility under Section 609 and its qualifications under Section 608;

(2) the creation of or any material change to a relationship specified in paragraphs (1) through (10) of Section 608(c);

(3) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) which remain unpaid on the date of

such report, and for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Securities, on any property or funds held or collected by it as Trustee, except that the Trustee shall not be required (but may elect) to report such advances if such advances so remaining unpaid aggregate not more than 1/2 of 1% of the principal amount of the Securities Outstanding on the date of such report;

(4) the amount, interest rate and maturity date of all other indebtedness owing by the Company (or by any other obligor on the Securities) to the Trustee in its individual capacity, on the date of such report, with a brief description of any property held as collateral security therefor, except an indebtedness based upon a creditor relationship arising in any manner described in Section 613(b)(2), (3), (4) or (6);

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

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

(7) any action taken by the Trustee in the performance of its duties hereunder which it has not previously reported and which in its opinion materially affects the Securities, except action in respect of a default, notice of which has been or is to be withheld by the Trustee in accordance with Section 602."

Section 1.12. Supplement and Amendment to Section 1107 of the Original Indenture. Article Eleven of the Original Indenture is modified by adding the following sentence immediately following the end of Section 1107 of the Original Indenture:

"If a Global Security is so surrendered, such new Security so issued shall be a new Global Security."

ARTICLE 2

PARTICULAR REPRESENTATIONS AND COVENANTS OF THE COMPANY

Section 2.1. Authority of the Issuer. The Company represents and warrants that it is duly authorized under the laws of the State of Delaware and all other applicable laws to execute, deliver and perform this First Supplemental Indenture, and all corporate action on its part required for the execution, delivery and performance of this First Supplemental Indenture by the Company has been duly and effectively taken.

Section 2.2. Truth of Recitals and Statements. The Company represents and warrants that the recitals of fact and statements contained in this First Supplemental Indenture are true and correct in all material respects, and that the recitals of fact and statements contained in all certificates and other documents furnished by the Company thereunder will

be true and correct.

ARTICLE 3

CONCERNING THE TRUSTEE

Section 3.1. Acceptance of Trusts. The Trustee accepts the trusts hereunder and agrees to perform the same, but only upon the terms and conditions set forth in the Original Indenture and in this First Supplemental Indenture, to all of which the Company agrees and the Holders of Securities at any time outstanding by their acceptance thereof agree.

Section 3.2. No Responsibility of Trustee for Recitals, etc. The recitals and statements contained in this First Supplemental Indenture shall be taken as the recitals and statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this First Supplemental Indenture.

ARTICLE 4

MISCELLANEOUS PROVISIONS

Section 4.1. Relation to the Indenture. The provisions of this First Supplemental Indenture shall become effective immediately upon the execution and delivery hereof. This First Supplemental Indenture and all the terms and provisions herein contained shall form a part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Original Indenture and each and every term and condition contained in the Original Indenture shall apply to this First Supplemental Indenture with the same force and effect as if the same were in this First Supplemental Indenture set forth in full, with such omissions, variations and modifications thereof as may be appropriate to make each such term and condition conform to this First Supplemental Indenture. The Original Indenture is hereby ratified and confirmed and shall remain and continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended by this First Supplemental Indenture, and the Original Indenture and this First Supplemental Indenture shall be read, taken and construed together as one instrument.

Section 4.2. Meaning of Terms. Capitalized terms used but not defined in this First Supplemental Indenture are defined in the Original Indenture and shall have the meanings specified in the Original Indenture, unless the context shall otherwise require.

Section 4.3. Counterparts of First Supplemental Indenture. This First Supplemental Indenture may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, BROWNING-FERRIS INDUSTRIES, INC., has caused this First Supplemental Indenture to be executed in its corporate name by its President or one of its Vice Presidents or its Treasurer and its corporate seal to be affixed hereunto, and the same to be attested, by its Secretary or an Assistant Secretary, and NATIONSBANK OF TEXAS, NATIONAL ASSOCIATION has caused this Indenture to be executed in its corporate name by one of its Vice Presidents and its corporate seal to be affixed hereunto, and the same to be attested, by one of its Assistant Cashiers or Assistant Trust Officers, all as of the date and year first written above.

BROWNING-FERRIS INDUSTRIES, INC.

(CORPORATE SEAL)

Attest:

/S/ Eileen B . Schuler
Assistant Secretary

By /S/ Henry L. Hirvela
Vice President and Treasurer

NATIONSBANK OF TEXAS, NATIONAL
ASSOCIATION

(CORPORATE SEAL)

Attest:

/S/ R. Douglas Milner
Trust Officer

By /S/ Maryem H. Magee
Assistant Vice President

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF

BEFORE ME, the undersigned authority, on this day personally appeared, Henry L. Hirvela, the Vice-President and Treasurer of Browning-Ferris Industries, Inc., known to me to be the person whose name is subscribed to the above and foregoing instrument of writing, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation; and, being by me duly sworn, did depose and say that he is Vice-President and Treasurer of said corporation, that he knows the seal of said corporation, that the seal affixed to said instrument is such corporate seal, that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like

authority.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 11th day of January, 1994.

/S/ Lois Haghpeykar
Notary Public in and for
The State of Texas

My Commission Expires:

November 13, 1997

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF

BEFORE ME, the undersigned authority, on this day personally appeared Maryem H. Magee, an Assistant Vice President of NationsBank of Texas, National Association, known to me to be the person whose name is subscribed to the above and foregoing instrument of writing, and acknowledged to me that she executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said bank; and, being by me duly sworn, did depose and say that she is Assistant Vice President of said bank, that she knows the seal of said bank, that the seal affixed to said instrument is such corporate seal, that it was so affixed by authority of the Board of Directors of said bank, and that she signed her name thereto by like authority.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 11th day of January, 1994.

/S/ Linda M. Grapa
Notary Public in and for
The State of Texas

My Commission Expires:

July 14, 1995

FULBRIGHT & JAWORSKI

L.L.P.

A Registered Limited Liability Partnership
1301 McKinney, Suite 5100
Houston, Texas 77010-3095

Houston
Washington, D.C.
Austin
San Antonio
Dallas
New York
Los Angeles
London
Zurich
Hong Kong

Telephone: 713/651-5151
Telex: 76-2829
Facsimile: 713/651-5246

January 11, 1994

Browning-Ferris Industries, Inc.
757 N. Eldridge
Houston, Texas 77079

Gentlemen:

We have acted as counsel for Browning-Ferris Industries, Inc., a Delaware corporation (the "Company"), in connection with its filing with the Securities and Exchange Commission (the "Commission") of a Registration Statement on Form S-3 (the "Registration Statement") with respect to the Company's (i) unsecured debt securities ("Debt Securities"), (ii) shares of preferred stock, without par value ("Preferred Stock"), in one or more series, (iii) shares of common stock, \$.16 2/3 par value per share, including the preferred stock purchase rights associated therewith (collectively, "Common Stock"), and (iv) warrants to purchase Debt Securities, Preferred Stock or Common Stock ("Warrants" and, together with the Debt Securities, the Preferred Stock and the Common Stock, the "Securities"), to be issued from time to time pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), for an aggregate initial offering price not to exceed \$700,000,000.

We have examined (i) the Restated Certificate of Incorporation and By-Laws of the Company, each as amended to date, (ii) the Restated Indenture dated as of September 1, 1991, between the Company and Texas Commerce Bank National Association, as trustee (the "Senior Debt Indenture"), pursuant to which Debt Securities may be issued, (iii) the Indenture dated as of August 1, 1987, between the Company and NationsBank of Texas, National Association, as trustee (successor trustee to First RepublicBank Houston, National Association), as amended by a First Supplemental Indenture in the

form filed as an exhibit to the Registration Statement (the "Subordinated Debt Indenture"), pursuant to which Debt Securities may be issued, (iv) the Registration Statement, and (v) such certificates, statutes and other instruments and documents as we considered appropriate for purposes of the opinions hereafter expressed.

In connection with this opinion, we have assumed that (i) the Registration Statement, and any amendments thereto (including post-effective amendments), will have become effective; (ii) a Prospectus Supplement will have been prepared and filed with the Commission describing the Securities offered thereby; (iii) 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; (iv) 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 Company and the other parties thereto: and (v) 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 shares of Common Stock, when (i) the Board of Directors of the Company or, to the extent permitted by Section 141(c) of the General Corporation Law of the State of Delaware, a duly constituted and acting committee thereof (such Board of Directors or committee being referred to herein as the "Board"), has taken all necessary corporate action to approve the issuance of and the terms of the offering of the shares of Common Stock and related matters; and (ii) certificates representing the shares of Common Stock have been duly executed, countersigned, registered and delivered either (a) in accordance with the applicable definitive purchase, underwriting or similar agreement approved by the Board upon payment of the consideration therefor (not less than the par value of the Common Stock) provided for therein, or (b) upon conversion, exchange or exercise of any other Security in accordance with the terms of such Security or the instrument governing such Security providing for such conversion, exchange or exercise as approved by the Board, for the consideration approved by the Board (not less than the par value of the Common Stock), the shares of Common Stock will be duly authorized, validly issued, fully paid and nonassessable.

2. With respect to shares of Preferred Stock, when (i) the Board has taken all necessary corporate action to approve the issuance and terms of the shares of Preferred Stock, the terms of the offering thereof and related matters, including the adoption of a Certificate of Designation relating to such Preferred Stock (a "Certificate") and the filing of such Certificate with the Secretary of State of the State of Delaware; and (ii) certificates representing the shares of Preferred Stock have been duly executed, countersigned, registered and delivered either (a) in accordance with the applicable definitive purchase, underwriting or similar agreement approved by the Board upon payment of the consideration therefor provided for therein, or (b) upon

exercise of any other Security, in accordance with the terms of such Security or the instrument governing such Security providing for such exercise as approved by the Board, for the consideration approved by the Board, the shares of Preferred Stock will be duly authorized, validly issued, fully paid and nonassessable.

3. With respect to Debt Securities to be issued under the Senior Debt Indenture, when (i) the Senior Debt Indenture has been duly qualified under the Trust Indenture Act of 1939, as amended; (ii) the Board has taken all necessary corporate action to approve the issuance and terms of such Debt Securities, the terms of the offering thereof and related matters; and (iii) such Debt Securities have been duly executed, authenticated, issued and delivered in accordance with the provisions of the Senior Debt Indenture and either (a) in accordance with the applicable definitive purchase, underwriting or similar agreement approved by the Board upon payment of the consideration therefor provided for therein, or (b) upon exercise of any other Security, in accordance with the terms of such Security or the instrument governing such Security providing for such exercise as approved by the Board, for the consideration approved by the Board, such Debt Securities will be legally issued and will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as such enforcement is subject to any applicable bankruptcy, insolvency, reorganization or other law relating to or affecting creditors' rights generally and general principles of equity.

4. With respect to Debt Securities to be issued under the Subordinated Debt Indenture, when (i) the First Supplemental Indenture thereto shall have been duly authorized and validly executed and delivered by the Company and the trustee; (ii) the Subordinated Debt Indenture has been duly qualified under the Trust Indenture Act of 1939, as amended; (iii) the Board has taken all necessary corporate action to approve the issuance and terms of such Debt Securities, the terms of the offering thereof and related matters; and (iv) such Debt Securities have been duly executed, authenticated, issued and delivered in accordance with the provisions of the Subordinated Debt Indenture and either (a) in accordance with the applicable definitive purchase, underwriting or similar agreement approved by the Board upon payment of the consideration therefor provided for therein, or (b) upon exercise of any other Security, in accordance with the terms of such Security or the instrument governing such Security providing for such exercise as approved by the Board, for the consideration approved by the Board, such Debt Securities will be legally issued and will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as such enforcement is subject to any applicable bankruptcy, insolvency, reorganization or other law relating to or affecting creditors' rights generally and general principles of equity.

5. With respect to the Warrants, when (i) the Board has taken all necessary corporate action to approve the creation of and the issuance and terms of the Warrants, the terms of the offering thereof and related matters; (ii) the warrant agreement or agreements relating to the Warrants have been duly authorized and validly executed and delivered by the Company and the

warrant agent appointed by the Company; and (iii) the Warrants or certificates representing the Warrants have been duly executed, countersigned, registered and delivered in accordance with the appropriate warrant agreement or agreements and the applicable definitive purchase, underwriting or similar agreement approved by the Board upon payment of the consideration therefor provided for therein, the Warrants will be duly authorized and validly issued.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the statements made with respect to us under the caption "Legal Opinions" in the Prospectus included as part of the Registration Statement.

Very truly yours,

Fulbright & Jaworski L.L.P.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated December 7, 1993, included in Browning-Ferris Industries, Inc.'s Annual Report on Form 10-K for the year ended September 30, 1993, and to all references to our Firm included in this Registration Statement.

ARTHUR ANDERSEN & CO.

Houston, Texas
January 11, 1994

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) [Not Applicable.]

TEXAS COMMERCE BANK NATIONAL ASSOCIATION
(Exact name of trustee as specified in its charter)

Not applicable
(Jurisdiction of incorporation or organization
if not a U.S. national bank)

74-0800980
(I.R.S. Employer Identification No.)

712 Main Street, Houston, Texas 77002
(Address of principal executive offices) (Zip code)

Carol Kirkland, 712 Main Street, 26th Floor,
Houston, Texas 77002, (713) 546-2449
(Name, address and telephone number of agent for service)

Browning-Ferris Industries, Inc.
(Exact name of obligor as specified in its charter)

Delaware 74-1673682
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

757 N. Eldridge, Houston, Texas 77079
(Address of principal executive offices) (Zip Code)

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.

Comptroller of the Currency, Washington, D. C.

Federal Deposit Insurance Corporation, Washington, D. C.

The Board of Governors of the Federal Reserve System, Washington, D. C.

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

The trustee is authorized to exercise corporate trust powers.

Item 2. Affiliations with the obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

As of January 7, 1994

No such affiliation exists.

See Note, Page 9 hereof.

Item 3. Voting Securities of the trustee.

Furnish the following information as to each class of voting securities of the trustee.

As of January 7, 1994

Column A Title of Class -----	Column B Amount Outstanding -----
1Texas Commerce Bank National Association Common Stock	5,000,000

- - - - -

1These outstanding securities are issued pursuant to the same indenture under which any new securities will be issued, all of which are unsecured and are equal and ratable.

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:

As of January 7, 1994

(a) Title of the securities outstanding under each such other indenture.

\$100,000,000 Browning-Ferris Industries, Inc. 9 1/4%
Debentures due 5/1/2021

\$100,000,000 Browning-Ferries Industries, Inc. 8 1/2%
Sinking Fund Debentures due 1/15/2017

(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.

Item 5. Interlocking directorates and similar relationships with 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 of any underwriter for the obligor, identify each such person having any such connection and state the nature of each such connection.

As of January 7, 1994

No such relationship exists.

See Note, Page 9 hereof.

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 January 7, 1994

Based upon an examination of the books and records of the trustee, inquiries made by the trustee and information furnished to the trustee by the obligor, voting securities of the trustee, owned beneficially, directly or indirectly, by the obligor and its directors, partners and executive officers, taken as a group, do not exceed 1% of the outstanding voting securities of the trustee.

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 January 7, 1994

No single underwriter, its directors, partners and executive officers, taken as a group, owned beneficially, directly or indirectly, in excess of 1% of the outstanding voting securities of the trustee.

See Note, Page 9 hereof.

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 January 7, 1994

No such securities were so owned or held.

See Note, Page 9 hereof.

Item 9. Securities of underwriters owned or held by the trustee.

If the trustee owns beneficially or holds 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 January 7, 1994

The trustee did not so own or hold in excess of 1% of any class of security outstanding of any such person.

See Note, Page 9 hereof.

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% 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 January 7, 1994

No such securities were so owned or held.

See Note, Page 9 hereof.

Item 11. Ownership or holdings by the trustee of any securities of a person

owning 50% 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% 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 January 7, 1994

No such securities were so owned or held.

See Note, Page 9 hereof.

Item 12. Indebtedness of the Obligor to the Trustee.

Except as noted in the instructions to the Form T-1, if the obligor is indebted to the trustee, furnish the following information: nature of indebtedness, amount outstanding and date due.

As of January 7, 1994.

The obligor has a \$39,000,000 revolving line of credit with the trustee due April 1, 1994, on which no debt is presently outstanding.

See Note, Page 9 hereof.

Item 13. Defaults by the Obligor.

(c) State whether there is or has been a default with respect to the securities under this indenture. Explain the nature of any such default.

As of January 7, 1994.

No such default exists or has existed.

(d) 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.

As of January 7, 1994.

There has been no default of which the Trustee has knowledge.

Item 14. Affiliations with the Underwriters.

If any underwriter is an affiliate of the trustee, describe each such affiliation.

As of January 7, 1994.

No such affiliation exists.

See Note, Page 9 hereof.

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 part of this statement of eligibility.

- * 1. A copy of the articles of association of the trustee as now in effect.
- ** 2. A copy of the certificate of authority of the trustee to commence business.
- ** 3. A copy of the certificate of authorization of the trustee to exercise corporate trust powers issued by the Board of Governors of the Federal Reserve System under date of January 21, 1948.
- *** 4. A copy of the existing bylaws of the trustee.
- 5. A copy of each indenture referred to in Item 4, if the obligor is in default. Not Applicable.
- 6. The consent of the United States institutional trustees 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. A copy of any order 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.
- 9. Foreign trustees are required to file a consent to service of process on Form F-X. Not applicable.

* Incorporated by reference to Exhibit bearing the same Exhibit number

submitted with the Form T-1 of Texas Commerce Bank National Association with respect to File No. 33-51417.

** Incorporated by reference to Exhibit bearing the same Exhibit number submitted with the Form T-1 of Texas National Bank of Commerce of Houston with respect to File No. 2-24599.

***- Incorporated by reference to Exhibit bearing the same Exhibit number submitted with the Form T-1 of Texas Commerce Bank National Association with respect to File No. 33-0286.

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SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the trustee, Texas Commerce Bank National Association, 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 10th day of January, 1994.

TEXAS COMMERCE BANK NATIONAL ASSOCIATION
(Trustee)

By: _____
Name: _____
Title: _____

NOTE

The answers to this statement insofar as such answers relate to what persons have been underwriters for any securities of the obligor within three years prior to the date of filing this statement or will be the underwriters for the indenture securities, or are owners of 10% or more of the voting securities of the obligor, or are owners of 50% or more of the voting securities of the obligor or are affiliates, and the amounts and percentages of such securities, if any, owned by each of the foregoing, respectively, are based upon information furnished to the trustee by the obligor and the underwriter. While the trustee has no reason to doubt the accuracy of any such information, it cannot accept any responsibility therefor. Accordingly, the trustee disclaims responsibility as to the accuracy and completeness of the information received from the obligor and the underwriter relating to the answers to items 2, 5, 7, 8, 9, 10, 11, 12 and 14.

Inasmuch as this statement is filed prior to the final determination of all underwriters of the indenture securities, the answers to items 5, 7, 9 and 14

are based on incomplete information, but may be considered as correct unless additional information is furnished by amendment.

Exhibit 6

Securities & Exchange Commission
Washington, D.C. 20549

Gentlemen:

The undersigned is trustee under an Indenture dated as of September 1, 1991, as supplemented from time to time by supplemental indentures thereto, between Browning-Ferris Industries, Inc. and Texas Commerce Bank National Association, as Trustee, entered into in connection with the issuance of its Debt Securities.

In accordance with Section 321(b) of the Trust Indenture Act of 1939, the undersigned hereby consents that reports of examinations of the undersigned, made by Federal or State authorities authorized to make such examinations, may be furnished by such authorities to the Securities & Exchange Commission upon its request therefor.

Very truly yours,

TEXAS COMMERCE BANK
NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

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CERT: 03263 00373 STBK 48-3926
TEXAS COMMERCE BANK NATIONAL ASSOCIATION
P.O. BOX 2558
HOUSTON, TX 77252

09-30-93
FFIEC 031
PAGE RI-1
(3)

FDIC CERTIFICATE NUMBER: 03263

CONSOLIDATED REPORT OF INCOME FOR THE PERIOD:
January 1, 1993 - September 30, 1993

ALL REPORT OF INCOME SCHEDULES ARE TO BE REPORTED ON A CALENDAR YEAR-TO-DATE BASIS
IN THOUSANDS OF DOLLARS.

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	DOLLAR AMOUNTS IN THOUSANDS		
	RIAD	Bil Mil Thou	
1. INTEREST INCOME:			
a. INTEREST AND FEE INCOME ON LOANS:			
(1) IN DOMESTIC OFFICES:			
(a) LOANS SECURED BY REAL ESTATE.....	4011	84,977	1. a. (1) (a)
(b) LOANS TO DEPOSITORY INSTITUTIONS.....	4019	306	1. a. (1) (b)
(c) LOANS TO FINANCE AGRICULTURAL PRODUCTION AND OTHER LOANS TO FARMERS.....	4024	1,960	1. a. (1) (c)
(d) COMMERCIAL AND INDUSTRIAL LOANS.....	4012	109,439	1. a. (1) (d)
(e) ACCEPTANCES OF OTHER BANKS.....	4026	17	1. a. (1) (e)
(f) LOANS TO INDIVIDUALS FOR HOUSEHOLD, FAMILY, AND OTHER PERSONAL EXPENDITURES:			
(1) CREDIT CARDS AND RELATED PLANS.....	4054	7,122	1. a. (1) (f) (1)
(2) OTHER.....	4055	43,328	1. a. (1) (f) (2)
(g) LOANS TO FOREIGN GOVERNMENTS AND OFFICIAL INSTITUTIONS.....	4056	13,404	1. a. (1) (g)
(h) OBLIGATIONS (OTHER THAN SECURITIES AND LEASES) OF STATES AND POLITICAL SUBDIVISIONS IN THE U.S.:			
(1) TAXABLE OBLIGATIONS.....	4503	0	1. a. (1) (h) (1)
(2) TAX-EXEMPT OBLIGATIONS.....	4504	17,875	1. a. (1) (h) (2)
(i) ALL OTHER LOANS IN DOMESTIC OFFICES.....	4058	56,390	1. a. (1) (i)
(2) IN FOREIGN OFFICES, EDGE AND AGREEMENT SUBSIDIARIES, AND IBFS.....	4059	12,161	1. a. (2)
b. INCOME FROM LEASE FINANCING RECEIVABLES:			
(1) TAXABLE LEASES.....	4505	14,124	1. b. (1)
(2) TAX-EXEMPT LEASES.....	4307	0	1. b. (2)
c. INTEREST INCOME ON BALANCES DUE FROM DEPOSITORY INSTITUTIONS: (1)			
(1) IN DOMESTIC OFFICES.....	4105	51	1. c. (1)
(2) IN FOREIGN OFFICES, EDGE AND AGREEMENT SUBSIDIARIES, AND IBFS.....	4106	289	1. c. (2)
d. INTEREST AND DIVIDEND INCOME ON SECURITIES:			
(1) U.S. TREASURY SECURITIES AND U.S. GOVERNMENT AGENCY AND CORPORATION OBLIGATIONS.....	4027	124,176	1. d. (1)
(2) SECURITIES ISSUED BY STATES AND POLITICAL SUBDIVISIONS IN THE U.S.:			
(a) TAXABLE SECURITIES.....	4506	1	1. d. (2) (a)
(b) TAX-EXEMPT SECURITIES.....	4507	75	1. d. (2) (b)
(3) OTHER DOMESTIC DEBT SECURITIES	3657	20,594	1. d. (3)
(4) FOREIGN DEBT SECURITIES	3658	27	1. d. (4)
(5) EQUITY SECURITIES (INCLUDING INVESTMENTS IN MUTUAL FUNDS).....	3659	597	1. d. (5)
e. INTEREST INCOME FROM ASSETS HELD IN TRADING ACCOUNTS.....	4069	2,339	1. e.

(1) INCLUDES INTEREST INCOME ON TIME CERTIFICATES OF DEPOSIT NOT HELD IN TRADING ACCOUNTS.

CERT: 03263 00373 STBK 48-3926
TEXAS COMMERCE BANK NATIONAL ASSOCIATION
P.O. BOX 2558
HOUSTON, TX 77252
SCHEDULE RI-CONTINUED

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	DOLLAR AMOUNTS IN THOUSANDS		
	RIAD	Bil Mil Thou	
1. INTEREST INCOME (CONTINUED)			
f. INTEREST INCOME ON FEDERAL FUNDS SOLD AND SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL IN DOMESTIC OFFICES OF THE BANK AND OF ITS EDGE AND AGREEMENT SUBSIDIARIES, AND IN IBFS.....	4020	20,934	1. f.

g. TOTAL INTEREST INCOME (SUM OF ITEMS 1.a. THROUGH 1.f.)	4107	530,186	1.g.
2. INTEREST EXPENSE:			
a. INTEREST ON DEPOSITS:			
(1) INTEREST ON DEPOSITS IN DOMESTIC OFFICES:			
(a) TRANSACTION ACCOUNTS (NOW ACCOUNTS, ATS ACCOUNTS, AND TELEPHONE AND PREAUTHORIZED TRANSFER ACCOUNTS)	4508	11,156	2.a. (1) (a)
(b) NONTRANSACTION ACCOUNTS:			
(1) MONEY MARKET DEPOSIT ACCOUNTS (MMDAs)	4509	10,881	2.a. (1) (b) (1)
(2) OTHER SAVINGS DEPOSITS	4511	23,866	2.a. (1) (b) (2)
(3) TIME CERTIFICATES OF DEPOSIT OF \$100,000 OR MORE	4174	8,577	2.a. (1) (b) (3)
(4) ALL OTHER TIME DEPOSITS	4512	31,873	2.a. (1) (b) (4)
(2) INTEREST ON DEPOSITS IN FOREIGN OFFICES, EDGE AND AGREEMENT SUBSIDIARIES, AND IBFs	4172	7,032	2.a. (2)
b. EXPENSE OF FEDERAL FUNDS PURCHASED AND SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE IN DOMESTIC OFFICES OF THE BANK AND OF ITS EDGE AND AGREEMENT SUBSIDIARIES, AND IN IBFs	4180	15,396	2.b.
c. INTEREST ON DEMAND NOTES ISSUED TO THE U.S. TREASURY AND ON OTHER BORROWED MONEY	4185	15,952	2.c.
d. INTEREST ON MORTGAGE INDEBTEDNESS AND OBLIGATIONS UNDER CAPITALIZED LEASES	4072	610	2.d.
e. INTEREST ON SUBORDINATED NOTES AND DEBENTURES	4200	15,833	2.e.
f. TOTAL INTEREST EXPENSE (SUM OF ITEMS 2.a. THROUGH 2.e.)	4073	141,176	2.f.
3. NET INTEREST INCOME (ITEM 1.g. MINUS 2.f.)		4074	389,010 3.
4. PROVISIONS:			
a. PROVISION FOR LOAN AND LEASE LOSSES		4230	(2,290) 4.a
b. PROVISION FOR ALLOCATED TRANSFER RISK		4243	2,290 4.b
5. NONINTEREST INCOME:			
a. INCOME FROM FIDUCIARY ACTIVITIES	4070	45,587	5.a
b. SERVICE CHARGES ON DEPOSIT ACCOUNTS IN DOMESTIC OFFICES	4080	63,200	5.b
c. TRADING GAINS (LOSSES) AND FEES FROM FOREIGN EXCHANGE TRANSACTIONS	4075	8,025	5.c
d. OTHER FOREIGN TRANSACTION GAINS (LOSSES)	4076	1	5.d
e. GAINS (LOSSES) AND FEES FROM ASSETS HELD IN TRADING ACCOUNTS	4077	10,873	5.e
f. OTHER NONINTEREST INCOME:			
(1) OTHER FEE INCOME	5407	61,438	5.f. (1)
(2) ALL OTHER NONINTEREST INCOME *	5408	48,827	5.f. (2)
g. TOTAL NONINTEREST INCOME (SUM OF 5.a. THROUGH 5.f.)		4079	237,951 5.g
6. GAINS (LOSSES) ON SECURITIES NOT HELD IN TRADING ACCOUNTS		4091	0 6.
7. NONINTEREST EXPENSE:			
a. SALARIES AND EMPLOYEE BENEFITS	4135	168,447	7.a
b. EXPENSES OF PREMISES AND FIXED ASSETS (NET OF RENTAL INCOME) (EXCLUDING SALARIES AND EMPLOYEE BENEFITS AND MORTGAGE INTEREST)	4217	45,378	7.b
c. OTHER NONINTEREST EXPENSE *	4092	195,345	7.c
d. TOTAL NONINTEREST EXPENSE (SUM OF ITEMS 7.a. THROUGH 7.c.)		4093	409,170 7.d
8. INCOME (LOSS) BEFORE INCOME TAXES AND EXTRAORDINARY ITEMS AND OTHER ADJUSTMENTS (ITEM 3 PLUS OR MINUS ITEMS 4.a., 4.b., 5.g., 6, AND 7.d.)		4301	217,791 8.
9. APPLICABLE INCOME TAXES (ON ITEM 8)		4302	78,379 9.
10. INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS AND OTHER ADJUSTMENTS (ITEM 8 MINUS ITEM 9)		4300	139,412 10.
11. EXTRAORDINARY ITEMS AND OTHER ADJUSTMENTS:			
a. EXTRAORDINARY ITEMS AND OTHER ADJUSTMENTS, GROSS OF INCOME TAXES *	4310	(3,892)	11.a
b. APPLICABLE INCOME TAXES (ON ITEM 11.a.) *	4315	(3,892)	11.b
c. EXTRAORDINARY ITEMS AND OTHER ADJUSTMENTS, NET OF INCOME TAXES (ITEM 11.a. MINUS 11.b.)		4320	0 11.c
12. NET INCOME (LOSS) (SUM OF ITEMS 10 AND 11.c.)		4340	139,412 12.

* DESCRIBE ON SCHEDULE RI-E-EXPLANATIONS

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SCHEDULE RI-CONTINUED
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 |-----|
Year-to-date
DOLLAR AMOUNTS IN THOUSANDS

MEMORANDA

1. INTEREST EXPENSE INCURRED TO CARRY TAX-EXEMPT SECURITIES, LOANS, AND LEASES ACQUIRED AFTER AUGUST 7, 1986, THAT IS NOT DEDUCTIBLE FOR FEDERAL INCOME TAX PURPOSES.....	4513	450	M.1.
2. NOT APPLICABLE.....			
3. ESTIMATED FOREIGN TAX CREDIT INCLUDED IN APPLICABLE INCOME TAXES, ITEMS 9 AND 11.B ABOVE.....	4309	0	M.3.
4. TO BE COMPLETED ONLY BY BANKS WITH \$1 BILLION OR MORE IN TOTAL ASSETS: TAXABLE EQUIVALENT ADJUSTMENT TO "INCOME (LOSS) BEFORE INCOME TAXES AND EXTRAORDINARY ITEMS AND OTHER ADJUSTMENTS" (ITEM 8 ABOVE).....	1244	0	M.4.
5. NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES ON PAYROLL AT END OF CURRENT PERIOD (ROUND TO NEAREST WHOLE NUMBER).....	4150	5,556	M.5.

SCHEDULE RI-A - CHANGES IN EQUITY CAPITAL

INDICATE DECREASES AND LOSSES IN PARENTHESES.

	I483		(---
	RIAD	Bil Mil Thou	
1. TOTAL EQUITY CAPITAL ORIGINALLY REPORTED IN THE DECEMBER 31, 1992, REPORTS OF CONDITION AND INCOME.....	3215	715,012	1.
2. EQUITY CAPITAL ADJUSTMENTS FROM AMENDED REPORT OF INCOME, NET *	3216	0	2.
3. AMENDED BALANCE END OF PREVIOUS CALENDAR YEAR (SUM OF ITEMS 1 AND 2).....	3217	715,012	3.
4. NET INCOME (LOSS) (MUST EQUAL SCHEDULE RI, ITEM 12).....	4340	139,412	4.
5. SALE, CONVERSION, ACQUISITION, OR RETIREMENT OF CAPITAL STOCK, NET.....	4346	184,000	5.
6. CHANGES INCIDENT TO BUSINESS COMBINATIONS, NET.....	4356	0	6.
7. LESS: CASH DIVIDENDS DECLARED ON PREFERRED STOCK.....	4470	0	7.
8. LESS: CASH DIVIDENDS DECLARED ON COMMON STOCK.....	4460	35,000	8.
9. CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES FROM PRIOR YEARS * (SEE INSTRUCTIONS FOR THIS SCHEDULE)	4411	0	9.
10. CORRECTIONS OF MATERIAL ACCOUNTING ERRORS FROM PRIOR YEARS * (SEE INSTRUCTIONS FOR THIS SCHEDULE)	4412	0	10.
11. CHANGE IN NET UNREALIZED LOSS ON MARKETABLE EQUITY SECURITIES.....	4413	0	11.
12. FOREIGN CURRENCY TRANSLATION ADJUSTMENTS.....	4414	0	12.
13. OTHER TRANSACTIONS WITH PARENT HOLDING COMPANY * (NOT INCLUDED IN ITEM 5, 7, OR 8 ABOVE).....	4415	11,000	13.
14. TOTAL EQUITY CAPITAL END OF CURRENT PERIOD (SUM OF ITEMS 3 THROUGH 13) (MUST EQUAL SCHEDULE RC, ITEM 28).....	3210	1,014,424	14.

* DESCRIBE ON SCHEDULE RI-E-EXPLANATIONS

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SCHEDULE RI-B - CHARGE-OFFS AND RECOVERIES AND CHANGES IN ALLOWANCE FOR LOAN AND LEASE LOSSES

PART I. CHARGE-OFFS AND RECOVERIES ON LOANS AND LEASES

PART I EXCLUDES CHARGE-OFFS AND RECOVERIES THROUGH THE ALLOCATED TRANSFER RISK RESERVE.

	I486		(--
	(Column A)	(Column B)	
	Charge-offs	Recoveries	
	CALENDAR YEAR-TO-DATE		
	RIAD	Bil Mil Thou	RIAD Bil Mil Thou

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	<C>	<C>	<C>	<C>	<C>
1. LOANS SECURED BY REAL ESTATE:					
a. TO U.S. ADDRESSEES (DOMICILE).....	4651	3,581	4661	423	1.a.
b. TO NON-U.S. ADDRESSEES (DOMICILE).....	4652	0	4662	0	1.b.
2. LOANS TO DEPOSITORY INSTITUTIONS AND ACCEPTANCES OF OTHER BANKS:					
a. TO U.S. BANKS AND OTHER U.S. DEPOSITORY INSTITUTIONS.....	4653	0	4663	0	2.a.
b. TO FOREIGN BANKS.....	4654	3,058	4664	0	2.b.
3. LOANS TO FINANCE AGRICULTURAL PRODUCTION AND OTHER LOANS TO FARMERS.....	4655	0	4665	0	3.
4. COMMERCIAL AND INDUSTRIAL LOANS:					
a. TO U.S. ADDRESSEES (DOMICILE).....	4645	10,484	4617	1,780	4.a.
b. TO NON-U.S. ADDRESSEES (DOMICILE).....	4646	0	4618	0	4.b.
5. LOANS TO INDIVIDUALS FOR HOUSEHOLD, FAMILY, AND OTHER PERSONAL EXPENDITURES:					
a. CREDIT CARDS AND RELATED PLANS.....	4656	738	4666	188	5.a.
b. OTHER (INCLUDES SINGLE PAYMENT, INSTALLMENT, AND ALL STUDENT LOANS).....	4657	3,334	4667	701	5.b.
6. LOANS TO FOREIGN GOVERNMENTS AND OFFICIAL INSTITUTIONS.....	4643	680	4627	1,394	6.
7. ALL OTHER LOANS.....	4644	590	4628	396	7.

8. LEASE FINANCING RECEIVABLES:	4658	0	4668	0	8.a.
a. OF U.S. ADDRESSEES (DOMICILE).....	4659	2,020	4669	0	8.b.
b. OF NON-U.S. ADDRESSEES (DOMICILE).....					
9. TOTAL (SUM OF ITEMS 1 THROUGH 8).....	4635	24,485	4605	4,882	9.

MEMORANDUM

DOLLAR AMOUNTS IN THOUSANDS

	Bil Mil Thou			Bil Mil Thou		
TO BE COMPLETED BY NATIONAL BANKS ONLY	//////////					
1. CHARGE-OFFS AND RECOVERIES OF SPECIAL-CATEGORY LOANS, AS DEFINED FOR THIS CALL REPORT BY THE COMPTROLLER OF THE CURRENCY.....				4784	11,225	M.1.

MEMORANDUM ITEMS 2 AND 3 ARE TO BE COMPLETED BY ALL BANKS.

	RIAD Bil Mil Thou			RIAD Bil Mil Thou		
2. LOANS TO FINANCE COMMERCIAL REAL ESTATE, CONSTRUCTION, AND LAND DEVELOPMENT ACTIVITIES (NOT SECURED BY REAL ESTATE) INCLUDED IN SCHEDULE RI-B, PART I, ITEMS 4 AND 7, ABOVE.....	5409	0	5410	0		M.2.
3. LOANS SECURED BY REAL ESTATE IN DOMESTIC OFFICES (INCLUDED IN SCHEDULE RI-B, PART I, ITEM 1, ABOVE):						
a. CONSTRUCTION AND LAND DEVELOPMENT.....	3582	626	3583	240		M.3.a.
b. SECURED BY FARMLAND.....	3584	0	3585	0		M.3.b.
c. SECURED BY 1-4 FAMILY RESIDENTIAL PROPERTIES:						
(1) REVOLVING, OPEN-END LOANS SECURED BY 1-4 FAMILY RESIDENTIAL PROPERTIES AND EXTENDED UNDER LINES OF CREDIT.....	5411	0	5412	0		M.3.c.(1)
(2) ALL OTHER LOANS SECURED BY 1-4 FAMILY RESIDENTIAL PROPERTIES.....	5413	489	5414	67		M.3.c.(1)
d. SECURED BY MULTIFAMILY (5 OR MORE) RESIDENTIAL PROPERTIES.....	3588	0	3589	0		M.3.d.
e. SECURED BY NONFARM NONRESIDENTIAL PROPERTIES.....	3590	2,466	3591	116		M.3.e.

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SCHEDULE RI-B -- CONTINUED

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	Bil Mil Thou			Bil Mil Thou		
PART II. CHANGES IN ALLOWANCE FOR LOAN AND LEASE LOSSES AND IN ALLOCATED TRANSFER RISK RESERVE						
1. BALANCE ORIGINALLY REPORTED IN DECEMBER 31, 1992, REPORTS OF CONDITION AND INCOME	3124	205,018	3131	0		1.
2. RECOVERIES (COLUMN A MUST EQUAL PART I, ITEM 9, COLUMN B ABOVE).....	4605	4,882	3132	0		2.
3. LESS: CHARGE-OFFS (COLUMN A MUST EQUAL PART I, ITEM 9, COLUMN A ABOVE).....	4635	24,485	3133	0		3.
4. PROVISION (COLUMN A MUST EQUAL SCHEDULE RI, ITEM 4.a.; COLUMN B MUST EQUAL SCHEDULE RI, ITEM 4.b.).....	4230	(2,290)	4243	2,290		4.
5. ADJUSTMENTS * (SEE INSTRUCTIONS FOR THIS SCHEDULE).....	4815	10,649	3134	0		5.
6. BALANCE END OF CURRENT PERIOD (SUM OF ITEMS 1 THROUGH 5) (COLUMN A MUST EQUAL SCHEDULE RC, ITEM 4.b.; COLUMN B MUST EQUAL SCHEDULE RC, ITEM 4.c.).....	3123	193,774	3128	2,290		6.

* DESCRIBE ON SCHEDULE RI-E-EXPLANATIONS

SCHEDULE RI-C - APPLICABLE INCOME TAXES BY TAXING AUTHORITY

SCHEDULE RI-C IS TO BE REPORTED WITH THE DECEMBER REPORT OF INCOME. | I489 | (--)

	DOLLAR AMOUNTS IN THOUSANDS		RIAD	Bil	Mil	Thou
1. FEDERAL.....	4780	0	1.			
2. STATE AND LOCAL.....	4790	0	2.			
3. FOREIGN.....	4795	0	3.			
4. TOTAL (SUM OF ITEMS 1 THROUGH 3) (MUST EQUAL SUM OF SCHEDULES RI, ITEMS 9 AND 11.b).....	4770	0	4.			
5. DEFERRED PORTION OF ITEM 4.....	4772	0	5.			

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SCHEDULE RI-D - INCOME FROM INTERNATIONAL OPERATIONS

FOR ALL BANKS WITH FOREIGN OFFICES, EDGE OR AGREEMENT SUBSIDIARIES, OR IBFs
WHERE INTERNATIONAL OPERATIONS ACCOUNT FOR MORE THAN 10 PERCENT OF TOTAL
REVENUES, TOTAL ASSETS, OR NET INCOME.

PART I. ESTIMATED INCOME FROM INTERNATIONAL OPERATIONS

	DOLLAR AMOUNTS IN THOUSANDS		RIAD	Bil	Mil	Thou
1. INTEREST INCOME AND EXPENSE BOOKED AT FOREIGN OFFICES, EDGE AND AGREEMENT SUBSIDIARIES, AND IBFs:						
a. INTEREST INCOME BOOKED.....	4837	0	1.a.			
b. INTEREST EXPENSE BOOKED.....	4838	0	1.b.			
c. NET INTEREST INCOME BOOKED AT FOREIGN OFFICES, EDGE AND AGREEMENT SUBSIDIARIES, AND IBFs (ITEM 1.a. MINUS 1.b.).....	4839	0	1.c.			
2. ADJUSTMENTS FOR BOOKING LOCATION OF INTERNATIONAL OPERATIONS:						
a. NET INTEREST INCOME ATTRIBUTABLE TO INTERNATIONAL OPERATIONS BOOKED AT DOMESTIC OFFICES.....	4840	0	2.a.			
b. NET INTEREST INCOME ATTRIBUTABLE TO DOMESTIC BUSINESS BOOKED AT FOREIGN OFFICES.....	4841	0	2.b.			
c. NET BOOKING LOCATION ADJUSTMENT (ITEM 2.a. MINUS 2.b.).....	4842	0	2.c.			
3. NONINTEREST INCOME AND EXPENSE ATTRIBUTABLE TO INTERNATIONAL OPERATIONS:						
a. NONINTEREST INCOME ATTRIBUTABLE TO INTERNATIONAL OPERATIONS.....	4097	0	3.a.			

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	DOLLAR AMOUNTS IN THOUSANDS		RIAD	Bil	Mil	Thou
b. PROVISION FOR LOAN AND LEASE LOSSES ATTRIBUTABLE TO INTERNATIONAL OPERATIONS.....	4235	0	3.b.			
c. OTHER NONINTEREST EXPENSE ATTRIBUTABLE TO INTERNATIONAL OPERATIONS.....	4239	0	3.c.			
d. NET NONINTEREST INCOME (EXPENSE) ATTRIBUTABLE TO INTERNATIONAL OPERATIONS (ITEM 3.A MINUS 3.b. AND 3.c.).....	4843	0	3.d.			
4. ESTIMATED PRETAX INCOME ATTRIBUTABLE TO INTERNATIONAL OPERATIONS BEFORE CAPITAL ALLOCATION ADJUSTMENT (SUM OF ITEMS 1.c, 2.c, AND 3.d).....	4844	0	4.			
5. ADJUSTMENT TO PRETAX INCOME FOR INTERNAL ALLOCATIONS TO INTERNATIONAL OPERATIONS TO REFLECT THE EFFECTS OF EQUITY CAPITAL ON OVERALL BANK FUNDING COSTS.....	4845	0	5.			
6. ESTIMATED PRETAX INCOME ATTRIBUTABLE TO INTERNATIONAL OPERATIONS AFTER CAPITAL ALLOCATION ADJUSTMENT (SUM OF ITEMS 4 AND 5).....	4846	0	6.			
7. INCOME TAXES ATTRIBUTABLE TO INCOME FROM INTERNATIONAL OPERATIONS AS ESTIMATED IN ITEM 6.....	4797	0	7.			
8. ESTIMATED NET INCOME ATTRIBUTABLE TO INTERNATIONAL OPERATIONS (ITEM 6 MINUS 7).....	4341	0	8.			
MEMORANDA						
1. INTRACOMPANY INTEREST INCOME INCLUDED IN ITEM 1.a. ABOVE.....	4847	0	M.1.			
2. INTRACOMPANY INTEREST EXPENSE INCLUDED IN ITEM 1.b. ABOVE.....	4848	0	M.2.			

PART II. SUPPLEMENTARY DETAILS ON INCOME FROM INTERNATIONAL OPERATIONS REQUIRED BY THE
DEPARTMENTS OF COMMERCE AND TREASURY FOR PURPOSES OF THE U.S. INTERNATIONAL
ACCOUNTS AND THE U.S. NATIONAL INCOME AND PRODUCT ACCOUNTS

	DOLLAR AMOUNTS IN THOUSANDS		RIAD	Bil	Mil	Thou
1. INTEREST INCOME BOOKED AT IBFs.....	4849	0	1.			
2. INTEREST EXPENSE BOOKED AT IBFs.....	4850	0	2.			
3. NONINTEREST INCOME ATTRIBUTABLE TO INTERNATIONAL OPERATIONS BOOKED AT DOMESTIC OFFICES						

(EXCLUDING IBFs):		
a. GAINS (LOSSES) AND EXTRAORDINARY ITEMS.....	5491	0 3.a.
b. FEES AND OTHER NONINTEREST INCOME	5492	0 3.b.
4. PROVISION FOR LOAN AND LEASE LOSSES ATTRIBUTABLE TO INTERNATIONAL OPERATIONS BOOKED AT DOMESTIC OFFICES (EXCLUDING IBFs).....	4852	0 4.
5. OTHER NONINTEREST EXPENSE ATTRIBUTABLE TO INTERNATIONAL OPERATIONS BOOKED AT DOMESTIC OFFICES (EXCLUDING IBFs).....	4853	0 5.

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SCHEDULE RI-E EXPLANATIONS

SCHEDULE RI-E IS TO BE COMPLETED EACH QUARTER ON A CALENDAR YEAR-TO-DATE BASIS.

DETAIL ALL ADJUSTMENTS IN SCHEDULES RI-A AND RI-B, ALL EXTRAORDINARY ITEMS AND OTHER ADJUSTMENTS IN SCHEDULE RI, AND ALL SIGNIFICANT ITEMS OF OTHER NONINTEREST INCOME AND OTHER NONINTEREST EXPENSE IN SCHEDULE RI. (SEE INSTRUCTIONS FOR DETAILS.)

	I495		
	RI	AD	Mil Thou
DOLLAR AMOUNTS IN THOUSANDS			
1. ALL OTHER NONINTEREST INCOME (FROM SCHEDULE RI, ITEM 5.f(2))			
REPORT AMOUNTS THAT EXCEED 10% OF SCHEDULE RI, ITEM 5.f(2):			
a. NET GAINS ON OTHER REAL ESTATE OWNED.....	5415	0	1.a.
b. NET GAINS ON SALES OF LOANS	5416	0	1.b.
c. NET GAINS ON SALES OF PREMISES AND FIXED ASSETS	5417	0	1.c.
ITEMIZE AND DESCRIBE THE THREE LARGEST AMOUNTS THAT EXCEED 10% OF SCHEDULE RI, ITEM 5.f.(2):			
d. 4461 Interbank Contract Services	4461	26,321	1.d.
e. 4462 Data Processing Charges	4462	8,278	1.e.
f. 4463	4463	0	1.f.
2. OTHER NONINTEREST EXPENSE (FROM SCHEDULE RI, ITEM 7.c.):			
a. AMORTIZATION EXPENSE OF INTANGIBLE ASSETS.....	4531	15,685	2.a.

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REPORT AMOUNTS THAT EXCEED 10% OF SCHEDULE RI, ITEM 7.c.:			
b. NET LOSSES ON OTHER REAL ESTATE OWNED.....	5418	33,003	2.b.
c. NET LOSSES ON SALES OF LOANS	5419	0	2.c.
d. NET LOSSES ON SALES OF PREMISES AND FIXED ASSETS	5420	0	2.d.
ITEMIZE AND DESCRIBE THE THREE LARGEST OTHER AMOUNTS THAT EXCEED 10% OF SCHEDULE RI, ITEM 7.c.:			
e. 4464 Restructuring Charge	4464	26,044	2.e.
f. 4467 Interbank Contract Services	4467	22,035	2.f.
g. 4468	4468	0	2.g.
3. EXTRAORDINARY ITEMS AND OTHER ADJUSTMENTS (FROM SCHEDULE RI, ITEM 11.a) AND APPLICABLE INCOME TAX EFFECT (FROM SCHEDULE RI, ITEM 11.b) (ITEMIZE AND DESCRIBE ALL EXTRAORDINARY ITEMS AND OTHER ADJUSTMENTS):			
a. (1) 6440 Effect of adopting FASB Statement No. 109 "Ac"-----	6440	9,081	3.a.(1)
(2) APPLICABLE INCOME TAX EFFECT.....	4486	0	3.a.(2)
b. (1) 4487 Prior Service Cost of Post Retirement Benefit -----	4487	(12,973)	3.b.(1)
(2) APPLICABLE INCOME TAX EFFECT.....	4488	(3,892)	3.b.(2)
c. (1) 4489 -----	4489	0	3.c.(1)
(2) APPLICABLE INCOME TAX EFFECT.....	4491	0	3.c.(2)
4. EQUITY CAPITAL ADJUSTMENTS FROM AMENDED REPORTS OF INCOME (FROM SCHEDULE RI-A, ITEM 2) (ITEMIZE AND DESCRIBE ALL ADJUSTMENTS):			
a. 4492	4492	0	4.a.
b. 4493	4493	0	4.b.
5. CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES FROM PRIOR YEARS (FROM SCHEDULE RI-A, ITEM 9) (ITEMIZE AND DESCRIBE ALL CHANGES IN ACCOUNTING PRINCIPLES):			
a. 4494	4494	0	5.a.
b. 4495	4495	0	5.b.
6. CORRECTIONS OF MATERIAL ACCOUNTING ERRORS FROM PRIOR YEARS (FROM SCHEDULE RI-A, ITEM 10) (ITEMIZE AND DESCRIBE ALL CORRECTIONS):			
a. 4496	4496	0	6.a.
b. 4497	4497	0	6.b.

SCHEDULE RI-E CONTINUED

DOLLAR AMOUNTS IN THOUSANDS		RIAD	Bil	Mil	Thou
7. OTHER TRANSACTIONS WITH PARENT HOLDING COMPANY (FROM SCHEDULE RI-A, ITEM 13) (ITEMIZE AND DESCRIBE ALL SUCH TRANSACTIONS):					
a.	4498	Capital Injection		11,000	7.a.
b.	4499			0	7.b.
8. ADJUSTMENTS TO ALLOWANCE FOR LOAN AND LEASE LOSSES (FROM SCHEDULE RI-B, PART II, ITEM 5) (ITEMIZE AND DESCRIBE ALL ADJUSTMENTS):					
a.	4521	First City Allowance at Acquisition		10,649	8.a.
b.	4522			0	8.b.
9. OTHER EXPLANATIONS (THE SPACE BELOW IS PROVIDED FOR THE BANK TO BRIEFLY DESCRIBE, AT ITS OPTION, ANY OTHER SIGNIFICANT ITEMS AFFECTING THE REPORT OF INCOME):					
NO COMMENT					
			4769	0	

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OTHER EXPLANATIONS (PLEASE TYPE OR PRINT CLEARLY):		I498	I499
4769			

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CONSOLIDATED REPORT OF CONDITION FOR INSURED COMMERCIAL AND STATE
 CHARTERED SAVINGS BANKS FOR
 September 30, 1993

ALL SCHEDULES ARE TO BE REPORTED IN THOUSANDS OF DOLLARS. UNLESS OTHERWISE INDICATED,
 REPORT THE AMOUNT OUTSTANDING AS OF THE LAST BUSINESS DAY OF THE QUARTER.

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				C400		(---	
		DOLLAR AMOUNTS IN THOUSANDS		RCFD Bil Mil Thou			
ASSETS							
1. CASH AND BALANCES DUE FROM DEPOSITORY INSTITUTIONS (FROM SCHEDULE RC-A):							
a. NONINTEREST-BEARING BALANCES AND CURRENCY AND COIN (1)				0081	795,657		1.a
b. INTEREST-BEARING BALANCES (2)				0071	5,011		1.b
2. SECURITIES (FROM SCHEDULE RC-B)							
				0390	2,043,074		2.
3. FEDERAL FUNDS SOLD & SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL IN DOMESTIC OFFICES OF THE BANK AND OF ITS EDGE AND AGREEMENT SUBSIDIARIES, AND IN IBFs:							
a. FEDERAL FUNDS SOLD				0276	1,705,690		3.a.
b. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL				0277	128,370		3.b.
4. LOANS AND LEASE FINANCING RECEIVABLES:							
a. LOANS AND LEASES, NET OF UNEARNED INCOME (FROM SCHEDULE RC-C)		2122	7,098,252				4.a
b. LESS: ALLOWANCE FOR LOAN AND LEASE LOSSES		3123	193,774				4.b
c. LESS: ALLOCATED TRANSFER RISK RESERVE		3128	2,290				4.c
d. LOANS AND LEASES, NET OF UNEARNED INCOME, ALLOWANCE, AND RESERVE (ITEM 4.a. MINUS 4.b. AND 4.c.)		2125	6,902,188				4.d
5. ASSETS HELD IN TRADING ACCOUNTS							
				2146	11,512		5.
6. PREMISES AND FIXED ASSETS (INCLUDING CAPITALIZED LEASES)							
				2145	325,411		6.
7. OTHER REAL ESTATE OWNED (FROM SCHEDULE RC-M)							
				2150	120,332		7.
8. INVESTMENTS IN UNCONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES (FROM SCHEDULE RC-M)							
				2130	0		8.
9. CUSTOMERS' LIABILITY TO THIS BANK ON ACCEPTANCES OUTSTANDING							
				2155	10,079		9.
10. INTANGIBLE ASSETS (FROM SCHEDULE RC-M)							
				2143	320,548		10.
11. OTHER ASSETS (FROM SCHEDULE RC-F)							
				2160	329,733		11.
12. TOTAL ASSETS (SUM OF ITEMS 1 THROUGH 11)							
				2170	12,697,605		12.

</TABLE>

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-
- (1) INCLUDES CASH ITEMS IN PROCESS OF COLLECTION AND UNPOSTED DEBITS.
 - (2) INCLUDES TIME CERTIFICATES OF DEPOSIT NOT HELD IN TRADING ACCOUNTS.

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		<C>		<C>		<C>		<C>	
				Bil Mil Thou					
		DOLLAR AMOUNTS IN THOUSANDS		RCFD Bil Mil Thou					
LIABILITIES									
13. DEPOSITS:									
a. IN DOMESTIC OFFICES (SUM OF TOTALS OF COLUMNS A AND C FROM SCHEDULE RC-E, PART I)		RCON	2200	8,926,425					13.a
(1) NONINTEREST-BEARING (1)		RCON	6631	4,027,868					13.a. (1)
(2) INTEREST-BEARING		RCON	6636	4,898,557					13.a. (2)
b. IN FOREIGN OFFICES, EDGE AND AGREEMENT SUBSIDIARIES, AND IBFs (FROM SCHEDULE RC-E, PART II)		RCFN	2200	580,887					13.b.
(1) NONINTEREST-BEARING		RCFN	6631	0					13.b. (1)
(2) INTEREST-BEARING		RCFN	6636	580,887					13.b. (2)
14. FEDERAL FUNDS PURCHASED AND SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE IN DOMESTIC OFFICES OF THE BANK AND OF ITS EDGE AND AGREEMENT SUBSIDIARIES, AND IN IBFs:									
a. FEDERAL FUNDS PURCHASED		RCFD	0278	366,367					14.a.
b. SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE		RCFD	0279	332,759					14.b.
15. DEMAND NOTES ISSUED TO THE U.S. TREASURY									
		RCON	2840	900,000					15.
16. OTHER BORROWED MONEY									
		RCFD	2850	84,172					16.
17. MORTGAGE INDEBTEDNESS AND OBLIGATIONS UNDER CAPITALIZED LEASES									
		RCFD	2910	10,375					17.
18. BANK'S LIABILITY ON ACCEPTANCES EXECUTED AND OUTSTANDING									
		RCFD	2920	10,079					18.
19. SUBORDINATED NOTES AND DEBENTURES									
		RCFD	3200	320,000					19.
20. OTHER LIABILITIES (FROM SCHEDULE RC-G)									
		RCFD	2930	152,117					20.
21. TOTAL LIABILITIES (SUM OF ITEMS 13 THROUGH 20)									
		RCFD	2948	11,683,181					21.
22. LIMITED-LIFE PREFERRED STOCK AND RELATED SURPLUS									
		RCFD	3282	0					22.
EQUITY CAPITAL									
23. PERPETUAL PREFERRED STOCK AND RELATED SURPLUS									
		RCFD	3838	0					23.
24. COMMON STOCK									
		RCFD	3230	280,293					24.

25. SURPLUS (EXCLUDE ALL SURPLUS RELATED TO PREFERRED STOCK).....	RCFD 3839	158,403	25.
26. a. UNDIVIDED PROFITS AND CAPITAL RESERVES.....	RCFD 3632	575,728	26.a.
26. b. LESS: NET UNREALIZED LOSS ON MARKETABLE EQUITY SECURITIES.....	RCFD 0297	0	26.b.
27. CUMULATIVE FOREIGN CURRENCY TRANSLATION ADJUSTMENTS.....	RCFD 3284	0	27.
28. TOTAL EQUITY CAPITAL (SUM OF ITEMS 23 THROUGH 27).....	RCFD 3210	1,014,424	28.
29. TOTAL LIABILITIES, LIMITED-LIFE PREFERRED STOCK, AND EQUITY CAPITAL (SUM OF ITEMS 21, 22, AND 28).....	RCFD 3300	12,697,605	29.

MEMORANDUM

TO BE REPORTED ONLY WITH THE MARCH REPORT OF CONDITION

1. INDICATE IN THE BOX AT THE RIGHT THE NUMBER OF THE STATEMENT BELOW THAT BEST DESCRIBES THE MOST COMPREHENSIVE LEVEL OF AUDITING WORK PERFORMED FOR THE BANK BY INDEPENDENT EXTERNAL AUDITORS AS OF ANY DATE DURING 1992	RCFD 6724	0	M.1.
--	-----------	---	------

- | | |
|---|---|
| 1 = INDEPENDENT AUDIT OF THE BANK CONDUCTED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS BY A CERTIFIED PUBLIC ACCOUNTING FIRM WHICH SUBMITS A REPORT ON THE BANK | 4 = DIRECTORS' EXAMINATION OF THE BANK PERFORMED BY OTHER EXTERNAL AUDITORS (MAY BE REQUIRED BY STATE CHARTERING AUTHORITY) |
| 2 = INDEPENDENT AUDIT OF THE BANK'S PARENT HOLDING COMPANY CONDUCTED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS BY A CERTIFIED PUBLIC ACCOUNTING FIRM WHICH SUBMITS A REPORT ON THE CONSOLIDATED HOLDING COMPANY (BUT NOT ON THE BANK SEPARATELY) | 5 = REVIEW OF THE BANK'S FINANCIAL STATEMENTS BY EXTERNAL AUDITORS |
| 3 = DIRECTORS' EXAMINATION OF THE BANK CONDUCTED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS BY A CERTIFIED PUBLIC ACCOUNTING FIRM (MAY BE REQUIRED BY STATE CHARTERING AUTHORITY) | 6 = COMPILATION OF THE BANK'S FINANCIAL STATEMENTS BY EXTERNAL AUDITORS |
| | 7 = OTHER AUDIT PROCEDURES (EXCLUDING TAX PREPARATION WORK) |
| | 8 = NO EXTERNAL AUDIT WORK |

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ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS BY A CERTIFIED PUBLIC ACCOUNTING FIRM (MAY BE REQUIRED BY STATE CHARTERING AUTHORITY)

(1) INCLUDES TOTAL DEMAND DEPOSITS AND NONINTEREST-BEARING TIME AND SAVINGS DEPOSITS.

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SCHEDULE RC-A - CASH AND BALANCES DUE FROM DEPOSITORY INSTITUTIONS

	<C>		<C>		<C>		<C>	
	RCFD	Bil Mil Thou	RCON	Bil Mil Thou	RCFD	Bil Mil Thou	RCON	Bil Mil Thou
EXCLUDE ASSETS HELD IN TRADING ACCOUNTS								
1. CASH ITEMS IN PROCESS OF COLLECTION, UNPOSTED DEBITS, AND CURRENCY AND COIN.....	0022	661,920	0020	478,578	0020	478,578	0020	478,578
a. CASH ITEMS IN PROCESS OF COLLECTION AND UNPOSTED DEBITS.....								
b. CURRENCY AND COIN.....								
2. BALANCES DUE FROM DEPOSITORY INSTITUTIONS IN THE U.S.....	0082	30,894	0082	30,894	0082	30,894	0082	30,894
a. U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS (INCLUDING THEIR IBFs).....	0083	48	0083	48	0083	48	0083	48
b. OTHER COMMERCIAL BANKS IN THE U.S. AND OTHER DEPOSITORY INSTITUTIONS IN THE U.S (INCLUDING THEIR IBFs).....	0085	30,846	0085	30,846	0085	30,846	0085	30,846
3. BALANCES DUE FROM BANKS IN FOREIGN COUNTRIES AND FOREIGN CENTRAL BANKS.....	0070	13,399	0070	13,399	0070	13,399	0070	13,399
a. FOREIGN BRANCHES OF OTHER U.S. BANKS.....	0073	449	0073	449	0073	449	0073	449
b. OTHER BANKS IN FOREIGN COUNTRIES AND FOREIGN CENTRAL BANKS.....	0074	12,973	0074	12,973	0074	12,973	0074	12,973
4. BALANCES DUE FROM FEDERAL RESERVE BANKS.....	0090	94,432	0090	94,432	0090	94,432	0090	94,432
5. TOTAL (SUM OF ITEMS 1 THROUGH 4) (TOTAL OF COLUMN A MUST EQUAL SCHEDULE RC ITEM 1)	0010	800,668	0010	800,645	0010	800,645	0010	800,645

MEMORANDUM

1. NONINTEREST-BEARING BALANCES DUE FROM COMMERCIAL BANKS IN THE U.S. (INCLUDED IN ITEM 2, COLUMN B ABOVE).....	0050	30,894	M.1.
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SCHEDULE RC-B - SECURITIES

<S>

EXCLUDE ASSETS HELD IN TRADING ACCOUNTS.

	<C>			<C>			<C>			<C>		
	CONSOLIDATED BANK						DOMESTIC OFFICE					
	(Column A)			(Column B)			(Column C)					
	Book Value			Market Value (1)			Book Value					
	RCFD	Bil	Mil	Tho	RCFD	Bil	Mil	Tho	RCFD	Bil	Mil	Tho
1. U.S. TREASURY SECURITIES	0400		100,097	0401		101,541	0400		100,097			1.
2. U.S. GOVERNMENT AGENCY AND CORPORATION OBLIGATIONS:												
a. ALL HOLDINGS OF U.S. GOVERNMENT-ISSUED OR GUARANTEED CERTIFICATES OF PARTICIPATION IN POOLS OF RESIDENTIAL MORTGAGES												
(1) ISSUED BY FNMA AND FHLMC.....	3760		619,849	3761		635,871	3760		619,849			2.a. (1)
(2) GUARANTEED BY GNMA (EXCLUDE FNMA AND FHLMC ISSUES).....	3762		979,662	3763		1,059,621	3762		979,662			2.a. (2)
b. ALL OTHER.....	0604		1,977	0605		2,045						2.b.
(1) COLLATERALIZED MORTGAGE OBLIGATIONS ISSUED BY FNMA AND FHLMC (INCLUDE REMICS).....							3764		0			2.b. (1)
(2) ALL OTHER U.S. GOVERNMENT-SPONSORED AGENCY OBLIGATIONS (2)							3765		1,977			2.b. (2)
(3) ALL OTHER U.S. GOVERNMENT AGENCY OBLIGATIONS (3).....							3766		0			2.b. (3)
3. SECURITIES ISSUED BY STATES AND POLITICAL SUBDIVISIONS IN THE U.S	0402		1,174	0403		1,429						3.
a. GENERAL OBLIGATIONS.....							3767		1,052			3.a.
b. REVENUE OBLIGATIONS.....							3768		122			3.b.
c. INDUSTRIAL DEVELOPMENT AND SIMILAR OBLIGATIONS.....							3769		0			3.c.
4. OTHER DOMESTIC DEBT SECURITIES:												
a. ALL HOLDINGS OF PRIVATE (I.E. NONGOVERNMENT-ISSUED OR GUARANTEED) CERTIFICATES OF PARTICIPATION IN POOLS OF RESIDENTIAL MORTGAGES.....	0408		0	0409		0	0408		0			4.a.
b. ALL OTHER DOMESTIC DEBT SECURITIES												
(1) PRIVATELY-ISSUED COLLATERALIZED MORTGAGE OBLIGATIONS (INCLUDE REMICS).....	5361		37,385	5362		38,283	5361		37,385			4.b. (1)
(2) ALL OTHER.....	5363		288,558	5364		291,731	5363		288,558			4.b. (2)
5. FOREIGN DEBT SECURITIES	3635		1,178	3636		1,195	3635		1,178			5.
6. EQUITY SECURITIES:												
a. MARKETABLE EQUITY SECURITIES:												
(1) INVESTMENTS IN MUTUAL FUNDS.....	3637		0	3638		0	3637		0			6.a. (1)
(2) OTHER MARKETABLE EQUITY SECURITIES	3639		33	3640		33	3639		33			6.a. (2)
(3) LESS: NET UNREALIZED LOSS ON MARKETABLE EQUITY SECURITIES	3641		0				3641		0			6.a. (3)
b. OTHER EQUITY SECURITIES (INCLUDES FEDERAL RESERVE STOCK).....	3642		13,161	3643		13,161	3642		13,161			6.b.
7. TOTAL (SUM OF ITEMS 1 THROUGH 6) (TOTAL OF COLUMN A MUST EQUAL SCHEDULE RC, ITEM 2).....	0390		2,043,074	0391		2,144,910	0390		2,043,074			7.

- (1) SEE DISCUSSION IN GLOSSARY ENTRY FOR "MARKET VALUE OF SECURITIES."
- (2) INCLUDES OBLIGATIONS (OTHER THAN CERTIFICATES OF PARTICIPATION IN POOLS OF RESIDENTIAL MORTGAGES, CMOS, AND REMICS) ISSUED BY THE FARM CREDIT SYSTEM, THE FEDERAL HOME LOAN BANK SYSTEM, THE FEDERAL HOME LOAN MORTGAGE CORPORATION, THE FEDERAL NATIONAL MORTGAGE ASSOCIATION, THE FINANCING CORPORATION, RESOLUTION FUNDING CORPORATION, THE STUDENT LOAN MARKETING ASSOCIATION, AND THE TENNESSEE VALLEY AUTHORITY.
- (3) INCLUDES SMALL BUSINESS ADMINISTRATION "GUARANTEED LOAN POOL CERTIFICATES," U.S. MARITIME ADMINISTRATION OBLIGATIONS, AND EXPORT-IMPORT BANK PARTICIPATION CERTIFICATES.

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SCHEDULE RC-B --CONTINUED

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MEMORANDA

DOLLAR AMOUNTS IN THOUSANDS

	RCFD	Bil	Mil	Tho	
1. PLEDGED SECURITIES.....	0416	931,140			M.1.
2. MATURITY AND REPRICING DATA FOR DEBT SECURITIES: (1), (2)					
a. FIXED RATE DEBT SECURITIES WITH A REMAINING MATURITY OF:					
(1) THREE MONTHS OR LESS.....	0343	5,743			M.2.a.(1)
(2) OVER THREE MONTHS THROUGH 12 MONTHS.....	0344	1,977			M.2.a.(2)
(3) OVER ONE YEAR THROUGH FIVE YEARS.....	0345	856,976			M.2.a.(3)
(4) OVER FIVE YEARS.....	0346	1,133,593			M.2.a.(4)
(5) TOTAL FIXED RATE DEBT SECURITIES (SUM OF MEMORANDUM ITEMS 2.a.(1) THROUGH 2.a.(4)).....	0347	1,998,289			M.2.a.(5)
b. FLOATING RATE DEBT SECURITIES WITH A REPRICING FREQUENCY OF:					
(1) QUARTERLY OR MORE FREQUENTLY.....	4544	30,362			M.2.b.(1)
(2) ANNUALLY OR MORE FREQUENTLY, BUT LESS FREQUENTLY THAN QUARTERLY.....	4545	1,177			M.2.b.(2)
(3) EVERY FIVE YEARS OR MORE FREQUENTLY, BUT LESS FREQUENTLY THAN ANNUALLY.....	4551	0			M.2.b.(3)
(4) LESS FREQUENTLY THAN EVERY FIVE YEARS.....	4552	0			M.2.b.(4)
(5) TOTAL FLOATING RATE DEBT SECURITIES (SUM OF MEMORANDUM ITEMS 2.b.(1) THROUGH 2.b.(4)).....	4553	31,539			M.2.b.(5)
c. TOTAL DEBT SECURITIES (SUM OF MEMORANDUM ITEMS 2.a.(5) AND 2.b.(5)) (MUST EQUAL THE SUM OF ITEMS 1 THROUGH 5, COLUMN A, ABOVE).....	0393	2,029,828			M.2.c.
3. TAXABLE SECURITIES ISSUED BY STATES AND POLITICAL SUBDIVISIONS IN THE U.S. (INCLUDED IN SCHEDULE RC-B, ITEM 3, COLUMN A, ABOVE).....	0301	171			M.3.
4. DEBT SECURITIES RESTRUCTURED AND IN COMPLIANCE WITH MODIFIED TERMS (INCLUDED IN SCHEDULE RC-B, ITEMS 3 THROUGH 5, COLUMN A, ABOVE).....	5365	0			M.4.
5. DEBT SECURITIES HELD FOR SALE (INCLUDED IN SCHEDULE RC-B, ITEMS 1 THROUGH 5, COLUMN A, ABOVE).....	5366	358,703			M.5.
6. FLOATING RATE DEBT SECURITIES WITH A REMAINING MATURITY OF ONE YEAR OR LESS (INCLUDED IN MEMORANDUM ITEM 2.b.(5) ABOVE).....	5519	0			M.6.

- (1) EXCLUDE EQUITY SECURITIES, E.G., INVESTMENTS IN MUTUAL FUNDS, FEDERAL RESERVE STOCK, COMMON STOCK, AND PREFERRED STOCK.
- (2) MEMORANDUM ITEM 2 IS NOT APPLICABLE TO SAVINGS BANKS THAT MUST COMPLETE SUPPLEMENTAL SCHEDULE RC-J.

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SCHEDULE RC-C - LOANS AND LEASE FINANCING RECEIVABLES

NET OF UNEARNED INCOME AND BEFORE ADJUSTMENT FOR ALLOWANCE FOR LOAN AND LEASE LOSSES. EXCLUDE ASSETS HELD IN TRADING ACCOUNTS.

	RCFD	Bil	Mil	Tho	RCON	Bil	Mil	Thou	
1. LOANS SECURED BY REAL ESTATE.....	1410	1,270,691							1.

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a. CONSTRUCTION AND LAND DEVELOPMENT.....		1415	262,695						1.a.
b. SECURED BY FARMLAND (INCLUDING FARM RESIDENTIAL AND OTHER IMPROVEMENTS).....		1420	16,186						1.b.
c. SECURED BY 1-4 FAMILY RESIDENTIAL PROPERTIES.....									
(1) REVOLVING, OPEN-END LOANS SECURED BY 1-4 FAMILY RESIDENTIAL PROPERTIES AND EXTENDED UNDER LINES OF CREDIT.....		1797	0						1.c.(1)
(2) ALL OTHER LOANS SECURED BY 1-4 FAMILY RESIDENTIAL PROPERTIES:									

(a) SECURED BY FIRST LIENS.....		5367	297,144		1.c. (2) (a)
(b) SECURED BY JUNIOR LIENS.....		5368	85,841		1.c. (2) (b)
d. SECURED BY MULTIFAMILY (5 OR MORE) RESIDENTIAL PROPERTIES.....		1460	81,610		1.d
e. SECURED BY NONFARM NONRESIDENTIAL PROPERTIES.....		1480	527,215		1.e
2. LOANS TO DEPOSITORY INSTITUTIONS:					
a. TO COMMERCIAL BANKS IN THE U.S.....		1505	13,257		2.a.
(1) TO U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS.....		1506	5,263		2.a. (1)
(2) TO OTHER COMMERCIAL BANKS IN THE U.S.		1507	12,994		2.a. (2)
b. TO OTHER DEPOSITORY INSTITUTIONS IN THE U.S.		1517	49		2.b.
c. TO BANKS IN FOREIGN COUNTRIES.....		1510	1,207		2.c.
(1) TO FOREIGN BRANCHES OF OTHER U.S. BANKS.....		1513	419		2.c. (1)
(2) TO OTHER BANKS IN FOREIGN COUNTRIES.....		1516	23,418		2.c. (2)
3. LOANS TO FINANCE AGRICULTURAL PRODUCTION AND OTHER LOANS TO FARMERS.....		1590	66,415		3.
4. COMMERCIAL AND INDUSTRIAL LOANS:					
a. TO U.S. ADDRESSEES (DOMICILE).....		1763	2,663,397		4.a
b. TO NON-U.S. ADDRESSEES (DOMICILE).....		1764	131,721		4.b
5. ACCEPTANCES OF OTHER BANKS:					
a. OF U.S. BANKS.....		1756	0		5.a.
b. OF FOREIGN BANKS.....		1757	0		5.b.
6. LOANS TO INDIVIDUALS FOR HOUSEHOLD, FAMILY, AND OTHER PERSONAL EXPENDITURES (I.E., CONSUMER LOANS) (INCLUDES PURCHASED PAPER).....		1975	800,696		6.
a. CREDIT CARDS AND RELATED PLANS (INCLUDES CHECK CREDIT AND OTHER REVOLVING CREDIT PLANS).....		2008	89,597		6.a.
b. OTHER (INCLUDES SINGLE PAYMENTS, INSTALLMENT, AND ALL STUDENT LOANS)...		2011	711,099		6.b.
7. LOANS TO FOREIGN GOVERNMENTS AND OFFICIAL INSTITUTIONS (INCLUDING FOREIGN CENTRAL BANKS).....		2081	259,075		7.
8. OBLIGATIONS (OTHER THAN SECURITIES AND LEASES) OF STATES AND POLITICAL SUBDIVISIONS IN THE U.S. (INCLUDES NONRATED INDUSTRIAL DEVELOPMENT OBLIGATIONS):					
a. TAXABLE OBLIGATIONS.....		2033	0		8.a
b. TAX-EXEMPT OBLIGATIONS.....		2079	60,051		8.b
9. OTHER LOANS.....		1563	1,630,404		9.
a. LOANS FOR PURCHASING OR CARRYING SECURITIES (SECURED AND UNSECURED)...		1545	315,437		9.a
b. ALL OTHER LOANS (EXCLUDE CONSUMER LOANS).....		1564	1,312,635		9.b
10. LEASE FINANCING RECEIVABLES (NET OF UNEARNED INCOME).....		2165	206,536		10.
a. OF U.S. ADDRESSEES (DOMICILE).....		2182	164,781		10.a.
b. OF NON-U.S. ADDRESSEES (DOMICILE).....		2183	41,755		10.b.
11. LESS: ANY UNEARNED INCOME ON LOANS REFLECTED IN ITEMS 1-9 ABOVE.....		2123	32,877		11.
12. TOTAL LOANS AND LEASES, NET OF UNEARNED INCOME (SUM OF ITEMS 1 THROUGH 10 MINUS ITEM 11) (TOTAL OF COLUMN A MUST EQUAL SCHEDULE RC, ITEM 4.a.).....		2122	7,098,252		12.

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SCHEDULE RC-C - CONTINUED

MEMORANDA

DOLLAR AMOUNTS IN THOUSANDS

	RCFD		RCON		
	Bil	Mil	Bil	Mil	
1. COMMERCIAL PAPER INCLUDED IN SCHEDULE RC-C ABOVE.....	1496	0	1496	0	M.1.
2. LOANS AND LEASES RESTRUCTURED AND IN COMPLIANCE WITH MODIFIED TERMS (INCLUDED IN SCHEDULE RC-C ABOVE):					
a. LOANS SECURED BY REAL ESTATE:					
(1) TO U.S. ADDRESSEES (DOMICILE).....	1687	35,611			M.2.a. (1)
(2) TO NON-U.S. ADDRESSEES (DOMICILE).....	1689	0			M.2.a. (2)
b. LOANS TO FINANCE AGRICULTURAL PRODUCTION AND OTHER LOANS TO FARMERS.....	1613	0			M.2.b.

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	<C>		<C>		<C>	
	Bil	Mil	Bil	Mil		
c. COMMERCIAL AND INDUSTRIAL LOANS:						
(1) TO U.S. ADDRESSEES (DOMICILE).....	1758	0				M.2.c. (1)
(2) TO NON-U.S. ADDRESSEES (DOMICILE).....	1759	0				M.2.c. (2)
d. ALL OTHER LOANS (EXCLUDE LOANS TO INDIVIDUALS FOR HOUSEHOLD, FAMILY, AND OTHER PERSONAL EXPENDITURES).....	1615	236,825				M.2.d.
e. LEASE FINANCING RECEIVABLES:						
(1) OF U.S. ADDRESSEES (DOMICILE).....	1789	0				M.2.e. (1)
(2) OF NON-U.S. ADDRESSEES (DOMICILE).....	1790	0				M.2.e. (2)
f. TOTAL (SUM OF MEMORANDUM ITEMS 2.a. THROUGH 2.e.).....	1616	272,436				M.2.f.
3. MATURITY AND REPRICING DATA FOR LOANS AND LEASES (1) (EXCLUDING THOSE IN NONACCRUAL STATUS):						
a. FIXED RATE LOANS AND LEASES WITH A REMAINING MATURITY OF:						
(1) THREE MONTHS OR LESS.....	0348	393,637				M.3.a. (1)
(2) OVER THREE MONTHS THROUGH 12 MONTHS.....	0349	190,606				M.3.a. (2)

IF NO, SKIP ITEMS 2.a AND 2.b, COMPLETE ITEMS 3 AND 4 BELOW, AND GO TO ITEM 5.

	NUMBER OF LOANS	
2. REPORT THE TOTAL NUMBER OF LOANS CURRENTLY OUTSTANDING FOR EACH OF THE FOLLOWING SCHEDULE RC-C, PART I, LOAN CATEGORIES:		
a. "LOANS SECURED BY NONFARM NONRESIDENTIAL PROPERTIES" REPORTED IN SCHEDULE RC-C, PART I, ITEM 1.e	5562	2.a.
b. "COMMERCIAL AND INDUSTRIAL LOANS TO U.S. ADDRESSEES" REPORTED IN SCHEDULE RC-C, PART I, ITEM 4.a	5563	0 2.b.

	DOLLAR AMOUNTS IN THOUSANDS		NUMBER OF LOANS	
	(Column A)	(Column B)	AMOUNT CURRENTLY OUTSTANDING	RCON Bil Mil Thou
3. NUMBER AND AMOUNT CURRENTLY OUTSTANDING OF "LOANS SECURED BY NONFARM NONRESIDENTIAL PROPERTIES" REPORTED IN SCHEDULE RC-C, PART I, ITEM 1.e (SUM OF ITEMS 3.a THROUGH 3.c MUST BE LESS THAN OR EQUAL TO SCHEDULE RC-C, PART I, ITEM 1.e):				
a. WITH ORIGINAL AMOUNTS OF \$100,000 OR LESS	5564	0	5565	0 3.a.
b. WITH ORIGINAL AMOUNTS OF MORE THAN \$100,000 THROUGH \$250,000	5566	0	5567	0 3.b.
c. WITH ORIGINAL AMOUNTS OF MORE THAN \$250,000 THROUGH \$1,000,000	5568	0	5569	0 3.c.
4. NUMBER AND AMOUNT CURRENTLY OUTSTANDING OF "COMMERCIAL AND INDUSTRIAL LOANS TO U.S. ADDRESSEES" REPORTED IN SCHEDULE RC-C, PART I, ITEM 4.a (SUM OF ITEMS 4.a THROUGH 4.c MUST BE LESS THAN OR EQUAL TO SCHEDULE RC-C, PART I, ITEM 4.a):				
a. WITH ORIGINAL AMOUNTS OF \$100,000 OR LESS	5570	0	5571	0 4.a.
b. WITH ORIGINAL AMOUNTS OF MORE THAN \$100,000 THROUGH \$250,000	5572	0	5573	0 4.b.
c. WITH ORIGINAL AMOUNTS OF MORE THAN \$250,000 THROUGH \$1,000,000	5574	0	5575	0 4.c.

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SCHEDULE RC-C----CONTINUED

PART II. CONTINUED

AGRICULTURAL LOANS TO SMALL FARMS

5. INDICATE IN THE APPROPRIATE BOX AT THE RIGHT WHETHER ALL OR SUBSTANTIALLY ALL OF THE BANK'S "LOANS SECURED BY FARMLAND (INCLUDING FARM RESIDENTIAL AND OTHER IMPROVEMENTS)" REPORTED IN SCHEDULE RC-C, PART I, ITEM 1.b, AND "LOANS TO FINANCE AGRICULTURAL PRODUCTION AND OTHER LOANS TO FARMERS" REPORTED IN SCHEDULE RC-C, PART I, ITEM 3, HAVE ORIGINAL AMOUNTS OF \$100,000 OR LESS	6860	0	5.
---	------	---	----

IF YES, COMPLETE ITEMS 6.a AND 6.b BELOW AND DO NOT COMPLETE ITEMS 7 AND 8.
IF NO, SKIP ITEMS 6.a AND 6.b AND COMPLETE ITEMS 7 AND 8, BELOW.

	NUMBER OF LOANS	
6. REPORT THE TOTAL NUMBER OF LOANS CURRENTLY OUTSTANDING FOR EACH OF THE FOLLOWING SCHEDULE RC-C, PART I, LOAN CATEGORIES:		
a. "LOANS SECURED BY FARMLAND (INCLUDING FARM RESIDENTIAL AND OTHER IMPROVEMENTS)" REPORTED IN SCHEDULE RC-C, PART I, ITEM 1.b	5576	0 6.a.
b. "LOANS TO FINANCE AGRICULTURAL PRODUCTION AND OTHER LOANS TO FARMERS" REPORTED IN SCHEDULE RC-C, PART I, ITEM 3	5577	0 6.b.

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	(Column A)		(Column B)		
	DOLLAR AMOUNTS IN THOUSANDS	NUMBER OF LOANS	AMOUNT	CURRENTLY OUTSTANDING	
7. NUMBER AND AMOUNT CURRENTLY OUTSTANDING OF "LOANS SECURED BY FARMLAND (INCLUDING FARM RESIDENTIAL AND OTHER IMPROVEMENTS)" REPORTED IN SCHEDULE RC-C, PART I, ITEM 1.b (SUM OF ITEMS 7.a THROUGH 7.c MUST BE LESS THAN OR EQUAL TO SCHEDULE RC-C, PART I, ITEM 1.b):					
a. WITH ORIGINAL AMOUNTS OF \$100,000 OR LESS	5578	0	5579	0	7.a.
b. WITH ORIGINAL AMOUNTS OF MORE THAN \$100,000 THROUGH \$250,000	5580	0	5581	0	7.b.
c. WITH ORIGINAL AMOUNTS OF MORE THAN \$250,000 THROUGH \$500,000	5582	0	5583	0	7.c.
8. NUMBER AND AMOUNT CURRENTLY OUTSTANDING OF "LOANS TO FINANCE AGRICULTURAL PRODUCTION AND OTHER LOANS TO FARMERS" REPORTED IN SCHEDULE RC-C, PART I, ITEM 3 (SUM OF ITEMS 8.a THROUGH 8.c MUST BE LESS THAN OR EQUAL TO SCHEDULE RC-C, PART I, ITEM 3.):					
a. WITH ORIGINAL AMOUNTS OF \$100,000 OR LESS	5584	0	5585	0	8.a.
b. WITH ORIGINAL AMOUNTS OF MORE THAN \$100,000 THROUGH \$250,000	5586	0	5587	0	8.b.
c. WITH ORIGINAL AMOUNTS OF MORE THAN \$250,000 THROUGH \$500,000	5588	0	5589	0	8.c.

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SCHEDULE RC-D IS TO BE COMPLETED ONLY BY BANKS WITH \$1 BILLION OR MORE IN TOTAL ASSETS.

	DOLLAR AMOUNTS IN THOUSANDS		
	RCON	Bil Mil Thou	
1. U.S. TREASURY SECURITIES	1010	729	1.
2. U.S. GOVERNMENT AGENCY AND CORPORATION OBLIGATIONS	1020	2,699	2.
3. SECURITIES ISSUED BY STATES AND POLITICAL SUBDIVISIONS IN THE U.S.	1025	8,084	3.
4. OTHER BONDS, NOTES AND DEBENTURES	1045	0	4.
5. CERTIFICATES OF DEPOSITS	1026	0	5.
6. COMMERCIAL PAPER	1027	0	6.
7. BANKER'S ACCEPTANCES	1028	0	7.
8. OTHER	1029	0	8.
9. TOTAL (SUM OF ITEMS 1 THROUGH 8)	2146	11,512	9.

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SCHEDULE RC-E DEPOSIT LIABILITIES	TRANSACTION ACCOUNTS			NONTRANSACTION ACCOUNTS				
	(Column A)	(Column B)	(Column C)	(Column A)	(Column B)	(Column C)		
PART 1. DEPOSITS IN DOMESTIC OFFICES	Total transaction accounts (including total demand deposits)			Memo: Total demand deposits (included in Column A)				
	RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou
DEPOSITS OF:								
1. INDIVIDUALS, PARTNERSHIPS AND CORPORATIONS	2201	3,915,828	2240	3,008,714	2346	4,672,030		1.
2. U.S. GOVERNMENT	2202	18,896	2280	18,896	2520	0		2.
3. STATES & POLITICAL SUBDIVISIONS IN THE U.S.	2203	37,729	2290	7,675	2530	24,725		3.
4. COMMERCIAL BANKS IN THE U.S.	2206	164,438	2310	164,438	2347	0		4.
a. U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS								4.a.
b. OTHER COMMERCIAL BANKS IN THE U.S.					2348	141		4.b.
5. OTHER DEPOSITORY INSTITUTIONS IN THE U.S.	2207	10,604	2312	10,604	2349	0		5.
6. BANKS IN FOREIGN COUNTRIES	2213	11,200	2320	11,200	2367	0		6.
a. FOREIGN BRANCHES OF OTHER U.S. BANKS								6.a.
b. OTHER BANKS IN FOREIGN COUNTRIES					2373	0		6.b.
7. FOREIGN GOVERNMENTS AND OFFICIAL INSTITUTIONS								

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(INCLUDING FOREIGN CENTRAL BANKS)	2216	893	2300	893	2377	0	7.
8. CERTIFIED AND OFFICIAL CHECKS	2330	69,941	2330	69,941			8.
9. TOTAL (SUM OF ITEMS 1 THROUGH 8) (SUM OF COLUMNS A AND C MUST EQUAL SCHEDULE RC, ITEM 13.a.)	2215	4,229,529	2210	3,292,361	2385	4,696,896	9.

DOLLAR AMOUNTS IN THOUSANDS

MEMORANDA

1. SELECTED COMPONENTS OF TOTAL DEPOSITS (I.E., SUM OF ITEM 9, COLUMNS A AND C):							
a. TOTAL INDIVIDUAL RETIREMENT ACCOUNTS (IRAs) AND KEOGH PLAN ACCOUNTS	6835	456,496					M.1.a
b. TOTAL BROKERED DEPOSITS	2365	0					M.1.b
c. FULLY INSURED BROKERED DEPOSITS (I.E. TOTAL BROKERED RETAIL DEPOSITS) (INCLUDED IN MEMORANDUM ITEM 1.B ABOVE)							
(1) ISSUED IN DENOMINATIONS OF LESS THAN \$100,000	2343	0					M.1.c.(1)
(2) ISSUED EITHER IN DENOMINATIONS OF \$100,000 OR IN DENOMINATIONS GREATER THAN \$100,000 AND PARTICIPATED OUT BY THE BROKER IN SHARES OF \$100,000 OR LESS	2344	0					M.1.c.(2)
d. TOTAL DEPOSITS DENOMINATED IN FOREIGN CURRENCIES	3776	1,055					M.1.d.
e. PREFERRED DEPOSITS (DEPOSITS OF STATES AND POLITICAL SUBDIVISIONS IN THE U.S. REPORTED IN ITEM 3 ABOVE WHICH ARE SECURED OR COLLATERALIZED)	5590	48,314					M.1.e.
2. COMPONENTS OF TOTAL NONTRANSACTION ACCOUNTS (SUM OF MEMORANDA ITEMS 2.A THROUGH 2.D MUST EQUAL ITEM 9, COLUMN C ABOVE):							
a. SAVINGS DEPOSITS:							
(1) MONEY MARKET DEPOSIT ACCOUNTS (MMDAs)	6810	1,344,703					M.2.a.(1)
(2) OTHER SAVINGS DEPOSITS (EXCLUDES MMDAs)	0352	1,508,237					M.2.a.(2)
b. TOTAL TIME DEPOSITS LESS THAN \$100,000	6648	1,377,550					M.2.b
c. TIME CERTIFICATES OF DEPOSIT OF \$100,000 OR MORE	6645	447,154					M.2.c
d. OPEN-ACCOUNT TIME DEPOSITS OF \$100,000 OR MORE	6646	19,252					M.2.d
3. ALL NOW ACCOUNTS (INCLUDED IN COLUMN A ABOVE)	2398	937,168					M.3.

DEPOSIT TOTALS FOR FDIC INSURANCE ASSESSMENTS (1)

4. TOTAL DEPOSITS IN DOMESTIC OFFICES (SUM OF ITEM 9, COLUMN A AND ITEM 9, COLUMN C) (MUST EQUAL SCHEDULE RC, ITEM 13.A)	2200	8,926,425					M.4.
a. TOTAL DEMAND DEPOSITS (MUST EQUAL ITEM 9, COLUMN B)	2210	3,292,361					M.4.a.
b. TOTAL TIME AND SAVINGS DEPOSITS (2) (MUST EQUAL ITEM 9, COLUMN A PLUS COLUMN C MINUS COLUMN B)	2350	5,634,064					M.4.b.

- (1) AN AMENDED CERTIFIED STATEMENT SHOULD BE SUBMITTED TO THE FDIC IF THE DEPOSIT TOTALS REPORTED IN THIS ITEM ARE AMENDED AFTER THE SEMI-ANNUAL CERTIFIED STATEMENT ORIGINALLY COVERING THIS REPORT DATE HAS BEEN FILED WITH THE FDIC.
- (2) FOR FDIC INSURANCE ASSESSMENT PURPOSES, "TOTAL TIME AND SAVINGS DEPOSITS" CONSISTS OF NONTRANSACTION ACCOUNTS AND ALL TRANSACTION ACCOUNTS OTHER THAN DEMAND DEPOSITS.

MEMORANDA (CONTINUED)

		DOLLAR AMOUNTS IN THOUSANDS		RCN Bil Mil Thou	
5. TIME DEPOSITS OF LESS THAN \$100,000 AND OPEN-ACCOUNT TIME DEPOSITS OF \$100,000 OR MORE (INCLUDED IN MEMORANDUM ITEMS 2.b. AND 2.d. ABOVE) WITH A REMAINING MATURITY OR REPRICING FREQUENCY OF (1):					
a. THREE MONTHS OR LESS..... 0359 590,519 M.5.a.					
b. OVER THREE MONTHS THROUGH 12 MONTHS (BUT NOT OVER 12 MONTHS)..... 3644 483,161 M.5.b.					
6. MATURITY AND REPRICING DATA FOR TIME CERTIFICATES OF DEPOSITS OF \$100,000 OR MORE (1):					
a. FIXED RATE TIME CERTIFICATES OF DEPOSIT OF \$100,000 OR MORE WITH A REMAINING MATURITY OF:					
(1) THREE MONTHS OR LESS..... 2761 315,212 M.6.a. (1)					
(2) OVER THREE MONTHS THROUGH 12 MONTHS..... 2762 103,531 M.6.a. (2)					
(3) OVER ONE YEAR THROUGH FIVE YEARS..... 2763 23,115 M.6.a. (3)					

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(4) OVER FIVE YEARS.....		2765	0	M.6.a. (4)
(5) TOTAL FIXED RATE TIME CERTIFICATES OF DEPOSIT OF \$100,000 OR MORE (SUM OF MEMORANDUM ITEMS 6.a.(1) THROUGH 6.a.(4)).....		2767	441,858	M.6.a. (5)
b. FLOATING RATE TIME CERTIFICATES OF DEPOSIT OF \$100,000 OR MORE WITH A REPRICING FREQUENCY OF:				
(1) QUARTERLY OR MORE FREQUENTLY.....		4568	5,296	M.6.b. (1)
(2) ANNUALLY OR MORE FREQUENTLY, BUT LESS FREQUENTLY THAN QUARTERLY.....		4569	0	M.6.b. (2)
(3) EVERY FIVE YEARS OR MORE FREQUENTLY, BUT LESS FREQUENTLY THAN ANNUALLY.....		4571	0	M.6.b. (3)
(4) LESS FREQUENTLY THAN EVERY FIVE YEARS.....		4572	0	M.6.b. (4)
(5) TOTAL FLOATING RATE TIME CERTIFICATES OF DEPOSITS OF \$100,000 OR MORE (SUM OF MEMORANDUM ITEMS 6.b.(1) THROUGH 6.b.(4)).....		4573	5,296	M.6.b. (5)
c. TOTAL TIME CERTIFICATES OF DEPOSIT OF \$100,000 OR MORE (SUM OF MEMORANDUM ITEMS 6.a.(5) AND 6.b.(5)) (MUST EQUAL MEMORANDUM ITEM 2.c. ABOVE).....		6645	447,154	M.6.c.

(1) MEMORANDUM ITEMS 5 AND 6 ARE NOT APPLICABLE TO SAVINGS BANKS THAT MUST COMPLETE SUPPLEMENTAL SCHEDULE RC-J.

PART II. DEPOSITS IN FOREIGN OFFICES (INCLUDING EDGE AND AGREEMENT SUBSIDIARIES AND IBFs)

		DOLLAR AMOUNTS IN THOUSANDS		RCFN Bil Mil Thou	
DEPOSITS OF:					
1. INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS..... 2621 421,386 1.					
2. U.S. BANKS (INCLUDING IBFs AND FOREIGN BRANCHES OF U.S. BANKS)..... 2623 159,501 2.					
3. FOREIGN BANKS (INCLUDING U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS, INCLUDING THEIR IBFs)..... 2625 0 3.					
4. FOREIGN GOVERNMENTS AND OFFICIAL INSTITUTIONS (INCLUDING FOREIGN CENTRAL BANKS)... 2650 0 4.					
5. CERTIFIED AND OFFICIAL CHECKS..... 2330 0 5.					
6. ALL OTHER DEPOSITS..... 2668 0 6.					
7. TOTAL (SUM OF ITEMS 1 THORUGH 6) (MUST EQUAL SCHEDULE RC, ITEM 13.b.)..... 2200 580,887 7.					

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SCHEDULE RC-F - OTHER ASSETS

		DOLLAR AMOUNTS IN THOUSANDS		RCFD Bil Mil Thou	
1. INCOME EARNED, NOT COLLECTED ON LOANS..... 2164 38,645 1.					
2. NET DEFERRED TAX ASSETS (1) 2148 17,375 2.					
3. EXCESS RESIDENTIAL MORTGAGE SERVICING FEES RECEIVABLE..... 5371 0 3.					
4. OTHER (ITEMIZE AMOUNTS THAT EXCEED 25% OF THIS ITEM) 2168 273,713 4.					
a. 3549 Swap Interest Receivable 3549 89,201 4.a.					
b. 3550 0 3550 0 4.b.					
c. 3551 0 3551 0 4.c.					
5. TOTAL (SUM OF ITEMS 1 THROUGH 4) (MUST EQUAL SCHEDULE RC, ITEM 11)..... 2160 329,733 5.					

MEMORANDUM

DOLLAR AMOUNTS IN THOUSANDS

1. DEFERRED TAX ASSETS DISALLOWED FOR REGULATORY CAPITAL PURPOSES.....	RCFD Bil Mil Thou	5610	0	M.1.
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SCHEDULE RC-G - OTHER LIABILITIES

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DOLLAR AMOUNTS IN THOUSANDS

RCFD Bil Mil Thou

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1. a. INTEREST ACCRUED AND UNPAID ON DEPOSITS IN DOMESTIC OFFICES (2).....	3645	11,088	1. a.
b. OTHER EXPENSES ACCRUED AND UNPAID (INCLUDES ACCRUED INCOME TAXES PAYABLE).....	3646	122,497	1. b.
2. NET DEFERRED TAX LIABILITIES (1)	3049	0	2.
3. MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES.....	3000	0	3.
4. OTHER (ITEMIZE AMOUNTS THAT EXCEED 25% OF THIS ITEM).....	2938	18,532	4.

a. 3552	0 3552	0	4. a.
b. 3553	0 3553	0	4. b.
c. 3554	0 3554	0	4. c.

5. TOTAL (SUM OF ITEMS 1 THROUGH 4) (MUST EQUAL SCHEDULE RC, ITEM 20).....	2930	152,117	5.

(1) SEE DISCUSSION OF DEFERRED INCOME TAXES IN GLOSSARY ENTRY ON "INCOME TAXES."
(2) FOR SAVINGS BANKS, INCLUDE "DIVIDENDS" ACCRUED AND UNPAID ON DEPOSITS.

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SCHEDULE RC-H - SELECTED BALANCE SHEET ITEMS FOR DOMESTIC OFFICES

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DOMESTIC OFFICES

DOLLAR AMOUNTS IN THOUSANDS RCON Bil Mil Thou

1. CUSTOMERS' LIABILITY TO THIS BANK ON ACCEPTANCES OUTSTANDING.....	2155	10,079	1.
2. BANK'S LIABILITY ON ACCEPTANCES EXECUTED AND OUTSTANDING.....	2920	10,079	2.
3. FEDERAL FUNDS SOLD AND SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL.....	1350	1,834,060	3.
4. FEDERAL FUNDS PURCHASED AND SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE.....	2800	699,126	4.
5. OTHER BORROWED MONEY.....	2850	84,172	5.
EITHER			
6. NET DUE FROM OWN FOREIGN OFFICES, EDGE AND AGREEMENT SUBSIDIARIES, AND IBFs.....	2163	0	6.
OR			
7. NET DUE TO OWN FOREIGN OFFICES, EDGE AND AGREEMENT SUBSIDIARIES, AND IBFs.....	2941	370,769	7.
8. TOTAL ASSETS (EXCLUDES NET DUE FROM FOREIGN OFFICES, EDGE AND AGREEMENT SUBSIDIARIES, AND IBFs) ..	2192	12,486,519	8.
9. TOTAL LIABILITIES (EXCLUDES NET DUE TO FOREIGN OFFICES, EDGE AND AGREEMENT SUBSIDIARIES, AND IBFs).....	3129	11,101,331	9.

MEMORANDUM (TO BE COMPLETED ONLY BY BANKS WITH IBFs AND OTHER "FOREIGN" OFFICES)

1. NET DUE FROM THE IBF OF THE DOMESTIC OFFICES OF THE REPORTING BANK.....	3051	0	M.1.
OR			
2. NET DUE TO THE IBF OF THE DOMESTIC OFFICES OF THE REPORTING BANK.....	3059	0	M.2.

SCHEDULE RC-I - SELECTED ASSETS AND LIABILITIES OF IBFs

|-----|

DOLLAR AMOUNTS IN THOUSANDS |RCFN Bil Mil Thou |

1. TOTAL IBF ASSETS OF THE CONSOLIDATED BANK (COMPONENT OF SCHEDULE RC, ITEM 12)	2133	0	1.
2. TOTAL IBF LOANS AND LEASE FINANCING RECEIVABLES (COMPONENT OF SCHEDULE RC-C, ITEM 12,	//////////		

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COLUMN A)	2076	0	2.
3. IBF COMMERCIAL AND INDUSTRIAL LOANS (COMPONENT OF SCHEDULE RC-C, ITEM 4, COLUMN A)	2077	0	3.
4. TOTAL IBF LIABILITIES (COMPONENT OF SCHEDULE RC, ITEM 21)	2898	0	4.
5. IBF DEPOSIT LIABILITIES DUE TO BANKS, INCLUDING OTHER IBFs (COMPONENT OF SCHEDULE RC-E, PART II, ITEMS 2 AND 3)	2379	0	5.
6. OTHER IBF DEPOSIT LIABILITIES (COMPONENT OF SCHEDULE RC-E, PART II, ITEMS 1, 4, 5 AND 6)	2381	0	6.

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SCHEDULE RC-K - QUARTERLY AVERAGES (1)

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DOLLAR AMOUNTS IN THOUSANDS | Bil Mil Thou |

ASSETS			
1. INTEREST-BEARING BALANCES DUE FROM DEPOSITORY INSTITUTIONS	RCFD	3381	5,011 1.
2. U.S. TREASURY SECURITIES AND U.S. GOVERNMENT AGENCY AND CORPORATION OBLIGATIONS	RCFD	3382	1,598,015 2.
3. SECURITIES ISSUED BY STATES & POLITICAL SUBDIVISIONS IN THE U.S.	RCFD	3383	1,289 3.
4. a. OTHER DEBT SECURITIES	RCFD	3647	323,783 4.a.
b. EQUITY SECURITIES (INCLUDES INVESTMENTS IN MUTUAL FUNDS AND FEDERAL RESERVE STOCK)	RCFD	3648	13,161 4.b.
5. FEDERAL FUNDS SOLD AND SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL IN DOMESTIC OFFICES OF THE BANK AND OF ITS EDGE AND AGREEMENT SUBSIDIARIES, AND IN IBFs	RCFD	3365	1,512,195 5.
6. LOANS:			
a. LOANS IN DOMESTIC OFFICES:			
(1) TOTAL LOANS	RCON	3360	6,465,985 6.a.(1)
(2) LOANS SECURED BY REAL ESTATE	RCON	3385	1,330,874 6.a.(2)
(3) LOANS TO FINANCE AGRICULTURAL PRODUCTION AND OTHER LOANS TO FARMERS	RCON	3386	64,891 6.a.(3)
(4) COMMERCIAL AND INDUSTRIAL LOANS	RCON	3387	2,540,806 6.a.(4)
(5) LOANS TO INDIVIDUALS FOR HOUSEHOLD, FAMILY AND OTHER PERSONAL EXPENDITURES	RCON	3388	800,448 6.a.(5)
(6) OBLIGATIONS (OTHER THAN SECURITIES AND LEASES) OF STATES AND POLITICAL SUBDIVISIONS IN THE U.S.	RCON	3389	64,668 6.a.(6)
b. TOTAL LOANS IN FOREIGN OFFICES, EDGE AND AGREEMENT SUBSIDIARIES, AND IBFs	RCFN	3360	233,074 6.b.
7. ASSETS HELD IN TRADING ACCOUNTS	RCFD	3401	29,311 7.
8. LEASE FINANCING RECEIVABLES (NET OF UNEARNED INCOME)	RCFD	3484	207,273 8.
9. TOTAL ASSETS	RCFD	3368	12,156,521 9.
LIABILITIES			
10. INTEREST-BEARING TRANSACTION ACCOUNTS IN DOMESTIC OFFICES (NOW ACCOUNTS, ATS ACCOUNTS, AND TELEPHONE AND PREAUTHORIZED TRANSFER ACCOUNTS) (EXCLUDE DEMAND DEPOSITS)	RCON	3485	948,196 10.
11. NONTRANSACTION ACCOUNTS IN DOMESTIC OFFICES:			
a. MONEY MARKET DEPOSIT ACCOUNTS (MMDAs)	RCON	3486	1,351,954 11.a.
b. OTHER SAVINGS DEPOSITS	RCON	3487	1,517,265 11.b.
c. TIME CERTIFICATES OF DEPOSIT OF \$100,000 OR MORE	RCON	3345	498,614 11.c.
d. ALL OTHER TIME DEPOSITS	RCON	3469	1,417,028 11.d.
12. INTEREST-BEARING DEPOSITS IN FOREIGN OFFICES, EDGE AND AGREEMENT SUBSIDIARIES, AND IBFs	RCFN	3404	383,660 12.
13. FEDERAL FUNDS PURCHASED AND SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE IN DOMESTIC OFFICES OF THE BANK AND OF ITS EDGE AND AGREEMENT SUBSIDIARIES, AND IN IBFs	RCFD	3353	561,298 13.
14. OTHER BORROWED MONEY	RCFD	3355	72,100 14.

(1) FOR ALL ITEMS, BANKS HAVE THE OPTION OF REPORTING EITHER (1) AN AVERAGE OF DAILY FIGURES FOR THE QUARTER, OR (2) AN AVERAGE OF WEEKLY FIGURES (I.E., THE WEDNESDAY OF EACH WEEK OF THE QUARTER).

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SCHEDULE RC-L - OFF-BALANCE SHEET ITEMS

PLEASE READ CAREFULLY THE INSTRUCTIONS FOR THE PREPARATION OF SCHEDULE RC-L. SOME OF THE AMOUNTS REPORTED IN SCHEDULE RC-L ARE REGARDED AS VOLUME INDICATORS AND NOT NECESSARILY AS MEASURES OF RISK.

	DOLLAR AMOUNTS IN THOUSANDS		
	RCFD Bil	Mil Thou	
1. UNUSED COMMITMENTS:	-----		
a. REVOLVING, OPEN-END LINES SECURED BY 1-4 FAMILY RESIDENTIAL PROPERTIES, E.G., HOME EQUITY LINES.....	3814	0	1.a.
b. CREDIT CARD LINES.....	3815	0	1.b.
c. COMMERCIAL REAL ESTATE, CONSTRUCTION, AND LAND DEVELOPMENT:	-----		
(1) COMMITMENTS TO FUND LOANS SECURED BY REAL ESTATE	3816	119,696	1.c.(1)
(2) COMMITMENTS TO FUND LOANS NOT SECURED BY REAL ESTATE	6550	136,720	1.c.(2)
d. SECURITIES UNDERWRITING.....	3817	0	1.d.
e. OTHER UNUSED COMMITMENTS.....	3818	5,704,926	1.e.
2. FINANCIAL STANDBY LETTERS OF CREDIT AND FOREIGN OFFICE GUARANTEES.....	3819	1,001,844	2.
a. AMOUNT OF FINANCIAL STANDBY LETTERS OF CREDIT CONVEYED TO OTHERS	3820	98,232	2.a.
3. PERFORMANCE STANDBY LETTERS OF CREDIT AND FOREIGN OFFICE GUARANTEES.....	3821	44,623	3.
a. AMOUNT OF PERFORMANCE STANDBY LETTERS OF CREDIT CONVEYED TO OTHERS	3822	23,543	3.a.
4. COMMERCIAL AND SIMILAR LETTERS OF CREDIT.....	3411	203,701	4.
5. PARTICIPATIONS IN ACCEPTANCES (AS DESCRIBED IN THE INSTRUCTIONS) CONVEYED TO OTHERS BY THE REPORTING BANK.....	3428	0	5.
6. PARTICIPATIONS IN ACCEPTANCES (AS DESCRIBED IN THE INSTRUCTIONS) ACQUIRED BY THE REPORTING (NONACCEPTING) BANK.....	3429	0	6.
7. SECURITIES BORROWED.....	3432	0	7.
8. SECURITIES LENT (INCLUDING CUSTOMERS' SECURITIES LENT WHERE THE CUSTOMER IS INDEMNIFIED AGAINST LOSS BY THE REPORTING BANK).....	3433	569,802	8.
9. MORTGAGES TRANSFERRED (I.E. SOLD OR SWAPPED) WITH RECOURSE THAT HAVE BEEN TREATED AS SOLD FOR CALL REPORT PURPOSES:	-----		
a. FNMA AND FHLMC RESIDENTIAL MORTGAGE LOAN POOLS:	-----		
(1) OUTSTANDING PRINCIPAL BALANCE OF MORTGAGES TRANSFERRED AS OF THE REPORT DATE....	3650	0	9.a.(1)
(2) AMOUNT OF RECOURSE EXPOSURE ON THESE MORTGAGES AS OF THE REPORT DATE.....	3651	0	9.a.(2)
b. PRIVATE (NONGOVERNMENT-ISSUED OR GUARANTEED) RESIDENTIAL MORTGAGE LOAN POOLS:	-----		
(1) OUTSTANDING PRINCIPAL BALANCE OF MORTGAGES TRANSFERRED AS OF THE REPORT DATE....	3652	0	9.b.(1)
(2) AMOUNT OF RECOURSE EXPOSURE ON THESE MORTGAGES AS OF THE REPORT DATE.....	3653	0	9.b.(2)
c. FARMER MAC AGRICULTURAL MORTGAGE LOAN POOLS:	-----		
(1) OUTSTANDING PRINCIPAL BALANCE OF MORTGAGES TRANSFERRED AS OF THE REPORT DATE....	3654	0	9.c.(1)
(2) AMOUNT OF RECOURSE EXPOSURE ON THESE MORTGAGES AS OF THE REPORT DATE.....	3655	0	9.c.(2)
10. WHEN-ISSUED SECURITIES:	-----		
a. GROSS COMMITMENTS TO PURCHASE.....	3434	297,650	10.a.
b. GROSS COMMITMENTS TO SELL.....	3435	40,445	10.b.
11. INTEREST RATE CONTRACTS (EXCLUDE WHEN-ISSUED SECURITIES):	-----		
a. NOTIONAL VALUE OF INTEREST RATE SWAPS.....	3450	5,696,646	11.a.
b. FUTURES AND FORWARD CONTRACTS.....	3823	654,194	11.b.
c. OPTION CONTRACTS (E.G. OPTIONS ON TREASURIES):	-----		
(1) WRITTEN OPTION CONTRACTS.....	3824	424,792	11.c.(1)
(2) PURCHASED OPTION CONTRACTS.....	3825	1,423,892	11.c.(2)
12. FOREIGN EXCHANGE RATE CONTRACTS:	-----		
a. NOTIONAL VALUE OF EXCHANGE SWAPS (E.G. CROSS-CURRENCY SWAPS).....	3826	0	12.a.
b. COMMITMENTS TO PURCHASE FOREIGN CURRENCIES AND U.S. DOLLAR EXCHANGE (SPOT, FORWARD, AND FUTURES).....	3415	899,292	12.b.
c. OPTION CONTRACTS (E.G. OPTIONS ON FOREIGN CURRENCY):	-----		
(1) WRITTEN OPTION CONTRACTS.....	3827	16,308	12.c.(1)
(2) PURCHASED OPTION CONTRACTS.....	3828	16,308	12.c.(2)

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FDIC CERTIFICATE NUMBER: 03263

SCHEDULE RC-L - CONTINUED

<S>	DOLLAR AMOUNTS IN THOUSANDS			<C>		
				R	C	C
13. CONTRACTS ON OTHER COMMODITIES AND EQUITIES:						
a. NOTIONAL VALUE OF OTHER SWAPS (E.G. OIL SWAPS)			3829	2,177		13.a.
b. FUTURES AND FORWARD CONTRACTS (E.G. STOCK INDEX AND COMMODITY - PRECIOUS METALS, WHEAT, COTTON, LIVESTOCK - CONTRACTS)			3830	0		13.b.
c. OPTION CONTRACTS (E.G. OPTIONS ON COMMODITIES, INDIVIDUAL STOCKS AND STOCK INDEXES):						
(1) WRITTEN OPTION CONTRACTS			3831	0		13.c.(1)
(2) PURCHASED OPTION CONTRACTS			3832	0		13.c.(2)
14. ALL OTHER OFF-BALANCE SHEET LIABILITIES (ITEMIZE AND DESCRIBE EACH COMPONENT OF THIS ITEM OVER 25% OF SCHEDULE RC, ITEM 28, "TOTAL EQUITY CAPTIAL")			3430	0		14.
a. 3555	0	3555	0			14.a.
b. 3556	0	3556	0			14.b.
c. 3557	0	3557	0			14.c.
d. 3558	0	3558	0			14.d.
15. ALL OTHER OFF-BALANCE SHEET ASSETS (ITEMIZE AND DESCRIBE EACH COMPONENT OF THIS ITEM OVER 25% OF SCHEDULE RC, ITEM 28, "TOTAL EQUITY CAPTIAL")			3430	0		15.
a. 5592	0	5592	0			15.a.
b. 5593	0	5593	0			15.b.
c. 5594	0	5594	0			15.c.
d. 5595	0	5595	0			15.d.

MEMORANDA

<S>	DOLLAR AMOUNTS IN THOUSANDS			<C>		
				R	C	C
1. LOANS ORIGINATED BY THE REPORTING BANK THAT HAVE BEEN SOLD OR PARTICIPATED TO OTHERS DURING THE CALENDAR QUARTER ENDING WITH THE REPORT DATE (EXCLUDE THE PORTIONS OF SUCH LOANS RETAINED BY THE REPORTING BANK; SEE INSTRUCTIONS FOR OTHER EXCLUSIONS)			3431	707,853		M.1.
2. LOANS PURCHASED BY THE REPORTING BANK DURING THE CALENDAR QUARTER ENDING WITH THE REPORT DATE (SEE INSTRUCTIONS FOR EXCLUSIONS)			3488	75,362		M.2.
3. UNUSED COMMITMENTS WITH AN ORIGINAL MATURITY (1) EXCEEDING ONE YEAR THAT ARE REPORTED IN SCHEDULE RC-L, ITEMS 1.a. THROUGH 1.e. ABOVE (REPORT ONLY THE UNUSED PORTIONS OF COMMITMENTS THAT ARE FEE PAID OR OTHERWISE LEGALLY BINDING)			3833	4,176,178		M.3.
a. PARTICIPATIONS IN COMMITMENTS WITH AN ORIGINAL MATURITY (1) EXCEEDING ONE YEAR CONVEYED TO OTHERS			3834	206,772		M.3.a.
4. TO BE COMPLETED ONLY BY BANKS WITH \$1 BILLION OR MORE IN TOTAL ASSETS: STANDBY LETTERS OF CREDIT AND FOREIGN OFFICE GUARANTEES (BOTH FINANCIAL AND PERFORMANCE) ISSUED TO NON-U.S. ADDRESSEES (DOMICILE) INCLUDED IN ITEMS 2 AND 3 ABOVE			3377	26,763		M.4.
5. TO BE COMPLETED FOR THE SEPTEMBER REPORT ONLY: INSTALLMENT LOANS TO INDIVIDUALS FOR HOUSEHOLD, FAMILY, AND OTHER PERSONAL EXPENDITURES THAT HAVE BEEN SECURITIZED AND SOLD WITHOUT RECOURSE (WITH SERVICING RETAINED), AMOUNTS OUTSTANDING BY TYPE OF LOAN:						
a. LOANS TO PURCHASE PRIVATE PASSENGER AUTOMOBILES			2741	0		M.5.a.
b. CREDIT CARDS AND RELATED PLANS			2742	0		M.5.b.
c. ALL OTHER CONSUMER INSTALLMENT CREDIT (INCLUDING MOBILE HOME LOANS)			2743	0		M.5.c.

</TABLE>

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DOLLAR AMOUNTS IN THOUSANDS | RCFD Bil Mil Thou |

1. EXTENSIONS OF CREDIT BY THE REPORTING BANK TO ITS EXECUTIVE OFFICERS, DIRECTORS, PRINCIPAL SHAREHOLDERS, AND THEIR RELATED INTERESTS AS OF THE REPORT DATE:				
a. AGGREGATE AMOUNT OF ALL EXTENSIONS OF CREDIT TO ALL EXECUTIVE OFFICERS, DIRECTORS, PRINCIPAL SHAREHOLDERS, AND THEIR RELATED INTERESTS.....	6164	841,540		1.a.
b. NUMBER OF EXECUTIVE OFFICERS, DIRECTORS, AND PRINCIPAL SHAREHOLDERS TO WHOM THE AMOUNT OF ALL EXTENSIONS OF CREDIT BY THE REPORTING BANK (INCLUDING EXTENSIONS OF CREDIT TO RELATED INTERESTS) EQUALS OR EXCEEDS THE LESSER OF \$500,000 OR 5 PERCENT OF TOTAL CAPITAL AS DEFINED FOR THIS PURPOSE IN AGENCY REGULATIONS.....	6165	25		1.b.
2. FEDERAL FUNDS SOLD AND SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL WITH U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS(1) (INCLUDED IN SCHEDULE RC, ITEMS 3.a. AND 3.b).....	3405	0		2.
3. NOT APPLICABLE.				
4. OUTSTANDING PRINCIPAL BALANCE OF 1-4 FAMILY RESIDENTIAL MORTGAGE LOANS SERVICED FOR OTHERS (INCLUDE BOTH RETAINED SERVICING AND PURCHASED SERVICING):				
a. MORTGAGES SERVICED UNDER A GNMA CONTRACT.....	5500	0		4.a.
b. MORTGAGES SERVICED UNDER A FHLMC CONTRACT:				
(1) SERVICED WITH RECOURSE TO SERVICER.....	5501	0		4.b.(1)
(2) SERVICED WITHOUT RECOURSE TO SERVICER.....	5502	0		4.b.(2)
c. MORTGAGES SERVICED UNDER A FNMA CONTRACT:				
(1) SERVICED UNDER A REGULAR OPTION CONTRACT.....	5503	0		4.c.(1)
(2) SERVICED UNDER A SPECIAL OPTION CONTRACT.....	5504	0		4.c.(2)
d. MORTGAGES SERVICED UNDER OTHER SERVICING CONTRACTS.....	5505	0		4.d.
5. TO BE COMPLETED ONLY BY BANKS WITH \$1 BILLION OR MORE IN TOTAL ASSETS: CUSTOMERS' LIABILITY TO THIS BANK ON ACCEPTANCES OUTSTANDING (SUM OF ITEMS 5.a. AND 5.b. MUST EQUAL SCHEDULE RC, ITEM 9):				
a. U.S. ADDRESSEES (DOMICILE).....	2103	4,022		5.a.
b. NON-U.S. ADDRESSEES (DOMICILE).....	2104	6,057		5.b.
6. INTANGIBLE ASSETS:				
a. MORTGAGE SERVICING RIGHTS.....	3164	5,725		6.a.
b. OTHER IDENTIFIABLE INTANGIBLE ASSETS:				
(1) PURCHASED CREDIT CARD RELATIONSHIPS.....	5506	0		6.b.(1)
(2) ALL OTHER IDENTIFIABLE INTANGIBLE ASSETS.....	5507	150,431		6.b.(2)
c. GOODWILL.....	3163	164,392		6.c.
d. TOTAL (SUM OF ITEMS 6.a. THROUGH 6.c.) (MUST EQUAL SCHEDULE RC, ITEM 10).....	2143	320,548		6.d.
e. INTANGIBLE ASSETS THAT HAVE BEEN GRANDFATHERED FOR REGULATORY CAPITAL PURPOSES	6442	0		6.e.

7. DOES YOUR BANK HAVE ANY MANDATORY CONVERTIBLE DEBT THAT IS PART OF YOUR PRIMARY OR SECONDARY CAPITAL?	6167	0		7.
--	------	---	--	----

IF YES, CONTINUE BELOW:

a. TOTAL EQUITY CONTRACT NOTES, GROSS	3290	0		7.a.
b. COMMON OR PERPETUAL PREFERRED STOCK DEDICATED TO REDEEM THE ABOVE NOTES.....	3291	0		7.b.
c. TOTAL EQUITY COMMITMENT NOTES, GROSS.....	3293	0		7.c.
d. COMMON OR PERPETUAL PREFERRED STOCK DEDICATED TO REDEEM THE ABOVE NOTES.....	3294	0		7.d.
e. TOTAL (ITEM 7.a. MINUS 7.b. PLUS 7.c. MINUS 7.d.).....	3295	0		7.e.

(1) DO NOT REPORT FEDERAL FUNDS SOLD AND SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL WITH OTHER COMMERCIAL BANKS IN THE U.S. IN THIS ITEM.

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TEXAS COMMERCE BANK NATIONAL ASSOCIATION
P.O. BOX 2558
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SCHEDULE RC-M - CONTINUED

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DOLLAR AMOUNTS IN THOUSANDS | RCFD Bil Mil Thou |

8.a. OTHER REAL ESTATE OWNED:				
(1) DIRECT AND INDIRECT INVESTMENTS IN REAL ESTATE VENTURES.....	5372	5,690		8.a.(1)
(2) ALL OTHER REAL ESTATE OWNED.....				

(a) CONSTRUCTION AND LAND DEVELOPMENT IN DOMESTIC OFFICES.....	5508	59,732	8.a.(2)(a)
(b) FARMLAND IN DOMESTIC OFFICES.....	5509	2,560	8.a.(2)(b)
(c) 1-4 FAMILY RESIDENTIAL PROPERTIES IN DOMESTIC OFFICES.....	5510	1,081	8.a.(2)(c)
(d) MULTIFAMILY (5 OR MORE) RESIDENTIAL PROPERTIES IN DOMESTIC OFFICES.....	5511	0	8.a.(2)(d)
(e) NONFARM NONRESIDENTIAL PROPERTIES IN DOMESTIC OFFICES.....	5512	51,269	8.a.(2)(e)
(f) IN FOREIGN OFFICES.....	5513	0	8.a.(2)(f)
(3) TOTAL (SUM OF ITEMS 8.a.(1) AND 8.a.(2)) (MUST EQUAL SCHEDULE RC, ITEM 7).....	2150	120,332	8.a.(3)
b. INVESTMENTS IN UNCONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES:	-----		
(1) DIRECT AND INDIRECT INVESTMENTS IN REAL ESTATE VENTURES.....	5374	0	8.b.(1)
(2) ALL OTHER INVESTMENTS IN UNCONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES.....	5375	0	8.b.(2)
(3) TOTAL (SUM OF ITEMS 8.b.(1) AND 8.b.(2)) (MUST EQUAL SCHEDULE RC, ITEM 8).....	2130	0	8.b.(3)
c. TOTAL ASSETS OF UNCONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES.....	5376	0	8.c.
9. NONCUMULATIVE PERPETUAL PREFERRED STOCK AND RELATED SURPLUS INCLUDED IN SCHEDULE RC, ITEM 23, "PERPETUAL PREFERRED STOCK AND RELATED SURPLUS".....	3778	0	9.

MEMORANDUM

DOLLAR AMOUNTS IN THOUSANDS | RCFD Bil Mil Thou |

1. INTERBANK HOLDINGS OF CAPITAL INSTRUMENTS (TO BE COMPLETED FOR THE DECEMBER REPORT ONLY):	-----		
a. RECIPROCAL HOLDINGS OF BANKING ORGANIZATIONS' CAPITAL INSTRUMENTS.....	3836	0	M.1.a.
b. NONRECIPROCAL HOLDINGS OF BANKING ORGANIZATIONS' CAPITAL INSTRUMENTS.....	3837	0	M.1.b.

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SCHEDULE RC-N - PAST DUE AND NONACCRUAL LOANS, LEASES, AND OTHER ASSETS

THE FFIEC REGARDS THE INFORMATION REPORTED IN ALL OF MEMORANDUM ITEM 1, IN ITEMS 1 THROUGH 10, COLUMN A, AND IN MEMORANDUM ITEMS 2 AND 3, COLUMN A, AS CONFIDENTIAL.	(Column A)	(Column B)	(Column C)
	Past due 30 through 89 days and still accruing	Past due 90 days or more and still accruing	Nonaccrual

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<S>	DOLLAR AMOUNTS IN THOUSANDS			RCFD Bil Mil Thou			RCFD Bil Mil Thou			<C>
	RCFD Bil Mil Thou	RCFD Bil Mil Thou	RCFD Bil Mil Thou	RCFD Bil Mil Thou	RCFD Bil Mil Thou	RCFD Bil Mil Thou	RCFD Bil Mil Thou			
1. LOANS SECURED BY REAL ESTATE:	-----									
a. TO U.S. ADDRESSEES (DOMICILE).....	1245	16,366	1246	56,073	1247	70,816	1.1.a.			
b. TO NON-U.S. ADDRESSEES (DOMICILE).....	1248	0	1249	0	1250	0	1.1.b.			
2. LOANS TO DEPOSITORY INSTITUTIONS AND ACCEPTANCES OF OTHER BANKS:	-----									
a. TO U.S. BANKS AND OTHER U.S. DEPOSITORY INSTITUTIONS.....	5377	0	5378	0	5379	0	2.a.			
b. TO FOREIGN BANKS.....	5380	0	5381	0	5382	0	2.b.			
3. LOANS TO FINANCE AGRICULTURAL PRODUCTION AND OTHER LOANS TO FARMERS.....	1594	34	1597	2,084	1583	6,868	3.			
4. COMMERCIAL AND INDUSTRIAL LOANS:	-----									
a. TO U.S. ADDRESSEES (DOMICILE).....	1251	20,973	1252	40,002	1253	31,433	4.a.			
b. TO NON-U.S. ADDRESSEES (DOMICILE).....	1254	225	1255	314	1256	2,668	4.b.			
5. LOANS TO INDIVIDUALS FOR HOUSEHOLD, FAMILY, AND OTHER PERSONAL EXPENDITURES:	-----									
a. CREDIT CARDS AND RELATED PLANS.....	5383	788	5384	86	5385	0	5.a.			
b. OTHER (INCLUDES SINGLE PAYMENT, INSTALLMENT, AND ALL STUDENT LOANS).....	5386	14,664	5387	16,070	5388	1,142	5.b.			
6. LOANS TO FOREIGN GOVERNMENTS AND OFFICIAL INSTITUTIONS.....	5389	0	5390	0	5391	14,864	6.			
7. ALL OTHER LOANS.....	5459	3,737	5460	3,248	5461	8,667	7.			
8. LEASE FINANCING RECEIVABLES:	-----									
a. OF U.S. ADDRESSEES (DOMICILE).....	1257	0	1258	0	1259	1,155	8.a.			
b. OF NON-U.S. ADDRESSEES (DOMICILE).....	1271	0	1272	0	1791	0	8.b.			
9. DEBT SECURITIES AND OTHER ASSETS (EXCLUDE OTHER REAL ESTATE OWNED AND OTHER REPOSSESSED ASSETS).....	5392	0	5393	0	5394	52	9.			

AMOUNTS REPORTED IN ITEMS 1 THROUGH 8 ABOVE INCLUDES GUARANTEED AND UNGUARANTEED PORTIONS OF PAST DUE AND NONACCRUAL

LOANS AND LEASES. REPORT IN ITEM 10 BELOW GUARANTEED LOANS AND LEASES INCLUDED IN ITEMS 1 THROUGH 8 ABOVE.

	RCFD Bil Mil Thou			RCFD Bil Mil Thou			RCFD Bil Mil Thou		
10. LOANS AND LEASES REPORTED IN 1 THROUGH 8 WHICH ARE WHOLLY OR PARTIALLY GUARANTEED BY THE U.S. GOVERNMENT.....	5612	17,147	5613	84,011	5614	81,407	10.		
10.a. GUARANTEED PORTION OF LOANS AND LEASES INCLUDED IN ITEM 10 ABOVE.....	5615	16,583	5616	80,208	5617	77,347	10.a.		

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SCHEDULE RC-N CONTINUED

MEMORANDUM	DOLLAR AMOUNT IN THOUSANDS			DOLLAR AMOUNT IN THOUSANDS			DOLLAR AMOUNT IN THOUSANDS		
1. RESTRUCTURED LOANS AND LEASES INCLUDED IN SCHEDULE RC-N, ITEMS 1 THROUGH 8 ABOVE.....	1658	0	1659	0	1661	1,137	M.1.		
2. LOANS TO FINANCE COMMERCIAL REAL ESTATE, CONSTRUCTION, AND LAND DEVELOPMENT ACTIVITIES (NOT SECURED BY REAL ESTATE) INCLUDED IN SCHEDULE RC-N, ITEMS 4 AND 7, ABOVE.....	6558	10,820	6559	21	6560	31	M.2.		
3. LOANS SECURED BY REAL ESTATE IN DOMESTIC OFFICES (INCLUDED IN SCHEDULE RC-N, ITEM 1, ABOVE):									
a. CONSTRUCTION AND LAND DEVELOPMENT.....	2759	2,959	2769	16,484	3492	19,960	M.3.a.		
b. SECURED BY FARMLAND.....	3493	34	3494	671	3495	551	M.3.b.		
c. SECURED BY 1-4 FAMILY RESIDENTIAL PROPERTIES:									
(1) REVOLVING, OPEN-ENDED LOANS SECURED BY 1-4 FAMILY RESIDENTIAL PROPERTIES AND EXTENDED UNDER LINES OF CREDIT.....	5398	0	5399	0	5400	0	M.3.c.(1)		
(2) ALL OTHER LOANS SECURED BY 1-4 FAMILY RESIDENTIAL PROPERTIES.....	5401	9,330	5402	3,133	5403	4,646	M.3.c.(2)		
d. SECURED BY MULTIFAMILY (5 OR MORE) RESIDENTIAL PROPERTIES.....	3499	768	3500	1,998	3501	6,121	M.3.d.		

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<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
e. SECURED BY NONFARM NONRESIDENTIAL PROPERTIES.....	3502	3,275	3503	33,787	3504	39,538	M.3.e.

SCHEDULE RC-O - OTHER DATA FOR DEPOSIT INSURANCE ASSESSMENTS

AN AMENDED CERTIFIED STATEMENT SHOULD BE SUBMITTED TO THE FDIC IF THE AMOUNTS REPORTED IN ITEMS 1 THROUGH 6 OF THIS SCHEDULE ARE AMENDED AFTER THE SEMIANNUAL CERTIFIED STATEMENT ORIGINALLY COVERING THIS REPORT DATE HAS BEEN FILED WITH THE FDIC.

	DOLLAR AMOUNTS IN THOUSANDS			DOLLAR AMOUNTS IN THOUSANDS		
1. UNPOSTED DEBITS (SEE INSTRUCTIONS):						
a. ACTUAL AMOUNT OF ALL UNPOSTED DEBITS.....	0030	0	1.a.			
OR						
b. SEPARATE AMOUNT OF UNPOSTED DEBITS:						
(1) ACTUAL AMOUNT OF UNPOSTED DEBITS TO DEMAND DEPOSITS.....	0031	0	1.b.(1)			
(2) ACTUAL AMOUNT OF UNPOSTED DEBITS TO TIME AND SAVINGS DEPOSITS (1).....	0032	0	1.b.(2)			
2. UNPOSTED CREDITS (SEE INSTRUCTIONS):						
a. ACTUAL AMOUNT OF ALL UNPOSTED CREDITS.....	3510	0	2.a.			
OR						
b. SEPARATE AMOUNT OF UNPOSTED CREDITS:						
(1) ACTUAL AMOUNT OF UNPOSTED CREDITS TO DEMAND DEPOSITS.....	3512	0	2.b.(1)			
(2) ACTUAL AMOUNT OF UNPOSTED CREDITS TO TIME AND SAVINGS DEPOSITS (1).....	3514	0	2.b.(2)			
3. UNINVESTED TRUST FUNDS (CASH) HELD IN BANK'S OWN TRUST DEPARTMENT (NOT INCLUDED IN TOTAL DEPOSITS IN DOMESTIC OFFICES).....	3520	0	3.			
4. DEPOSITS OF CONSOLIDATED SUBSIDIARIES IN DOMESTIC OFFICES AND IN INSURED BRANCHES IN PUERTO RICO AND U.S. TERRITORIES AND POSSESSIONS (NOT INCLUDED IN TOTAL DEPOSITS):						
a. DEMAND DEPOSITS OF CONSOLIDATED SUBSIDIARIES.....	2211	3080	4.a.			
b. TIME AND SAVINGS DEPOSITS (1) OF CONSOLIDATED SUBSIDIARIES.....	2351	15	4.b.			
c. INTEREST ACCRUED AND UNPAID ON DEPOSITS OF CONSOLIDATED SUBSIDIARIES.....	5514	0	4.c.			
5. DEPOSITS OF INSURED BRANCHES IN PUERTO RICO AND U.S. TERRITORIES AND POSSESSIONS (INCLUDED IN SCHEDULE RC-E, PART II):						
a. DEMAND DEPOSITS IN INSURED BRANCHES.....	2229	0	5.a.			
b. TIME AND SAVINGS DEPOSITS (1) IN INSURED BRANCHES.....	2383	0	5.b.			

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SCHEDULE RC-0 - CONTINUED

	DOLLAR AMOUNT IN THOUSAND		
	Bil	Mil	Thou
ITEM 6 IS NOT APPLICABLE TO STATE NONMEMBER BANKS THAT HAVE NOT BEEN AUTHORIZED BY THE FEDERAL RESERVE TO ACT AS PASS-THROUGH CORRESPONDENTS.			
6. RESERVE BALANCES ACTUALLY PASSED THROUGH TO THE FEDERAL RESERVE BY THE REPORTING BANK ON BEHALF OF ITS RESPONDENT DEPOSITORY INSTITUTIONS THAT ARE ALSO REFLECTED AS DEPOSIT LIABILITIES OF THE REPORTING BANK:			
a. AMOUNT REFLECTED IN DEMAND DEPOSITS (INCLUDED IN SCHEDULE RC-E, PART 1, MEMORANDUM ITEM 4.a.)	2314	2,352	6.a.
b. AMOUNT REFLECTED IN TIME AND SAVINGS DEPOSITS (1) (INCLUDED IN SCHEDULE RC-E, PART 1, MEMORANDUM ITEM 4.b.)	2315	0	6.b.
7. UNAMORTIZED PREMIUMS AND DISCOUNTS ON TIME AND SAVINGS DEPOSITS: (1)			
a. UNAMORTIZED PREMIUMS	5516	9,211	7.b.
a. UNAMORTIZED DISCOUNTS	5517	0	7.b.
8. TO BE COMPLETED BY BANKS WITH "OKAR DEPOSITS." TOTAL "ADJUSTED ATTRIBUTABLE DEPOSITS" OF ALL THRIFTS ACQUIRED UNDER SECTION 5(d) (3) OF THE FEDERAL DEPOSIT INSURANCE ACT (FROM THE MOST RECENT OKAR CERTIFIED STATEMENT ATTACH.....	5518	0	8.
9. DEPOSITS IN LIFELINE ACCOUNTS.....	5596		9.

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 <CAPTION>

(1) FOR FDIC INSURANCE ASSESSMENT PURPOSES, "TIME AND SAVINGS DEPOSITS" CONSISTS OF NONTRANSACTION ACCOUNTS AND ALL TRANSACTION ACCOUNTS OTHER THAN DEMAND DEPOSITS.

	DOLLAR AMOUNT IN THOUSAND		
	Bil	Mil	Thou
1. TOTAL DEPOSITS IN DOMESTIC OFFICES OF THE BANK (SUM OF MEMORANDUM ITEMS 1.a.(1) AND 1.b.(1) MUST EQUAL SCHEDULE RC, ITEM 13.a.):			
a. DEPOSIT ACCOUNTS OF \$100,000 OR LESS:			
(1) AMOUNT OF DEPOSIT ACCOUNTS OF \$100,000 OR LESS	2702	4,559,401	M.1.a.(1)
(2) NUMBER OF DEPOSIT ACCOUNTS OF \$100,000 OR LESS (TO BE COMPLETED FOR THE JUNE REPORT ONLY)	3779		M.1.a.(2)
b. DEPOSIT ACCOUNTS OF MORE THAN \$100,000:			
(1) AMOUNT OF DEPOSIT ACCOUNTS OF MORE THAN \$100,000	2710	4,367,024	M.1.b.(1)
(2) NUMBER OF DEPOSIT ACCOUNTS OF MORE THAN \$100,000	2722	8,165	M.1.b.(2)
2. ESTIMATED AMOUNT OF UNINSURED DEPOSITS IN DOMESTIC OFFICES OF THE BANK:			
a. AN ESTIMATE OF YOUR BANK'S UNINSURED DEPOSITS CAN BE DETERMINED BY MULTIPLYING THE NUMBER OF DEPOSIT ACCOUNTS OF MORE THAN \$100,000 REPORTED IN MEMORANDUM ITEM 1.B.(2) ABOVE BY \$100,000 AND SUBTRACTING THE RESULT FROM THE AMOUNT FROM THE AMOUNT OF DEPOSIT ACCOUNTS OF MORE THAN \$100,000 REPORTED IN MEMORANDUM ITEM 1.b.(1) ABOVE.			
INDICATE IN THE APPROPRIATE BOX AT THE RIGHT WHETHER YOUR BANK HAS A METHOD OR PROCEDURE FOR DETERMINING A BETTER ESTIMATE OF UNINSURED DEPOSITS THAN THE ESTIMATE DESCRIBED ABOVE	6661	0	M.2.a.
b. IF THE BOX MARKED YES HAS BEEN CHECKED, REPORT THE ESTIMATE OF UNINSURED DEPOSITS DETERMINED BY USING YOUR BANK'S METHOD OR PROCEDURE.....	5597		M.2.b.

PERSON TO WHOM QUESTIONS ABOUT THE REPORT OF CONDITION AND INCOME SHOULD BE DIRECTED: | C477 | (---

Karen Gatenby Vice President

 NAME AND TITLE (TEXT 8901)

(713) 236-5263

 AREA CODE AND PHONE NUMBER
 (TEXT 8902)

</TABLE>

<TABLE>
<CAPTION>
<S>

SCHEDULE RC-R --CONTINUED

	<C>			<C>			<C>		
	ASSETS RECORDED ON THE BALANCE SHEET			CREDIT EQUIVALENT AMOUNT OF OFF-BALANCE SHEET ITEMS (1)					
	Bil	Mil	Tho	Bil	Mil	Tho			
DOLLAR AMOUNTS IN THOUSANDS									
5. ASSETS AND CREDIT EQUIVALENT AMOUNTS OF OFF-BALANCE SHEET ITEMS ASSIGNED TO THE 20 PERCENT RISK CATAGORY:	//////////								
a. ASSETS RECORDED ON THE BALANCE SHEET:	//////////								
(1) CLAIMS CONDITIONALLY GUARANTEED BY THE U.S. GOVERNMENT AND ITS AGENCIES AND OTHER OECD CENTRAL GOVERNMENTS.....	3798		789,949	//////////			5.a.(1)		
(2) CLAIMS COLLATERALIZED BY SECURITIES ISSUED BY THE U.S. GOVERNMENT AND ITS AGENCIES AND OTHER OECD CENTRAL GOVERNMENTS; BY SECURITIES ISSUED BY U.S. GOVERNMENT SPONSORED AGENCIES; AND BY CASH ON DEPOSIT.....	3799		67,939	//////////			5.a.(2)		
(3) ALL OTHER.....	3800		3,188,528	//////////			5.a.(3)		
b. CREDIT EQUIVALENT AMOUNT OF OFF-BALANCE SHEET ITEMS.....	//////////			3801		1,364,840	5.b.		
6. ASSETS AND CREDIT EQUIVALENT AMOUNTS OF OFF-BALANCE SHEET ITEMS ASSIGNED TO THE 50 PERCENT RISK CATAGORY:	//////////								
a. ASSETS RECORDED ON THE BALANCE SHEET.....	3802		295,484	//////////			6.a.		
b. CREDIT EQUIVALENT AMOUNT OF OFF-BALANCE SHEET ITEMS.....	//////////			3803		45,014	6.b.		
7. ASSETS AND CREDIT EQUIVALENT AMOUNTS OF OFF-BALANCE SHEET ITEMS ASSIGNED TO THE 100 PERCENT RISK CATAGORY:	//////////								
a. ASSETS RECORDED ON THE BALANCE SHEET.....	3804		7,170,861	//////////			7.a.		
b. CREDIT EQUIVALENT AMOUNT OF OFF-BALANCE SHEET ITEMS.....	//////////			3805		2,678,128	7.b.		
8. ON-BALANCE SHEET VALUES (OR PORTIONS THEREOF) OF INTEREST RATE, FOREIGN EXCHANGE RATE, AND COMMODITY CONTRACTS WHICH HAVE A CAPITAL ASSESSMENT FOR THEIR OFF-BALANCE SHEET EXPOSURE UNDER THE RISK-BASED CAPITAL GUIDELINES AND THOSE CONTRACTS (E.G. FUTURES CONTRACTS) EXCLUDED FROM THE CALCULATION OF THE RISK-BASED CAPITAL RATIO (EXCLUDE MARGIN ACCOUNTS AND ACCRUED RECEIVABLES FROM THIS ITEM).....	3806		0	//////////			8.		
9. TOTAL ASSETS RECORDED ON THE BALANCE SHEET (SUM OF ITEMS 4.a, 5.a, 6.a, 7.a, AND 8, COLUMN A) (MUST EQUAL SCHEDULE RC, ITEM 12. PLUS ITEMS 4.b. AND 4.c. PLUS SCHEDULE RC-B, ITEM 6.a.(3), COLUMN A).....	3807		12,893,669	//////////			9.		

MEMORANDUM

	(COLUMN A)			(COLUMN B)					
	NOTIONAL PRINCIPAL VALUE			REPLACEMENT COST (MARKET VALUE)					
	Bil	Mil	Tho	Bil	Mil	Tho			
DOLLAR AMOUNTS IN THOUSANDS									
1. NOTIONAL PRINCIPAL VALUE AND REPLACEMENT COST OF INTEREST RATE AND FOREIGN EXCHANGE RATE CONTRACTS (IN COLUMN B, REPORT ONLY THOSE CONTRACTS WITH A POSITIVE REPLACEMENT COST):	//////////								
a. INTEREST RATE CONTRACTS (EXCLUDE FUTURES CONTRACTS).....	//////////			3808		330,504	M.1.a.		
(1) WITH A REMAINING MATURITY OF ONE YEAR OR LESS.....	3809		3,023,139	//////////			M.1.a.(1)		
(2) WITH A REMAINING MATURITY OF OVER ONE YEAR.....	3810		5,051,420	//////////			M.1.a.(2)		
b. FOREIGN EXCHANGE RATE CONTRACTS (EXCLUDE CONTRACTS WITH AN ORIGINAL MATURITY OF 14 DAYS OR LESS AND FUTURES CONTRACTS).....	//////////			3811		5,887	M.1.b.		
(1) WITH A REMAINING MATURITY OF ONE YEAR OR LESS.....	3812		336,137	//////////			M.1.b.(1)		
(2) WITH A REMAINING MATURITY OF OVER ONE YEAR.....	3813		3,717	//////////			M.1.b.(2)		

(1) DO NOT REPORT IN COLUMN B THE RISK-WEIGHTED AMOUNT OF ASSETS REPORTED IN COLUMN A.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM T-1

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

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY
OF A TRUST PURSUANT TO SECTION 305(b)(2) _____

NATIONSBANK OF TEXAS, NATIONAL ASSOCIATION
(Exact name of trustee as specified in its charter)

Not Applicable

(Jurisdiction of incorporation or organization if not a U.S. national bank)

75-2238693
(I.R.S. Employer
Identification No.)

700 Louisiana, Houston, Texas
(Address of principal executive offices)

77002
(Zip Code)

Mary Jane Henson
NationsBank of Texas, National Association
700 Louisiana
Houston, Texas 77002
(713) 247-7812
(Name, address and telephone number of agent for service)

BROWNING-FERRIS INDUSTRIES, INC.
(Exact name of obligor as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

74-1673682
(I.R.S. Employer
Identification No.)

757 N. Eldridge

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.

Comptroller of the Currency, Washington, D.C.
Federal Deposit Insurance Corporation, Washington, D.C.
Board of Governors of The Federal Reserve System, Washington, D.C.
National Bank Examiners, Dallas, Texas

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

Yes.

Item 2. Affiliations with the obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

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:

Col. A	Col. B
Title of Class	Amount outstanding
-----	-----

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

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 by virtue of Form T-1 General Instruction B and response to Item 13.

- (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 by virtue of Form T-1 General Instruction B and response to Item 13.

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 of any underwriter for the obligor, identify each such person having any such connection and state the nature of each such connection.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

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.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

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.

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 Co. C

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

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 obligation in default by the trustee.

Col. A	Co. B	Col. C	Col. D
	Whether the securities are voting or nonvoting securities	Amount owned beneficially or held as collateral security for obligations in default	Percentage of class represented by amount given in Col. C
Title of class			

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 9. Securities of underwriters owned or held by the trustee.

If the trustee owns beneficially or holds 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.

Col. A	Co. B	Col. C	Col. D
		Amount owned beneficially or held as collateral security for obligations in default by trustee	Percentage of class represented by amount given in Col. C
Name of issuer and title of class	Amount outstanding		

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

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 or 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.

Col. A	Co. B	Col. C	Col. D
		Amount owned	

Name of issuer and title of class	Amount outstanding	beneficially or held as collateral security for obligations in default by trustee	Percentage of class represented by amount given in Col. C
-----------------------------------	--------------------	---	---

 Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

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.

Col. A	Col. B	Col. C	Col. D
Name of issuer and title of class	Amount outstanding	Amount owned beneficially or held as collateral security for obligations in default by trustee	Percentage of class represented by amount given in Col. C

 Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

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:

Col. A	Col. B	Col. C
Nature of Indebtedness	Amount Outstanding	Date Due

 Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

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.

There is not, nor has there been, a default with respect to the securities under this indenture.

(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.

There has not been a default under any such indenture or series.

Item 14. Affiliations with the underwriters.

If any underwriter is an affiliate of the trustee, describe each such affiliation.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

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 A copy of the articles of association of the trustee as now in effect.
- *2 - A copy of the certificate of authority of the trustee to commence business.
- *3 - A copy of the authorization of the trustee to exercise corporate trust powers.
- *4 - A copy of the existing 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.

*Exhibits 1 through 4 were attached to the Statement of Eligibility and Qualification, executed by NationsBank of Texas, National Association, and filed as part of the Registration Statement (Registration No. 33-47232) for registration under the Securities Act of 1933, as amended, of Mobile Telecommunications Technologies Corp., and are incorporated herein

by reference.

In answering any item in this Statement of Eligibility and Qualification which relates to matters peculiarly within the knowledge of the obligor or of its partners, directors or executive officers, the undersigned, NationsBank of Texas, National Association, has relied upon information furnished to it by the obligor, and the undersigned disclaims responsibility for the accuracy or completeness of such information.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the trustee, NationsBank of Texas, National Association, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Houston and State of Texas, on the 11th day of January, 1994.

NATIONSBANK OF TEXAS,
National Association

By: /s/ Maryem H. Magee

Name: Maryem H. Magee
Title: Assistant Vice President
& Trust Officer

Exhibit 6

TRUSTEE'S CONSENT

NationsBank of Texas, National Association, as a condition to qualification under the Trust Indenture Act of 1939, consents that reports of examinations by federal, state, territorial, or district authorities, pursuant to the provisions of said Act, may be furnished by such authorities to the Securities and Exchange Commission of the United States upon request of said Commission for said reports, as provided in Section 321(b) of said Trust Indenture Act of 1939.

Dated this 11th day of January, 1994.

NATIONSBANK OF TEXAS,
National Association

By: /s/ Maryem H. Magee

Name: Maryem H. Magee
Title: Assistant Vice President
& Trust Officer

EXHIBIT 7

NATIONSBANK OF TEXAS, N.A. Call Date: 09/30/93 ST-BK: 48-2132 FFIEC 031
ONE NATIONSBANK PLAZA NC1-002-17-17 Page RC-1
CHARLOTTE, NC 28255 Vendor ID: D CERT: 27306 11

Transit Number: 11000055

Consolidated Report of Condition for Insured Commercial and
State-Chartered
Savings Banks for September 30, 1993

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

Schedule RC - Balance Sheet

C400 <-
Dollar Amounts in Thousands

ASSETS

1. Cash and balance due from depository institutions (from Schedule RC-A):	RCFD		

a. Noninterest-bearing balances and currency and coin (1)	0081	1,837,213	1.a
b. Interest-bearing balances (2)	0071	525,858	1.b
2. Securities (from Schedule RC-B)	0390	8,019,898	2.
3. Federal funds sold and securities purchased under agreements to resell in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:			
a. Federal funds sold	0276	3,584,044	3.a
b. Securities purchased under agreements to resell	0277	57,000	3.b
4. Loans and Lease financing receivables:			
a. Loans and Leases, net of unearned income	RCFD		

(from Schedule RC-C)	2122	24,225,262	4.a
b. LESS: Allowance for loan and Lease Losses	3123	166,500	4.b
c. LESS: Allocated transfer risk reserve	3128	440	4.c

d. Loans and Leases, net of unearned income, allowance, and reserve (items 4.a. minus 4.b and 4.c)	2125	24,058,322	4.d
5. Assets held in trading accounts	2146	7,101	5.
6. Premises and fixed assets (including capitalized leases)	2145	533,666	6.
7. Other real estate owned (from Schedule RC-M)	2150	10,863	7.
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)	2130	3	8.
9. Customers' Liability to this bank on acceptances outstanding	2155	115,652	9.
10. Intangible assets (from Schedule RC-M)	2143	288,914	10.
11. Other assets (from Schedule RC-F)	2160	1,249,608	11.
12. Total assets (sum of items 1 through 11)	2170	40,288,142	12.

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

C400 <-
Dollar Amounts in Thousands

LIABILITIES

13. Deposits:	RCON		

a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, Part I)	2200	23,284,686	13.a
(1) Noninterest-bearing (1)	6631	4,713,609	13.a.1
(2) Interest-bearing	6636	18,571,077	13.a.2
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)	RCFN		

(1) Noninterest-bearing (1)	2200	946,182	13.b
(2) Interest-bearing	6631	3,107	13.b.1
	6636	943,075	13.b.2
14. Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:	RCFD		

a. Federal funds purchased	0278	8,323,947	14.a
b. Securities sold under agreements to repurchase	0279	1,534,967	14.b.
	RCON		
15. Demand notes issued	----		
U.S. Treasury	2840	2,000,270	15.
	RCFD		

16. Other borrowed Money	2850	977,657	16.
17. Mortgage indebtedness and obligations under capitalized Leases	2910	11,004	17.
18. Bank's Liability on acceptances executed and outstanding	2920	115,652	18.
19. Subordinated notes and debentures	3200	301,434	19.
20. Other Liabilities (from Schedule RC-G)	2930	541,657	20.
21. Total Liabilities (sum of items 13 through 20)	2948	38,037,456	21.
22. Limited-Life preferred stock and related surplus	3282	0	22.
EQUITY CAPITAL			
23. Perpetual preferred stock and related surplus	3838	0	23.
24. Common Stock	3230	500,000	24.
25. Surplus (exclude all surplus related to preferred stock)	3839	803,992	25.
26. a. Undivided profits and capital reserves	3632	946,694	26.a
b. LESS: Net unrealized loss on marketable equity securities	0297	0	26.b
27. Cumulative foreign currency translation adjustments	3284	0	29.
28. Total equity capital (sum of items 23 through 27)	3210	2,250,686	28.
29. Total liabilities, limited-life preferred stock, and equity capital (sum of items 21, 22, and 28)	3300	40,288,142	29.

Memorandum

To be reported only with the March Report of Condition.

1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 1992

RCFD

6724

Number

N/A

M.1

1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank.

- 2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately).
- 3 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority).
- 4 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority).
- 5 = Review of the bank's financial statements by external auditors.
- 6 = Compilation of the bank's financial statements by external auditors.
- 7 = Other audit procedures (excluding tax preparation work).
- 8 = No external audit work.

- -----

- (1) Includes total demand deposits and noninterest-bearing time and savings deposits.