

SECURITIES AND EXCHANGE COMMISSION

FORM S-3

Registration statement for specified transactions by certain issuers

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FILER

LOWES COMPANIES INC

CIK: **60667** | IRS No.: **560578072** | State of Incorporation: **NC** | Fiscal Year End: **0131**
Type: **S-3** | Act: **33** | File No.: **033-51865** | Film No.: **94500925**
SIC: **5211** Lumber & other building materials dealers

Mailing Address

*PO BOX 1111
NORTH WILKESBORO NC
28656*

Business Address

*PO BOX 1111
NORTH WILKESBORO NC
28656
9196514000*

SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

 Form S-3
 REGISTRATION STATEMENT
 Under
 THE SECURITIES ACT OF 1933

Lowe's Companies, Inc.
 (Exact name of registrant as specified in its charter)

North Carolina	56-0578072
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)

P. O. Box 1111
 North Wilkesboro, North Carolina 28656
 (919) 651-4000

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

 Harry B. Underwood II
 Senior Vice President, Treasurer
 and Chief Financial Officer
 Lowe's Companies, Inc.
 P. O. Box 1111
 North Wilkesboro, North Carolina 28656
 (919) 651-4000

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

 Copy to:
 Lathan M. Ewers, Jr.
 Hunton & Williams
 951 East Byrd Street
 Richmond, Virginia 23219

Approximate date of commencement of proposed sale to the public:
 From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ()
 If any of the securities being registered on this Form are to be offered

on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box. (X)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered (1)	Amount to be registered (2) (3)	Proposed maximum offering price per unit (3) (4)	Proposed maximum aggregate offering price (2) (3) (4) (5)	Amount of registration fee (6)
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>

Debt Securities, Preferred Stock (par value \$5.00 per share), Depositary Shares, (7) Common Stock (par value \$.50 per share) and Preferred Share Purchase Rights(8)	--	--	\$500,000,000	\$172,415
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- (1) This Registration Statement also covers such indeterminate amount of securities as may be issued in exchange for, or upon conversion of, as the case may be, the securities registered hereunder. In addition, any of the securities registered hereunder may be sold separately or as units with other securities registered hereunder.
- (2) If any Debt Securities are issued at an original issue discount, then such greater principal amount as shall result in an aggregate initial offering price of \$500,000,000. In no event will the aggregate initial offering price of Debt Securities, Preferred Stock, Depositary Shares, Preferred Share Purchase Rights and Common Stock issued under this Registration Statement and not previously registered under the Securities Act of 1933, as amended (the "Securities Act"), exceed \$500,000,000.
- (3) Not specified as to each class of securities to be registered pursuant to General Instruction II.D of Form S-3 under the Securities Act.
- (4) The proposed maximum offering price per unit will be determined from time to time by the Registrant in connection with, and at the time of, the issuance by the Registrant of the securities registered hereunder.
- (5) No separate consideration will be received for any securities registered hereunder that are issued in exchange for, or upon conversion of, other securities registered hereunder.
- (6) Calculated pursuant to Rule 457(o) of the Rules and Regulations of the Securities and Exchange Commission (the "Commission") under the Securities Act.
- (7) Such indeterminate number of Depositary Shares to be evidenced by Depositary Receipts issued pursuant to a Deposit Agreement. In the event the Registrant elects to offer to the public fractional interests in shares

of the Preferred Stock registered hereunder, Depositary Receipts will be distributed to those persons purchasing such fractional interests and such shares will be issued to the Depositary Bank under the Deposit Agreement.

- (8) The Rights to purchase Participating Cumulative Preferred Stock, Series A, will be attached to and trade with shares of the Common Stock.

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 the Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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. PROSPECTUS

\$500,000,000

Lowe's Companies, Inc.

Securities

Lowe's Companies, Inc. ("Lowe's" or the "Company") intends to issue from time to time in one or more series up to \$500,000,000 aggregate offering price of its (i) unsecured debt securities ("Debt Securities"), which may be either senior debt securities ("Senior Debt Securities") or subordinated debt securities ("Subordinated Debt Securities"), (ii) shares of preferred stock, par value \$5.00 per share ("Preferred Stock"), which may be issued in the form of depositary shares evidenced by depositary receipts ("Depositary Shares"), or (iii) shares of common stock, par value \$.50 per share ("Common Stock"), on terms to be determined at the time of sale (the Debt Securities, Preferred Stock, Depositary Shares and Common Stock are referred to collectively as the "Securities"). The Securities offered hereby (the "Offered Securities") may be offered separately or as units with other Offered Securities, in separate series in amounts, at prices and on terms to be determined at the time of sale and to be set forth in a supplement to this

Prospectus (a "Prospectus Supplement").

The Senior Debt Securities will rank equally with all other unsubordinated and unsecured indebtedness of the Company. The Subordinated Debt Securities will be subordinated in right of payment to all existing and future Senior Indebtedness, as defined in the Senior Indenture described herein. See "Description of Debt Securities."

The specific terms of the Offered Securities in respect of which this Prospectus is being delivered, such as, where applicable, (i) in the case of Debt Securities, the specific designation (including whether senior or subordinated), aggregate principal amount, denomination, maturity, premium, if any, priority, interest rate (which may be variable or fixed), time of payment of any premium and any interest, terms for optional redemption or repayment or for sinking fund payments, terms for conversion into or exchange for other Offered Securities, and the initial public offering price; (ii) in the case of Preferred Stock, the specific title and stated value, number of shares or fractional interests therein, and the dividend, liquidation, redemption, conversion, voting and other rights, the initial public offering price, and whether interests in the Preferred Stock will be represented by Depositary Shares; (iii) in the case of Common Stock, the initial offering price; and (iv) in the case of all Offered Securities, whether such Offered Security will be offered separately or as a unit with other Offered Securities, will be set forth in a Prospectus Supplement. The Prospectus Supplement will also contain information, where applicable, about certain United States federal income tax considerations relating to, and any listing on a securities exchange of, the Offered Securities covered by the Prospectus Supplement.

The Offered Securities may be sold for public offering to underwriters or dealers, which may be a group of underwriters represented by one or more managing underwriters, or through such firms or other firms acting alone or through dealers. The Offered Securities may also be sold directly by the Company or through agents to investors. The names of any agents, dealers or managing underwriters, and of any underwriters, involved in the sale of the Offered Securities in respect of which this Prospectus is being delivered, the applicable agent's commission, dealer's purchase price or underwriter's discount and the net proceeds to the Company from such sale will be set forth in the Prospectus Supplement. See "Plan of Distribution."

This Prospectus may not be used to consummate the sale of the Securities

unless accompanied by a 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.

The date of this Prospectus is , 199 .

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 (the "Exchange Act") and, in accordance therewith, files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's Regional Offices at Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and 7 World Trade Center, New York, New York 10045. Copies of such material can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such reports, proxy statements and other information concerning the Company may also be inspected at the offices of the New York Stock Exchange, Inc. at 20 Broad Street, New York, New York 10005.

The Company has filed with the Commission in Washington, D.C. a Registration Statement on Form S-3 (herein, together with all amendments and exhibits thereto, referred to as the "Registration Statement") under the Securities Act with respect to the Securities to which this Prospectus relates. As permitted by the Rules and Regulations of the Commission, this Prospectus does not contain all the information set forth in the Registration Statement, including the exhibits thereto, which may be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 upon payment of the prescribed fees.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by the Company with the Commission under Section 13 of the Exchange Act are hereby incorporated by reference in this Prospectus: (i) the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993; and (ii) the Company's Quarterly Reports on Form 10-Q for the fiscal quarters ended April 30, July 31 and October 31, 1993.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after 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 this Prospectus and to be a part hereof from the date of filing such documents. Any statement contained 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 other subsequently filed document which is deemed to be incorporated by reference herein modifies or supersedes such earlier 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 or the Prospectus Supplement.

The Company will provide without charge to each person to whom this

Prospectus is delivered, on the written or oral request of any such person, a copy of any or all of the foregoing documents incorporated herein by reference (other than exhibits to such documents). Written or telephone requests should be directed to Lowe's Companies, Inc., P. O. Box 1111, North Wilkesboro, North Carolina 28656, Attention: Richard D. Elledge, (919) 651-4271.

THE COMPANY

Lowe's Companies, Inc. ("Lowe's" or the "Company") is a specialty retailer of building materials and related products for the do-it-yourself home improvement, home decor, and home construction, repair and remodeling markets. As of October 31, 1993, Lowe's operated 303 retail stores with more than 12.0 million square feet of sales floor located principally in the South Atlantic and South Central regions of the United States. According to National Home Center News, an industry publication, Lowe's is the second largest home center retailer in the United States. Lowe's general offices are located in North Wilkesboro, North Carolina.

USE OF PROCEEDS

Except as may be otherwise set forth in the Prospectus Supplement accompanying this Prospectus, the net proceeds from the sale of the Securities will be used for general corporate purposes, which may include financing the acquisition of land, buildings and equipment for new and existing stores, the repayment of certain long-term indebtedness and short-term borrowings and the repurchase of outstanding shares of Common Stock of the Company. Funds not required immediately for those purposes may be invested temporarily in short-term marketable securities.

RATIO OF EARNINGS TO FIXED CHARGES

The ratio of earnings to fixed charges is computed by dividing earnings by fixed charges. For this purpose, "earnings" include pretax earnings plus fixed charges. "Fixed charges" include interest expense, capitalized interest and the portion of rental expense which is representative of the interest factor in these rentals.

	Nine Months Ended July 31,		Years Ended January 31,				
	1993	1992	1993	1992	1991	1990	1989
Historical ratio earnings to fixed charges	7.27	6.37	5.73	1.15*	4.69	5.20	4.91

* Pretax earnings for the year ended January 31, 1992 include the effect of a one-time restructuring charge of \$71.3 million. Excluding the effect of this restructuring charge, the ratio of earnings to fixed charges for the year ended January 31, 1992 would have been 4.01.

DESCRIPTION OF DEBT SECURITIES

The following sets forth certain general terms and provisions of the Debt Securities offered hereby. Further terms of the Offered Securities are set forth in the Prospectus Supplement.

The Senior Debt Securities are to be issued under an Indenture, dated as of _____, 199_ (the "Senior Indenture") between the Company and Chemical Bank, as Trustee (the "Senior Trustee"). The Subordinated Debt Securities are to be issued under an Indenture, dated as of _____, 199_ (the "Indenture"), between the Company and Wachovia Bank of North Carolina, N.A., as Trustee (the "Subordinated Trustee"). The Senior Indenture and the Subordinated Indenture are sometimes referred to individually as an "Indenture" and collectively as the "Indentures." The Senior Trustee and the Subordinated Trustee are sometimes referred to individually as a "Trustee" and collectively as the "Trustees." The Senior Indenture and the form of the Subordinated Indenture are filed as exhibits to the Registration Statement. The following summaries of certain provisions of the Indentures do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Indentures, including the definitions therein of certain terms. Whenever particular Sections, Articles or defined terms of the Indentures are referred to, it is intended that such Sections, Articles or defined terms shall be incorporated herein by reference.

General

The Debt Securities to be offered by this Prospectus are limited to \$500,000,000 in aggregate principal amount of unsecured debt obligations of the Company. However, the Indentures do not limit the aggregate principal amount of Debt Securities which may be issued thereunder and provide that Debt Securities may be issued thereunder from time to time in one or more series. (Section 301). No Debt Securities are currently issued and outstanding under the Indentures, although the Company has outstanding \$250 million aggregate principal amount of Medium-Term Notes, Series A (the "Medium-Term Notes"), issued under an Indenture, dated April 15, 1992, between the Company and Chemical Bank and \$250 million aggregate principal amount of 3% Subordinated Notes due July 22, 2003 (the "3% Subordinated Notes"), issued under an Indenture, dated July 22, 1993, between the Company and Wachovia Bank of North Carolina, N.A. Neither the Indentures nor the Debt Securities will limit or otherwise restrict the amount of Senior Indebtedness which may be incurred by the Company or any of its subsidiaries.

The Senior Debt Securities will be unsecured obligations of the Company and will rank on a parity with the Medium-Term Notes and all other unsecured and unsubordinated indebtedness of the Company. The Subordinated Debt Securities will be unsecured obligations of the Company, will rank on a parity with the 3% Subordinated Notes and will be subordinated in right of payment to all Senior Indebtedness (as defined under "Subordination of Debt Securities"). As of _____, 199_, Senior Indebtedness of the Company aggregated approximately \$_____ million.

Reference is made to the applicable Prospectus Supplement for the specific terms of the series of Debt Securities offered thereby including (1) the title of the Debt Security; (2) the aggregate principal amount and denominations; (3) the maturity or maturities; (4) the price to be received by the Company from the sale of such Debt Securities; (5) the interest rate or rates (or the method of calculation thereof) to be established for the Debt Securities, which rate or rates may vary from time to time; (6) the date or dates on which principal of the Debt Securities is payable; (7) the date or dates from which interest on the Debt Securities shall accrue and the payment and record date or dates for payments of interest or the methods by which any such dates will be determined; (8) the place or places where principal of, premium, if any, and interest, if any, on the Debt Securities is payable; (9) the terms of any sinking fund and analogous provisions with respect to the Debt Securities; (10) the respective redemption and repayment rights, if any, of the Company and of the holders of the Debt Securities and the related redemption and repayment prices and any limitations on such redemption or repayment rights; (11) any provisions relating to the conversion or exchange of the Debt Securities; (12) any addition to or change in the affirmative or negative covenants, if any, to be imposed upon the Company relating to any of the Debt Securities; (13) any trustee or fiscal or authenticating or payment agent, issuing and paying agent, transfer agent or registrar or any other person or entity to act in connection with such Debt

Securities for or on behalf of the holders thereof or the Company or an affiliate; (14) whether such Debt Securities are to be issuable initially in temporary global form and whether any such Debt Securities are to be issuable in permanent global form and, if so, whether beneficial owners of interests in any such permanent global security may exchange such interests for Debt Securities of like tenor of any authorized form and denomination and the circumstances under which any such exchanges may occur; (15) the listing of the Debt Securities on any securities exchange or inclusion in any other market or quotation or trading system; and (16) any other specific terms, conditions and provisions of the Debt Securities.

The holders of Debt Securities of a specified series that are convertible into Common Stock ("Convertible Debt Securities") will be entitled at certain times specified in the Prospectus Supplement relating to such Convertible Debt Securities, subject to prior redemption, repayment or repurchase, to convert any Convertible Debt Securities of such series into Common Stock, at the conversion price set forth in such Prospectus Supplement, subject to adjustment and to such other terms as are set forth in such Prospectus Supplement. (Senior Indenture, Article 14; Subordinated Indenture, Article 15).

Unless otherwise provided in the Prospectus Supplement, principal of and any premium and interest on the Debt Securities shall be payable, and the transfer of the Debt Securities will be registrable, at the office of the applicable Trustee, except that, at the option of the Company, interest may be paid by mailing a check to the address of the person entitled thereto as it appears on the register for the Debt Securities. (Sections 305 and 1002).

Unless otherwise indicated in the Prospectus Supplement, the Debt Securities will be issued only in fully registered form without coupons and in denominations of \$1,000 or any integral multiple thereof. No service charge will be made for any registration of transfer or exchange of the 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).

Debt Securities may be issued as Original Issue Discount Securities (as defined in the Indentures) to be sold at a substantial discount below their principal amount. Special federal income tax and other considerations applicable thereto will be described in the Prospectus Supplement relating thereto.

Certain Covenants Applicable to Senior Debt Securities

Unless otherwise indicated in the applicable Prospectus Supplement with respect to a series of Senior Debt Securities, Senior Debt Securities will have the benefit of the following covenants contained in the Senior Indenture. Unless otherwise indicated in the applicable Prospectus Supplement with respect to Subordinated Debt Securities of a series, the Subordinated Debt Securities will not have the benefit of such covenants. Certain capitalized terms used in this section are defined below under "Certain Definitions." Other capitalized terms not otherwise defined herein have the meanings ascribed to them in the Senior Indenture.

Restrictions on Debt. The Senior Indenture provides that the Company will not itself, and will not permit any Subsidiary to, incur, issue, assume or guarantee any Debt secured by a Mortgage on any Principal Property of the Company or any Subsidiary, or any shares of Capital Stock or Debt of any Subsidiary, without effectively providing that the Securities of each series of Senior Debt Securities then Outstanding (together with, if the Company shall so determine, any other Debt of the Company or such Subsidiary then existing or thereafter created which is not subordinate to the Securities of each series then Outstanding) will be secured equally and ratably with (or, at the option of the Company, prior to) such secured Debt, so long as such secured Debt shall be so secured, and will not permit any Subsidiary to incur, issue, assume or guarantee any unsecured Debt or to issue any Preferred Stock, in each instance unless the aggregate amount of all such secured Debt together with the aggregate preferential amount to which such Preferred Stock would be entitled on any involuntary distribution of assets

and all Attributable Debt of the Company and its Subsidiaries in respect of sale and leaseback transactions would not exceed 10% of Consolidated Net Tangible Assets. For the purpose of providing such equal and ratable security, the principal amount of Outstanding Debt Securities of any series of Original Issue Discount Securities shall be such portion of the principal amount as specified in the terms of that series that would be payable upon acceleration of the Maturity thereof at the time of such determination. This restriction does not apply to, and there shall be excluded in computing Debt for the purpose of such restriction: (a) Debt secured by Mortgages on any property acquired, constructed or improved by the Company or any Subsidiary after the first date on which a Senior Debt Security is authenticated by the Trustee under the Senior Indenture, which Mortgages are created or assumed contemporaneously with, or within 30 months after, such acquisition, or completion of such construction or improvement, or within six months thereafter pursuant to a firm commitment for financing arranged with a lender or investor within such 30-month period, to secure or provide for the payment of all or any part of the purchase price of such property or the cost of such construction or improvement incurred after the first date on which a Senior

Debt Security is authenticated by the Trustee under the Senior Indenture or Mortgages on any property existing at the time of the acquisition thereof if any such Mortgage does not apply to any property previously owned by the Company or any Subsidiary other than, in the case of any such construction or improvement, any previously unimproved real property on which the property so constructed, or the improvement, is located; (b) Debt of any corporation existing at the time such corporation is merged with or into the Company or a Subsidiary; (c) Debt of any corporation existing at the time such corporation becomes a Subsidiary; (d) Debt of a Subsidiary to the Company or to another Subsidiary; (e) Debt secured by Mortgages securing obligations issued by a state, territory or possession of the United States, or any political subdivision of any of the foregoing, or the District of Columbia to finance the acquisition of or construction on property, and on which the interest is not, in the opinion of counsel, includable in gross income of the holder; and (f) certain extensions, renewals or replacements of any Debt referred to in the foregoing clauses (a) through (e) inclusive. This restriction does not apply to any issuance of Preferred Stock by a Subsidiary to the Company or another Subsidiary, provided that such Preferred Stock is thereafter transferable to any Person other than the Company or a Subsidiary. (Senior Indenture, Section 1008).

Restrictions on Sales and Leasebacks. The Senior Indenture provides that the Company will not itself, and will not permit any Subsidiary to, after the first date on which a Senior Debt Security is authenticated by the Trustee under the Senior Indenture, enter into any sale and leaseback transaction involving any Principal Property which has been or is to be sold or transferred, unless, after giving effect thereto, the aggregate amount of all Attributable Debt with respect to such transactions plus all Debt to which Section 1008 of the Senior Indenture is applicable, would not exceed 10% of Consolidated Net Tangible Assets. This restriction will not apply to, and there shall be excluded in computing Attributable Debt for the purpose of such restriction, Attributable Debt with respect to any sale and leaseback transaction if: (a) the lease in such transaction is for a period (including renewal rights) not exceeding three years; (b) the Company or a Subsidiary, within 180 days after such transaction, applies an amount not less than the greater of the net proceeds of the sale of the Principal Property leased pursuant to such arrangement or the fair market value of the Principal Property so leased at the time of entering into such arrangement (as determined by the Board of Directors) to, subject to certain restrictions, the retirement of Funded Debt of the Company ranking on a parity with or senior to the Senior Debt Securities or the retirement of Funded Debt of a Subsidiary; (c) such transaction is entered into prior to, at the time of, or within 30 months after the later of the acquisition of the Principal Property or the completion of the construction thereon; (d) the lease in such transaction secures or relates to obligations issued by a state, territory or possession or the United States, or any political subdivision thereof, or the District of Columbia, to finance the acquisition of or construction on property, and on which the interest is not, in the opinion of counsel, includable in the gross income of the holder; or (e) such transaction is entered into between the Company and a Subsidiary or between Subsidiaries. (Senior Indenture, Section 1009).

Certain Definitions. The Senior Indenture defines the following terms used in this section:

"Attributable Debt" means, as to any particular lease under which any Person is at the time liable, at any date as of which the amount thereof is to be determined, the total net amount of rent required to be paid by such Person under such lease during the remaining term thereof (excluding any subsequent renewal or other extension options held by the lessee), discounted from the respective due dates thereof to such date at the rate of 10% per annum compounded annually. The net amount of rent required to be paid under any such lease for any such period shall be the amount of the rent payable by the lessee with respect to such period, after excluding amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges and contingent rents (such as those based on sales). In the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount shall also include the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated.

"Capital Stock", as applied to the stock of any corporation, means the capital stock of every class whether now or hereafter authorized, regardless of whether such capital stock shall be limited to a fixed sum or percentage with respect to the rights of the holders thereof to participate in dividends and in the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding up of such corporation.

"Consolidated Net Tangible Assets" means the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom (i) all current liabilities, and (ii) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on the most recent balance sheet of the Company and its consolidated subsidiaries and computed in accordance with generally accepted accounting principles.

"Debt" means loans, notes, bonds, indentures or other similar evidences of indebtedness for money borrowed.

"Funded Debt" means all indebtedness for money borrowed having a maturity of more than 12 months from the date as of which the amount thereof is to be determined or having a maturity of less than 12 months but by its terms being renewable or extendible beyond 12 months from such date at the option of the borrower.

"Preferred Stock" means any stock of any class of the Company which has a preference over Common Stock in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company and which is not mandatorily redeemable or repayable, or redeemable or repayable at the option of the Holder, otherwise than in shares of Common Stock or Preferred Stock of another class or series or with the proceeds of the sale of Common Stock or Preferred Stock.

"Principal Property" means any building, structure or other facility, together with the land upon which it is erected and fixtures comprising a part thereof, used primarily for selling home improvement products or the manufacturing, warehousing or distributing of such products, owned or leased by the Company or any Subsidiary of the Company. (Senior Indenture, Section 101).

The obligations of the Company to make any payment on account of the principal of and premium, if any, and interest on the Subordinated Debt Securities will be subordinate and junior in right of payment, to the extent set forth in the Subordinated Indenture, to all Senior Indebtedness (as defined in the Subordinated Indenture) of the Company. (Subordinated Indenture, Article 14).

In the event that the Company shall default in the payment of any principal of or any premium or interest on any Senior Indebtedness when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration of acceleration or otherwise, then, unless and until such default shall have been cured or waived or shall have ceased to exist, no direct or indirect payment (in cash, property, securities by set-off or otherwise) will be made or agreed to be made for principal of or any premium or interest on the Subordinated Debt Securities, or in respect of any redemption, retirement, purchase or other acquisition of any of the Subordinated Debt Securities. (Subordinated Indenture, Section 1401). Senior Indebtedness is defined in the Subordinated Indenture as (a) all indebtedness of the Company for money borrowed or constituting reimbursement obligations with respect to letters of credit and interest or currency swap agreements (including indebtedness secured by a mortgage, conditional sales contract or other lien which is (i) given to secure all or a part of the purchase price of property subject thereto, whether given to the vendor of such property or to another, or (ii) existing on property at the time of acquisition thereof); (b) all indebtedness of the Company evidenced by notes, debentures, bonds or other securities sold by the Company for money; (c) lease obligations (including but not limited to capitalized lease obligations); (d) all indebtedness of others of the kinds described in either of the preceding clauses (a) or (b) and all lease obligations and obligations of others of the kind described in the preceding clause (c) assumed by or guaranteed in any manner by the Company or in effect guaranteed by the Company through an agreement to purchase, contingent or otherwise; and (e) all (whether initial or seriatim) renewals, deferrals, increases, extensions or refundings of and modifications to indebtedness of the kinds described in any of the preceding clauses (a), (b) or (d) and all renewals or extensions of leases of the kinds described in either of the preceding clauses (c) or (d); unless, in the case of any particular indebtedness, lease, renewal, extension or refunding, the instrument or lease creating or evidencing the same or the assumption or guarantee of the same expressly provides that such indebtedness, lease, renewal, extension, deferral, increase, modification or refunding is not superior in right of payment to the Subordinated Debt Securities or is expressly subordinated by its terms in right of payment to all other indebtedness of the Company (including the Subordinated Debt Securities).

In the event of (1) any insolvency, bankruptcy, receivership, liquidation, reorganization, readjustment, composition or other similar proceeding relating to the Company, its creditors or its property; (2) any proceeding for the liquidation, dissolution or other winding up of the Company, voluntary or involuntary, whether or not involving insolvency or bankruptcy proceedings; (3) any assignment by the Company for the benefit of creditors; or (4) any other marshalling of the assets of the Company, all Senior Indebtedness (including any interest thereon accruing after the commencement of any such proceedings) shall first be paid in full before any

payment or distribution, whether in cash, securities or other property, is made to any holder of any of the Subordinated Debt Securities on account thereof. In such event, any payment or distribution on account of the principal of or any premium or interest on the Subordinated Debt Securities, whether in cash, securities or other property (other than securities of the Company or any other corporation provided for by a plan of reorganization or readjustment the payment of which is subordinate, at least to the extent provided in the subordination provisions with respect to the Subordinated Debt Securities, to the payment of all Senior Indebtedness at the time outstanding, and to any securities issued in respect thereof under any such plan of reorganization or readjustment), which would otherwise (but for the subordination provisions) be payable or deliverable in respect of the Subordinated Debt Securities, shall be paid or delivered directly to the holders of Senior Indebtedness in accordance with the priorities then existing among such holders until all Senior Indebtedness (including any interest thereon accruing after the commencement of any such proceedings) has

been paid in full. In the event of any such proceeding, after payment in full of all sums owing with respect to Senior Indebtedness, the Holder or Holders of Subordinated Debt Securities, together with the holders of any obligations of the Company ranking on a parity with the Subordinated Debt Securities, shall be entitled to be paid from the remaining assets of the Company the amounts at the time due and owing on account of unpaid principal of (and premium, if any) and interest on the Subordinated Debt Securities and such other obligations before any payment or other distribution, whether in cash, property or otherwise, shall be made on account of any capital stock or obligations of the Company ranking junior to the Subordinated Debt Securities and such other obligations. If any payment or distribution on account of the principal of or any premium or interest on the Subordinated Debt Securities of any character, whether in cash, securities or other property (other than securities of the Company or any other corporation provided for by a plan of reorganization or readjustment the payment of which is subordinate, at least to the extent provided in the subordination provisions with respect to the Subordinated Debt Securities, to the payment of all Senior Indebtedness at the time outstanding and to any securities issued in respect thereof under any such plan of reorganization or readjustment), or any security shall be received by the Trustee or any Holder of any Subordinated Debt Securities in contravention of any of the terms of the Indenture and before all the Senior Indebtedness shall have been paid in full, such payment or distribution or security will be received in trust for the benefit of, and will be paid over or delivered and transferred to, the holders of the Senior Indebtedness at the time outstanding in accordance with the priorities then existing among such holders for application to the payment of all Senior Indebtedness remaining unpaid to the extent necessary to pay all such Senior Indebtedness in full. (Subordinated Indenture, Section 1401).

By reason of such subordination, in the event of the insolvency of the Company, holders of Senior Indebtedness may receive more, ratably, and any Holder or Holders of the Subordinated Debt Securities having a claim pursuant to such Subordinated Debt Securities may receive less, ratably, than the other creditors of the Company. Such subordination will not prevent the occurrence of an Event of Default in respect of the Subordinated Debt Securities.

Effect of Corporate Structure

The Debt Securities are obligations exclusively of the Company. Because the operations of the Company are currently conducted through subsidiaries, the cash flow and the consequent ability to service debt of the Company, including the Debt Securities, are dependent, in part, upon the earnings of its subsidiaries and the distribution of those earnings to the Company or upon loans or other payments of funds by those subsidiaries to the Company. The subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due pursuant to the Debt Securities or to make any funds available therefor, whether by dividends, loans or other payments. In addition, the payment of dividends and the making of loans and advances to the Company by its subsidiaries may be subject to statutory or contractual restrictions, are contingent upon the earnings of those subsidiaries and are subject to various business considerations.

Although the Senior Indenture limits the incurrence of such indebtedness, as described above under "Certain Covenants Applicable to Senior Debt Securities," the Debt Securities will be effectively subordinated to all indebtedness and other liabilities, including current liabilities and commitments under leases, if any, of the Company's subsidiaries. Any right of the Company to receive assets of any of its subsidiaries upon liquidation or reorganization of the subsidiary (and the consequent right of the holders of the Debt Securities to participate in those assets) will be effectively subordinated to the claims of that subsidiary's creditors (including trade creditors), except to the extent that the Company is itself recognized as a creditor of such subsidiary, in which case the claims of the Company would still be subordinated to any security interests in the assets of such subsidiary and any indebtedness of such subsidiary senior to that held by the Company.

No Restriction on Sale or Issuance of Stock of Subsidiaries

The Indentures contain no covenant that the Company will not sell, transfer or otherwise dispose of any shares of, or securities convertible into, or options, warrants, or rights to subscribe for or purchase shares of, voting stock of any of its subsidiaries, nor does it prohibit any subsidiary from issuing any shares of, securities convertible into, or options, warrants or rights to subscribe for or purchase shares of, voting stock of such subsidiary.

Consolidation, Merger and Sale of Assets

The Company, without the consent of the Holder or Holders of any of the outstanding Debt Securities, may consolidate or merge with or into, or convey, transfer or lease its properties and assets substantially as an entirety, to any corporation organized under the laws of any domestic jurisdiction, provided that the successor corporation assumes the Company's obligations on the Debt Securities and under the Indentures and that after giving effect to the transaction no Event of Default, and no event which, after notice or lapse of time would become an Event of Default, has occurred and is continuing, and that certain other conditions are met. (Section 801).

Events of Default

Events of Default with respect to Debt Securities of any series issued

thereunder are defined in the Indentures as being: default for thirty days in payment when due of any interest on any Debt Security of that series or any additional amount payable with respect to Debt Securities of such series as specified in the applicable Prospectus Supplement; default in payment when due of principal, premium, if any, or on redemption or otherwise, or in the making of a mandatory sinking fund payment of any Debt Securities of that series; default for sixty days after notice to the Company by the Trustee for such series, or by the holders of 25% in aggregate principal amount of the Debt Securities of such series then outstanding, in the performance of any other agreement in the Debt Securities of that series, in the Indentures or in any supplemental indenture or board resolution referred to therein under which the Debt Securities of that series may have been issued; default resulting in acceleration of other indebtedness of the Company for borrowed money where the aggregate principal amount so accelerated exceeds \$10 million and such acceleration is not rescinded or annulled within ten days after the written notice thereof to the Company by the trustee or to the Company and the Trustee by the holders of 25% in aggregate principal amount of the Debt Securities of such series then outstanding, provided that such Event of Default will be cured or waived if the default that resulted in the acceleration of such other indebtedness is cured or waived; and certain events of bankruptcy, insolvency or reorganization of the Company. (Section 501). Events of Default with respect to a specified series of Debt Securities may be added to the Indentures under which the series is issued and, if so added, will be described in the applicable Prospectus Supplement. (Section 301). No Event of Default with respect to a particular series of Debt Securities issued under the Indentures necessarily constitutes an Event of Default with respect to any other series of Debt Securities issued thereunder.

The Indentures provide that the Trustee for any Series of Debt Securities shall, within ninety days after the occurrence of a Default with respect to Debt Securities of that series, give to the holder of the Debt Securities of that series notice of all uncured Defaults known to it, provided, that, except in the case of default in payment on the Debt Securities of that series, the Trustee may withhold the notice if and so long as it in good faith determines that withholding such notice is in the interest of the holders of the Debt Securities of that series, provided, further, that no notice of a default made in the performance of any covenant or a breach of any warranty contained in the Indentures shall be given until at least 60 days after the occurrence thereof. "Default" means any event which is, or, after notice or passage of time or both, would be, an Event of Default. (Section 602).

If an Event of Default with respect to Debt Securities of any series at the time outstanding occurs and is continuing, either the Trustee or the Holder or Holders of at least 25% in aggregate principal amount of the

outstanding Debt Securities of that series may declare the principal amount (or, if the Debt Securities of that series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of that series) of all the Debt Securities of that series to be due and payable immediately. At any time after a declaration of acceleration with respect to Debt Securities of any series has been made, but before a judgment or decree based on acceleration has been obtained, the Holder or Holders of a majority in aggregate principal amount of outstanding Debt Securities of that series may, under certain circumstances, rescind and annul such

acceleration. (Section 502).

The Indentures provide that, subject to the duty of the Trustees in the case of an Event of Default to act with the required standard of care, the Trustees will be under no obligation to exercise any of these rights or powers under the Indentures at the request or direction of any of the Holders, unless such Holder or Holders shall have offered to the Trustees reasonable indemnity. (Sections 601 and 603). Subject to such provisions for the indemnification of the Trustees, the Holder or Holders of a majority in aggregate principal amount of the outstanding Debt Securities of each series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustees, or exercising any trust or power conferred on the Trustees with respect to the Debt Securities of that series. (Section 512).

The Company is required to furnish to the Trustees annually a statement as to the performance by the Company of certain of its obligations under the Indentures and as to any default in such performance. (Section 1005).

Global Securities

The Debt Securities of a series may be issued in the form of one or more fully registered securities in global form (each a "Global Security") that will be deposited with, or on behalf of, a depository (the "Depository") identified in the Prospectus Supplement relating to such series and will be registered in the name of the Depository or its nominee. In such case, one or more Global Securities will be issued in a denomination or aggregate denominations equal to the aggregate principal amount of outstanding Debt Securities of the series represented by such Global Security or Securities. Unless and until any such Global Security is exchanged in whole or in part for Debt Securities in definitive certificated form, such Global Security may not be transferred except as a whole by the Depository for such Global Security to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository or by such Depository or any such nominee to a successor of such Depository or a nominee of such successor and except as described in the applicable Prospectus Supplement. (Section 303).

The specific terms of the depository arrangement with respect to a series of Debt Securities to be represented by a Global Security will be described in the Prospectus Supplement relating to such series. The Company anticipates that the following provisions will apply to all depository arrangements.

Upon the issuance of any Global Security, and the deposit of such Global Security with or on behalf of the Depository for such Global Security, the Depository will credit, on its book-entry registration and transfer system, the respective principal amounts of the Debt Securities represented by such Global Security to the accounts of institutions ("participants") that have accounts with such Depository or its nominee. The accounts to be credited will be designated by the underwriters or agents engaging in the distribution or placement of such Debt Securities or by the Company, if such Debt Securities are offered and sold directly by the Company. Ownership of beneficial interests in such Global Security will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests by participants in such Global Security will be shown by

book-keeping entries on, and the transfer of that ownership interest will be effected only through book-keeping entries to, records maintained by the Depository or its nominee for such Global Security. Ownership of beneficial interests in such Global Security by persons that hold through participants will be shown by book-keeping entries on, and the transfer of that ownership interest among or through such participants will be effected only through book-keeping entries to, records maintained by such participants. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive certificated form rather than book-entry form. Such laws may impair the ability to own, transfer or pledge beneficial interests in any Global Security.

So long as the Depository for a Global Security or its nominee is the registered owner of such Global Security, such Depository or such nominee, as the case may be, 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 set forth below or otherwise specified in the applicable Prospectus Supplement, owners of beneficial interests in a Global Security will not be entitled to have Debt Securities of the series represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of Debt Securities of such series in definitive certificated form and will not be considered the holders thereof for any purposes under the Indenture. Accordingly, each person owning a beneficial interest in such Global Security must rely on the procedures of the Depository and, if such person is not a participant, on the procedures of the participant through which such person directly or indirectly owns its interest, to exercise any rights of a holder under the Indenture. The Indenture provides that the Depository may grant proxies and otherwise authorize participants to give or take any request, demand, authorization, direction, notice, consent, waiver or other action which a holder is entitled to give or take under the Indenture. (Section 104). The Company understands that under existing industry practices, if the Company requests any action of holders or any owner of a beneficial interest in such Global Security desires to give any notice or take any action that a holder is entitled to give or take under the Indenture, the Depository for such Global Security would authorize the participants holding the relevant beneficial interest to give such notice or take such action, and such participants would authorize beneficial owners owning through such participants to give such notice or take such action or would otherwise act upon the instructions of beneficial owners owning through them.

Principal and any premium and interest payments on Debt Securities represented by a Global Security registered in the name of a Depository or its nominee will be made to such Depository or its nominee, as the case may be, as the registered owner of such Global Security. None of the Company, the Trustee or any paying agent 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 in any Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. (Section 308).

The Company expects that the Depository for any series of Debt Securities represented by a Global Security, upon receipt of any payment of principal, premium or interest, will credit immediately 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 such Depository. The Company also expects that payments by participants to owners of beneficial interests in such Global Security or Securities 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 registered in "street name," and will be the responsibility of such participants.

If the Depository for any series of Debt Securities represented by a Global Security is at any time unwilling or unable to continue as Depository

and a successor Depositary is not appointed by the Company within 90 days, the Company will issue such Debt Securities in definitive certificated form in exchange for such Global Security. In addition, the Company may at any time and in its sole discretion determine not to have the Debt Securities of a series represented by one or more Global Securities and, in such event, will issue Debt Securities of such series in definitive certificated form in exchange for the Global Security representing such series of Debt Securities. (Section 305).

Further, an owner of a beneficial interest in a Global Security representing Debt Securities of a series may, on terms acceptable to the Company and the Depositary for such Global Security, receive Debt Securities of such series in definitive certificated form, if the Company so specifies with respect to the Debt Securities of such series. In any such instance, an owner of a beneficial interest in a Global Security will be entitled to have Debt Securities of the series represented by such Global Security equal in principal amount to such beneficial interest registered in its name and will be entitled to physical delivery of such Debt Securities in definitive certificated form. Debt Securities of such series so issued in definitive certificated form will, except as set forth in the applicable Prospectus Supplement, be issued in denominations of \$1,000 and integral multiples thereof and will be issued in registered form. (Section 305).

Modification and Waiver

Modifications and amendments of the Indentures may be made by the Company and the applicable Trustee with the consent of the Holder or Holders of a majority in principal amount of the Debt Securities of all affected series; provided, however, that no such modification or amendment may, without the consent of the Holder or Holders of all of the outstanding Debt Securities affected thereby, (i) change the stated maturity date of the principal of, or any installment of principal of, or premium, if any, or interest, if any, on, any Debt Security; (ii) reduce the principal amount of, or premium, if any, or interest, if any, on, any Debt Security, change the method of calculation thereon or reduce the amount payable on redemption thereof; (iii) reduce the amount of principal of a Debt Security payable upon acceleration of the maturity thereof; (iv) change the place or currency of payment of principal of, or premium, if any, or interest, if any, on, any Debt Security; (v) impair the rights of any holder of any Debt Securities to conversion rights; (vi) impair the right to institute suit for the enforcement of any payment on or with respect to any Debt Security; or (vii) reduce the percentage in principal amount of the Debt Security, the consent of whose Holder or Holders is required for modification or amendment of the Indentures or for waiver of compliance with certain provisions of the Indentures or for waiver of certain defaults. (Sections 901 and 902).

The Holder or Holders of a majority in principal amount of the Debt Securities of all affected series may, on behalf of the Holder or Holders of such Debt Securities, waive compliance by the Company with certain restrictive provisions of the Indentures. The Holder or Holders of a majority in principal amount of the Debt Securities of all affected series also may, on behalf of the Holder or Holders of all such Debt Securities, waive any past default under the Indentures with respect to such Debt Securities, except a default in the payment of the principal, or premium, if any, or interest on, any Debt Security or in respect of a provision which under the Indentures cannot be modified or amended without the consent of the Holder or Holders of all of the outstanding Debt Securities affected thereby. (Section 513).

Regarding the Trustees

Chemical Bank is the Trustee under the Senior Indenture. Notice to the Senior Trustee Bank should be directed to its Corporate Trust Office, 450 West 33rd Street, New York, New York 10001-2697.

Wachovia Bank of North Carolina, N.A. is the Trustee under the Subordinated Indenture. Notice to the Subordinated Trustee should be directed to its Corporate Trust Office, P.O. Box 3001, Winston-Salem, North Carolina 27102.

DESCRIPTION OF PREFERRED STOCK

General

The following summary does not purport to be complete and is subject in all respects to applicable North Carolina law and the Company's Restated and Amended Charter and Bylaws.

The Company is authorized by its Restated and Amended Charter to issue 5,000,000 shares of Preferred Stock. The Board of Directors is authorized to designate with respect to each new series of Preferred Stock the number of shares in each series, the dividend rates and dates of payment, voluntary and involuntary liquidation preferences, redemption prices, whether or not dividends shall be cumulative and, if cumulative, the date or dates from which the same shall be cumulative, the sinking fund provisions, if any, for redemption or purchase of shares, the rights, if any, and the terms and conditions on which shares can be converted into or exchanged for, or the rights to purchase, shares of any other class or series, and the voting rights, if any. Any Preferred Stock issued will rank prior to the Common Stock as to dividends and as to distributions in the event of liquidation, dissolution or winding up of the Company. The ability of the Board of Directors to issue Preferred Stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, adversely affect the voting powers of holders of Common Stock and, under certain circumstances, may discourage an attempt by others to gain control of the Company. The Company may amend from time to time its Restated and Amended Charter to increase the number of authorized shares of Preferred Stock. Any such amendment would require the approval of the holders of a majority of the outstanding shares of Common Stock, and the approval of the

holders of a majority of the outstanding shares of all series of Preferred Stock voting together as a single class without regard to series. As of the date of this Prospectus, the Company had no shares of Preferred Stock outstanding.

The Prospectus Supplement relating to each series of the Preferred Stock will describe the following terms thereof:

- (a) title and stated value of such series;
- (b) the number of shares in such series;
- (c) the dividend payment dates and the dividend rate or method of determination or calculation of such terms applicable to the series;
- (d) applicable redemption provisions, if any;
- (e) sinking fund or purchase fund provisions, if any;
- (f) the fixed liquidation price and fixed liquidation premium, if any, applicable to the series;
- (g) the rate or basis of exchange or conversion into other securities or method of determination thereof applicable to the series, if any;
- (h) the conversion rights, if any;
- (i) applicable voting rights; and
- (j) any other terms applicable thereto.

Redemption

A series of Preferred Stock may be redeemable, in whole or in part, at the option of the Company, and may be subject to mandatory redemption pursuant to a sinking fund, in each case upon terms, at the times and at the redemption prices set forth in the Prospectus Supplement relating to such series.

The Prospectus Supplement relating to a series of Preferred Stock that is subject to mandatory redemption shall specify the number of shares of such series of Preferred Stock which shall be redeemed by the Company in each year commencing after a date to be specified, at a redemption price per share to be specified, together with an amount equal to any accrued and unpaid dividends thereon to the date of redemption.

If fewer than all the outstanding shares of any series of Preferred Stock are to be redeemed, whether by mandatory or optional redemption, the selection of the shares to be redeemed shall be determined by lot or pro rata as may be determined by the Board of Directors or a duly authorized committee thereof, or by any other method which may be determined by the Board of Directors or such committee to be equitable. From and after the date of redemption (unless default shall be made by the Company in providing for the payment of the redemption price), dividends shall cease to accrue on the shares of Preferred Stock called for redemption and all rights of the holders thereof (except the right to receive the redemption price) shall cease.

Conversion Rights; Preemptive Rights

The Prospectus Supplement for any series of Preferred Stock will state the terms, if any, on which shares of that series are convertible into shares

of Common Stock or another series of preferred stock of the Company. The Preferred Stock will have no preemptive rights.

Dividend Rights

The holders of the Preferred Stock of each series shall be entitled to receive, if and when declared payable by the Board of Directors, out of assets available therefor, dividends at, but not exceeding, the dividend rate for such series (which may be fixed or variable), payable at such intervals and on such dates as are provided in the resolution of the Board of Directors creating such series. If such intervals and dividend payment dates shall vary from time to time for such series, such resolution shall set forth the method by which such intervals and such dates shall be determined. Such dividends on Preferred Stock shall be paid before any dividends, other than a dividend payable in Common Stock of the Company, may be paid upon or set apart for any shares of capital stock ranking junior to the Preferred Stock in respect of dividends or liquidation rights (referred to in this Prospectus as "stock ranking junior to the Preferred Stock").

Voting Rights

Except as indicated below or in the Prospectus Supplement relating to a particular series of Preferred Stock, or except as expressly required by the laws of the State of North Carolina or other applicable law, the holders of the Preferred Stock will not be entitled to vote. Except as indicated in the Prospectus Supplement relating to a particular series of Preferred Stock, each such share will be entitled to one vote on matters on which holders of such series of the Preferred Stock are entitled to vote. However, as more fully described below under "Depositary Shares," if the Company elects to issue Depositary Shares representing a fraction of a share of a series of Preferred Stock, each such Depositary Share will, in effect, be entitled to such fraction of a vote, rather than a full vote. Since each full share of any series of Preferred Stock shall be entitled to one vote, the voting power of such series, on matters on which holders of such series and holders of other series of preferred stock are entitled to vote as a single class, shall depend on the number of shares in such series, not the aggregate liquidation preference or initial offering price of the shares of such series of Preferred Stock.

In addition to the foregoing voting rights, under the North Carolina Business Corporation Act as now in effect, the holders of Preferred Stock will have the voting rights set forth above under "General" with respect to amendments to the Company's Restated and Amended Charter which would increase the number of authorized shares of Preferred Stock of the Company.

Liquidation Rights

In the event of any liquidation, dissolution or winding up of the Company, the holders of Preferred Stock shall be entitled to receive, for each share thereof, the fixed liquidation or stated value for the respective series together in all cases with all dividends accrued or in arrears

thereon, before any distribution of the assets shall be made to the holders of any stock ranking junior to the Preferred Stock. If the assets distributable among the holders of Preferred Stock should be insufficient to permit the payment of the full preferential amounts fixed for all series, then the distribution shall be made among the holders of each series ratably in proportion to the full preferential amounts to which they are respectively entitled.

Depositary Shares

General. The Company may, at its option, elect to offer fractional shares of Preferred Stock, rather than full shares of Preferred Stock. In the event such option is exercised, the Company will issue to the public receipts for Depositary Shares, each of which will represent a fraction (to be set forth in the Prospectus Supplement relating to a particular series of Preferred Stock) of a share of a particular series of Preferred Stock as described below.

The shares of any series of Preferred Stock represented by Depositary Shares will be deposited under a Deposit Agreement (the "Deposit Agreement") between the Company and a bank or trust company selected by the Company having its principal office in the United States and having a combined capital and surplus of at least \$50,000,000 (the "Depositary Bank"). Subject to the terms of the Deposit Agreement, each owner of a Depositary Share will be entitled, in proportion to the applicable fraction of a share of Preferred Stock represented by such Depositary Share, to all the rights and preferences of the Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).

The Depositary Shares will be evidenced by depositary receipts issued pursuant to the Deposit Agreement ("Depositary Receipts"). Depositary Receipts will be distributed to those persons purchasing the fractional shares of Preferred Stock in accordance with the terms of the offering. If Depositary Shares are issued, copies of the forms of Deposit Agreement and Depositary Receipt will be incorporated by reference to the Registration Statement of which this Prospectus is a part, and the following summary is qualified in its entirety by reference to such documents.

Pending the preparation of definitive engraved Depositary Receipts, the Depositary Bank may, upon the written order of the Company, issue temporary Depositary Receipts substantially identical to (and entitling the holders thereof to all the rights pertaining to) the definitive Depositary Receipts but not in definitive form. Definitive Depositary Receipts will be prepared thereafter without unreasonable delay, and temporary Depositary Receipts will be exchangeable for definitive Depositary Receipts at the Company's expense.

Dividends and Other Distributions. The Depositary Bank will distribute all cash dividends or other cash distributions received in respect of the Preferred Stock to the record holders of Depositary Shares relating to such Preferred Stock in proportion to the number of such Depositary Shares owned by such holders.

In the event of a distribution other than in cash, the Depositary Bank will distribute property received by it to the record holders of Depositary Shares entitled thereto, unless the Depositary Bank determines that it is not

feasible to make such distribution, in which case the Depositary Bank may, with the approval of the Company, sell such property and distribute the net proceeds from such sale to such holders.

Redemption of Depositary Shares. If a series of Preferred Stock represented by Depositary Shares is subject to redemption, the Depositary Shares will be redeemed from the proceeds received by the Depositary Bank resulting from the redemption, in whole or in part, of such series of Preferred Stock held by the Depositary Bank. The redemption price per Depositary Share will be equal to the applicable fraction of the redemption price per share payable with respect to such series of Preferred Stock. Whenever the Company redeems shares of Preferred Stock held by the Depositary Bank, the Depositary Bank will redeem as of the same redemption date the number of Depositary Shares representing the shares of Preferred Stock so redeemed. If fewer than all the Depositary Shares are to be redeemed, the Depositary Shares to be redeemed will be selected by lot or pro rata as may be determined by the Depositary Bank.

Voting the Preferred Stock. Upon receipt of notice of any meeting at which the holders of Preferred Stock are entitled to vote, the Depositary Bank will mail the information contained in such notice of meeting to the record holders of the Depositary Shares relating to such Preferred Stock. Each record holder of such Depositary Shares on the record date (which will be the same date as the record date for the Preferred Stock) will be entitled to instruct the Depositary Bank as to the exercise of the voting rights pertaining to the amount of Preferred Stock represented by such holder's Depositary Shares. The Depositary Bank will endeavor, insofar as practicable, to vote the amount of Preferred Stock represented by such Depositary Shares in accordance with such instructions, and the Company will agree to take all action which may be deemed necessary by the Depositary Bank in order to enable the Depositary Bank to do so. The Depositary Bank may abstain from voting shares of Preferred Stock to the extent it does not receive specific instructions from the holders of Depositary Shares representing such Preferred Stock.

Amendment and Termination of the Depositary Agreement. The form of Depositary Receipt evidencing the Depositary Shares and any provision of the Deposit Agreement may at any time be amended by agreement between the Company and the Depositary Bank. However, any amendment that materially and adversely alters the rights of the holders of Depositary Shares will not be effective unless such amendment has been approved by the holders of at least a majority of the Depositary Shares then outstanding. The Deposit Agreement may be terminated by the Company or the Depositary only if (i) all outstanding Depositary Shares have been redeemed or (ii) there has been a final distribution in respect of the Preferred Stock in connection with any liquidation, dissolution or winding up of the Company and such distribution has been distributed to the holders of Depositary Receipts.

Charges of Depositary Bank. The Company will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. The Company will pay charges of the Depositary Bank in connection with the initial deposit of the Preferred Stock and any redemption of the Preferred Stock. Holders of Depositary Receipts will pay other transfer and other taxes and governmental charges and such other charges, including a fee for the withdrawal of shares of Preferred Stock upon

surrender of Depositary Receipts, as are expressly provided in the Deposit Agreement to be for their accounts.

Miscellaneous. The Depositary Bank will forward to holders of Depositary Receipts all reports and communications from the Company that are delivered to the Depositary Bank and that the Company is required to furnish to the holders of Preferred Stock.

Neither the Depositary Bank nor the Company will be liable if it is prevented or delayed by law or any circumstance beyond its control in performing its obligations under the Deposit Agreement. The obligations of the Company and the Depositary Bank under the Deposit Agreement will be limited to performance in good faith of their duties thereunder and they will not be obligated to prosecute or defend any legal proceeding in respect of any Depositary Shares or Preferred Stock unless satisfactory indemnity is furnished. They may rely upon written advice of counsel or accountants, or upon information provided by persons presenting Preferred Stock for deposit, holders of Depositary Receipts or other persons believed to be competent and on documents believed to be genuine.

Resignation and Removal of Depositary Bank. The Depositary Bank may resign at any time by delivering to the Company notice of its election to do so, and the Company may at any time remove the Depositary Bank, any such resignation or removal to take effect upon the appointment of a successor Depositary Bank and its acceptance of such appointment. Such successor Depositary Bank must be appointed within 60 days after delivery of the notice of resignation or removal and must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50,000,000.

Miscellaneous

The Preferred Stock when issued and full consideration is received for such Preferred Stock will be fully paid and nonassessable.

DESCRIPTION OF COMMON STOCK

General

The following summary does not purport to be complete and is subject in all respects to applicable North Carolina law, the Company's Restated and Amended Charter and Bylaws, and the Rights Agreement, dated September 9, 1988, between the Company and Wachovia Bank of North Carolina, N.A., as Rights Agent.

The Company is authorized by its Restated and Amended Charter to issue 120,000,000 shares of Common Stock and had 73,908,985 shares of Common Stock outstanding at October 31, 1993. Each share of Common Stock is entitled to one vote on all matters submitted to a vote of shareholders. Holders of Common Stock are entitled to receive dividends when and as declared by the Board of Directors of the Company out of funds legally available therefor. Dividends may be paid on the Common Stock only if all dividends on any outstanding Preferred Stock have been paid or provided for.

The issued and outstanding shares of Common Stock are fully paid and nonassessable. Holders of Common Stock have no preemptive or conversion rights and are not subject to further calls or assessments by the Company.

In the event of the voluntary or involuntary dissolution, liquidation or winding up of the Company, holders of Common Stock are entitled to receive, pro rata, after satisfaction in full of the prior rights of creditors and holders of Preferred Stock, if any, all the remaining assets of the Company available for distribution.

Directors are elected by a vote of the holders of Common Stock. Holders of Common Stock are not entitled to cumulative voting rights.

Wachovia Bank of North Carolina, N.A., Winston-Salem, North Carolina acts as the transfer agent and registrar for the Common Stock.

Rights

In 1988, pursuant to the Company's Shareholder Rights Plan, the Company distributed as a dividend one Right for each outstanding share of Common Stock. As a consequence of a two-for-one Common Stock split, effective as of June 26, 1992, the number of Rights outstanding was adjusted such that each share of Common Stock had associated with it one-half Right. Each Right entitles the holder to buy one one-thousandth of a share of Participating Cumulative Preferred Stock, Series A, at an exercise price of \$100, subject to adjustment. The Rights will become exercisable only if a person or group acquires or announces a tender offer for 20% or more of the outstanding Common Stock. When exercisable, the Company may issue a share of Common Stock in exchange for each Right other than those held by such person or group. If a person or group acquires 30% or more of the outstanding Common Stock, each Right will entitle the holder, other than the acquiring person, upon payment of the exercise price, to acquire Preferred Stock or, at the option of the Company, Common Stock, having a value equal to twice the Right's exercise price. If the Company is acquired in a merger or other business combination

or if 50% of its earnings power is sold, each Right will entitle the holder, other than the acquiring person, to purchase securities of the surviving company having a market value equal to twice the exercise price of the Right. The Rights will expire on September 9, 1998, and may be redeemed by the Company at a price of \$.01 per right at any time prior to the tenth day after an announcement that a 20% position has been acquired.

Until such time as a person or group acquires or announces a tender offer for 20% or more of the Common Stock, (i) the Rights will be evidenced by the Common Stock certificates and will be transferred with and only with such Common Stock certificates, and (ii) the surrender for transfer of any certificate for Common Stock will also constitute the transfer of the Rights associated with the Common Stock represented by such certificate. Rights may not be transferred, directly or indirectly (i) to any person or group that has acquired, or obtained the right to acquire, beneficial ownership of 20% or more of the Rights (an "Acquiring Person"); (ii) to any person in connection with a transaction in which such person becomes an Acquiring Person; or (iii) to any affiliate or associate of any such person. Any Right that is the subject of a purported transfer to any such person will be null and void.

The Rights may have certain anti-takeover effects. The Rights will cause substantial dilution to a person or group that acquires more than 20% of the outstanding shares of Common Stock of the Company if certain events thereafter occur without the Rights having been redeemed. However, the Rights should not interfere with any merger or other business combination approved by the Board of Directors and the shareholders because the Rights are redeemable under certain circumstances.

Change of Control Provisions

The rights of holders of Common Stock are governed by other provisions which are intended to affect any attempted change of control of the Company.

Board of Directors. The Restated and Amended Charter classifies the Board of Directors into three separate classes, with the term of one-third of the directors expiring at each annual meeting. A director may be removed only upon the affirmative vote of 70% of outstanding voting shares.

Fair Price Provisions. Provisions of the Restated and Amended Charter (the "Fair Price Provisions") limit the ability of an Interested Shareholder to effect certain transactions involving the Company. Unless the Fair Price Provisions are satisfied, an Interested Shareholder (defined as the beneficial owner of 20% of outstanding voting shares) may not engage in a business combination, which includes a merger, consolidation, share exchange, or similar transaction, involving the Company unless approved by 70% of the Company's outstanding voting shares. In general, the Fair Price Provisions require that an Interested Shareholder pay shareholders the same amount of cash or the same amount and type of consideration paid by the Interested Shareholder when it initially acquired the Company's shares.

The Fair Price Provisions are designed to discourage attempts to take over Lowe's in non-negotiated transactions utilizing two-tier pricing tactics, which typically involve the accumulation of a substantial block of the target corporation's stock followed by a merger or other reorganization of the acquired company on terms determined by the purchaser. Due to the difficulties of complying with the requirements of the Fair Price Provisions, the Fair Price Provisions generally may discourage attempts to obtain control of the Company.

North Carolina Law. The North Carolina Control Share Acquisition Act is triggered upon the acquisition of shares of voting stock which, when added to all other shares beneficially owned by the person, would result in that person holding one-fifth, one-third or a majority of the voting power in the election of directors. Under the Control Share Acquisition Act, the shares acquired which result in the crossing of any of these thresholds ("control shares") have no voting rights until conferred by the affirmative vote of the holders of a majority of all outstanding voting shares. The effect of these provisions may be to delay or prevent attempts by other corporations or groups to acquire control of the Company without negotiation with the Board

of Directors.

The North Carolina Shareholder Protection Act requires the affirmative vote of 95% of a corporation's voting shares to approve a business combination with any person that beneficially owns 25% of the voting shares of the corporation unless the "fair price" provisions of the Act are

satisfied. The statute's intended effect is similar to the Fair Price Provisions of the Company's Restated and Amended Charter.

PLAN OF DISTRIBUTION

The Offered Securities may be sold for public offering to underwriters or dealers, which may be a group of underwriters represented by one or more managing underwriters, or through such firms or other firms acting alone or through dealers. The Offered Securities may also be sold directly by the Company or through agents to investors. The names of any agents, dealers or managing underwriters, and of any underwriters, involved in the sale of the Offered Securities in respect of which this Prospectus is being delivered, the applicable agent's commission, dealer's purchase price or underwriter's discount and the net proceeds to the Company from such sale will also be set forth in the Prospectus Supplement.

Any underwriting compensation paid by the Company to underwriters or agents in connection with the offering of Offered Securities and any discounts, concessions or commissions allowed by underwriters to participating dealers will be set forth in the Prospectus Supplement. Underwriters, dealers and agents participating in the distribution of the Offered Securities may be deemed to be "underwriters" within the meaning of the Securities Act, and any discounts and commissions received by them and any profit realized by them on resale of the Offered Securities may be deemed to be underwriting discounts and commissions under the Securities Act.

If an underwriter or underwriters are utilized in the sale of the Offered Securities, the Company will execute an underwriting agreement with such underwriter or underwriters at the time an agreement for such sale is reached. The underwriting agreement will provide that the obligations of the underwriters are subject to certain conditions precedent and that the underwriters with respect to a sale of Offered Securities will be obligated to purchase all such Offered Securities if any are purchased. In connection with the sale of Offered Securities, underwriters may be deemed to have received compensation from the Company in the form of underwriting discounts or commissions and may also receive commissions from purchasers of Offered Securities for whom they may act as agent. Underwriters may sell Offered Securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agent. Under such underwriting agreements, underwriters, dealers and agents who participate in the distribution of the Offered Securities, may be entitled to indemnification by the Company against certain civil liabilities, including liabilities under the Securities Act or contribution with respect to payments which the underwriters, dealers or agents may be required to make in respect thereof. The underwriter or underwriters with respect to an underwritten offering of Offered Securities will be set forth in the Prospectus Supplement relating to such offering and, if an underwriting syndicate is used, the managing underwriter or underwriters will be set forth on the cover of such Prospectus Supplement.

If so indicated in an applicable Prospectus Supplement, the Company will authorize dealers acting as the Company's agents to solicit offers by certain

institutions to purchase Offered Securities from the Company at the public offering price set forth in such Prospectus Supplement pursuant to Delayed Delivery Contracts ("Contracts") providing for payment and delivery on the date or dates stated in such Prospectus Supplement. Each Contract will be for an amount not less than, and the aggregate principal amount of Offered Securities sold pursuant to Contracts shall not be less nor more than, the respective amounts stated in such Prospectus Supplement. Institutions with whom Contracts, when authorized, may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and other institutions, but will in all cases be subject to the approval of the Company. Contracts will not be subject to any conditions except (i) the purchase by an institution of the Offered Securities covered by its Contracts shall not at the time of delivery be prohibited under the laws of any jurisdiction in the United States to which such institution is subject, and (ii) if the Offered Securities are being sold to underwriters, the Company shall have sold to such underwriters the total principal amount of the Offered Securities less the principal amount thereof covered by Contracts. Agents and underwriters will have no responsibility in respect of the delivery or performance of Contracts.

Certain of the underwriters and their affiliates may be customers of, engage in transactions with, and perform services for, the Company and its subsidiaries and the Trustees in the ordinary course of business.

The Offered Securities may or may not be listed on a national securities exchange or a foreign securities exchange. No assurances can be given that there will be a market for the Offered Securities.

LEGAL MATTERS

The validity of the Securities offered hereby will be passed upon for the Company by Hunton & Williams, Richmond, Virginia.

EXPERTS

The consolidated financial statements and financial statement schedules of the Company incorporated in this Prospectus by reference to the Company's Annual Report on Form 10-K for the year ended January 31, 1993 have been so incorporated in reliance upon the reports of Deloitte & Touche, independent auditors, incorporated herein by reference given upon the authority of said firm as experts in accounting and auditing.

With respect to the unaudited interim financial information for the periods ended April 30, 1993, July 31, 1993 and October 31, 1993 which is incorporated herein by reference, Deloitte & Touche have applied limited procedures in accordance with professional standards for a review of such information. However, as stated in their reports included in the Company's Quarterly Reports on Form 10-Q for the quarters ended April 30, 1993, July 31, 1993 and October 31, 1993 and incorporated by reference herein, they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied. Deloitte & Touche are not subject to the liability provisions of Section 11 of the Securities Act of 1933 for their reports on

the unaudited interim financial information because those reports are not "reports" or a "part" of the registration statement prepared or certified by an accountant within the meaning of Sections 7 and 11 of the Act.

NO DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ANY UNDERWRITER, AGENT OR DEALER. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATIONS THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON

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\$500,000,000

Lowe's

Securities

PROSPECTUS

PART II.

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution

Estimated expenses in connection with the issuance and distribution of the securities being registered, other than underwriting compensation, are as follows:

Securities and Exchange Commission registration fee	\$172,415
Blue Sky fees and expenses	15,000
Legal fees	25,000
Accounting fees	35,000
Rating agency fees	150,000
Trustee fee	12,500
Printing, engraving and postage expenses	25,000
Miscellaneous expenses	15,085

Total	\$450,000
	=====

Item 15. Indemnification of Directors and Officers

Article IV of the Company's Bylaws provides that the Company will indemnify any person as an officer or director of the Company or as an officer, director, trustee or partner of another corporation, trust, partnership or employee benefit plan at the request of the Company, against any liability incurred in connection with any proceeding arising out of such service. To the extent that such person is successful on the merits or otherwise in defense of any such proceeding, the Company will indemnify him against expenses actually and reasonably incurred in such defense. No indemnification is available if, at the time of the activities which are the subject of the proceeding, such person knew or believed that such activities were clearly in conflict with the best interests of the Company. Further, Section 55-8-51 of the North Carolina Business Corporation Act provides that a corporation may not indemnify a director in connection with a proceeding by or in the right of the corporation in which such director was adjudged liable to the corporation or in connection with any other proceeding charging improper personal benefit to him, whether or not involving action in his official capacity, in which he is adjudged liable on the basis that personal benefit was improperly received by him.

The Company maintains an insurance policy for the benefit of directors and officers insuring them against claims that are made against them by reason of any wrongful act (as defined) committed in their capacity as directors or officers.

Item 16. Exhibits

- 4.1 Form of Indenture between the Company and Chemical Bank.
- 4.2 Form of Indenture between the Company and Wachovia Bank of North Carolina, N.A.
- 4.3 Rights Agreement dated September 9, 1988 between the Company and Wachovia Bank of North Carolina, N.A., as Rights Agent (incorporated herein by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K dated September 9, 1988)
- 4.4 Proposed Form of Deposit Agreement to be entered into by the Company*
- 4.5 Proposed Form of Deposit Receipt*
- 5 Opinion of Hunton & Williams
- 12 Statement re Computation of Ratios
- 15 Letter of Deloitte & Touche re Unaudited Interim Financial Information
- 23.1 Consent of Deloitte & Touche

- 23.2 Consent of Hunton & Williams (included in Exhibit 5)
- 24 Powers of Attorney of Directors and Officers of the Company (included on signature pages)
- 25.1 Statement of Eligibility and Qualification on Form T-1 of Chemical Bank, as the Trustee, under the Trust Indenture Act of 1939
- 25.2 Statement of Eligibility and Qualification on Form T-1 of Wachovia Bank of North Carolina, N.A., as the Trustee, under the Trust Indenture Act of 1939

*To be filed subsequent to effectiveness of this Registration Statement and incorporated by reference pursuant to a Report on Form 8-K.

Item 17. Undertakings

The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement;
 - (i) To include any prospectus required by Section 10(a) (3) of the Securities Act of 1933;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.
- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at 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.

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

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 15 above, or otherwise, the registrant has been advised that in the opinion of the 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 registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling

precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes to file an application for the purpose of determining the eligibility of a trustee to act under subsection (a) of Section 310 of the Trust Indenture Act of 1939 in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Trust Indenture Act of 1939.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of North Wilkesboro, State of North Carolina, on December 30, 1993.

LOWE'S COMPANIES, INC.
(Registrant)

By: /s/ Leonard G. Herring
Leonard G. Herring
President and Chief
Executive Officer

POWER OF ATTORNEY

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on December 30, 1993. Each of the directors and/or officers of Lowe's Companies, Inc. whose signature appears below hereby appoints Leonard G. Herring, Harry B. Underwood II and Lathan M. Ewers, Jr., and each of them severally, as his attorney-in-fact to sign in his name and behalf, in any and all capacities stated below, and to file with the Commission any and all amendments, including post-effective amendments, to this registration statement, making such changes in the registration statement as appropriate, and generally to do all such things in their behalf in their capacities as officers and directors to enable Lowe's Companies, Inc. to comply with the provisions of the Securities Act of 1933, and all requirements of the Securities and Exchange Commission.

Signature -----	Title -----
/s/ Robert L. Strickland (Robert L. Strickland)	Chairman of the Board of Directors and Director
/s/ Leonard G. Herring (Leonard G. Herring)	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Harry B. Underwood II (Harry B. Underwood II)	Senior Vice President, Treasurer and Chief Financial Officer (Principal Financial Officer)
/s/ Richard D. Elledge (Richard D. Elledge)	Vice President and Chief Accounting Officer (Principal Accounting Officer)

/s/ William A. Andres (William A. Andres)	Director
/s/ John M. Belk (John M. Belk)	Director
/s/ Gordon E. Cadwgan (Gordon E. Cadwgan)	Director
/s/ Petro Kulynych (Petro Kulynych)	Director
/s/ Russell B. Long (Russell B. Long)	Director
/s/ Jack C. Shewmaker (Jack C. Shewmaker)	Director

EXHIBIT INDEX

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*To be filed subsequent to effectiveness of this Registration Statement and incorporated by reference pursuant to a Report on Form 8-K.

LOWE'S COMPANIES, INC.

AND

CHEMICAL BANK, Trustee

Indenture

Dated as of _____ __, 199_

Senior Debt Securities

Reconciliation and tie between
the Trust Indenture Act of 1939 and Indenture,
dated as of _____ __, 199_*

Trust Indenture

Section 310 (a) (1)	.609
(a) (2)	.609
(a) (3)	Not Applicable
(a) (4)	Not Applicable
(a) (5)	608, 610
(b)	608, 610
(c)	Not Applicable
Section 311 (a)	.613
(b)	.613
Section 312 (a)	.701, 702 (a)
(b)	702 (b)
(c)	.703
Section 313 (a)	.703
(b)	.703
(c)	.703
(d)	.703
Section 314 (a)	.704, 1005
(b)	Not Applicable
(c) (1)	.102
(c) (2)	.102
(c) (3)	Not Applicable
(d)	Not Applicable
(e)	.102
(f)	Not Applicable
Section 315 (a)	.601
(b)	.602
(c)	.601
(d)	.601
(e)	.514
Section 316 (a)	.101
(a) (1) (A)	.512
(a) (1) (B)	.513
(a) (2)	Not Applicable
(b)	.508
Section 317 (a) (1)	.503
(a) (2)	.504
(b)	1003
Section 318 (a)	.107

* This table shall not, for any purpose, be deemed to be a part of the Indenture.

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INDENTURE, dated as of _____, 199_, between LOWE'S COMPANIES, INC., a corporation duly organized and existing under the laws of the State of North Carolina (herein called the "Company"), having its principal office at Highway 268 East, North Wilkesboro, North Carolina 28656, and CHEMICAL BANK, a corporation duly organized and existing under the laws of the State of New York, as Trustee (herein called the "Trustee").

RECITALS OF THE COMPANY

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

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

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

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

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 101. Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (1) the terms defined in this Article have the

meanings assigned to them in this Article and include the plural as well as the singular;

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

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

(4) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

Certain terms, used principally in Article Six, are defined in that Article.

"Act", when used with respect to any Holder, has the meaning specified in Section 104.

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

"Attributable Debt" means, as to any particular lease under which any Person is at the time liable, at any date as of which the amount thereof is to be determined, the total net amount of rent required to be paid by such Person under such lease during the remaining term thereof (excluding any subsequent renewal or other extension options held by the lessee), discounted from the respective due dates thereof to such date at the rate of 10% per annum compounded annually. The net amount of rent required to be

paid under any such lease for any such period shall be the amount of the rent payable by the lessee with respect to such period, after excluding amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges and contingent rents (such as those based on sales). In the case of any lease which is terminable the lessee upon the payment of a penalty, such net amount shall also include the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated.

"Authenticating Agent" means any Person authorized by the Trustee pursuant to Section 614 to act on behalf of the Trustee to authenticate Securities of one or more series.

"Authorized Newspaper" means a newspaper of general circulation in the relevant area, printed in the English language and customarily published on each Business Day therein.

"Board of Directors" means either the board of directors of the Company or any duly authorized committee of that board or any director or directors and/or officer or officers of the Company to whom that board or committee shall have duly delegated its authority.

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

"Business Day", when used with respect to any Place of Payment, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment are authorized or obligated by law or executive order to close.

"Capital Stock", as applied to the stock of any corporation, means the capital stock of every class whether now or hereafter authorized, regardless of whether such capital stock shall be limited to a fixed sum or percentage with respect to the rights of the holders thereof to participate in dividends and in the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding up of such corporation.

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

"Common Stock" means any stock of any class of the Company which has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation,

dissolution or winding up of the Company and which is not subject to redemption by the Company.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor corporation shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor corporation.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company by its Chairman of the Board, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee.

"Consolidated Net Tangible Assets" means the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom (i) all current liabilities, and (ii) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on the most recent balance sheet of the Company and its consolidated subsidiaries and computed in accordance with generally accepted accounting principles.

"Conversion Price" means with respect to any series of Securities which are convertible into Common Stock, the price per share of Common Stock at which the Securities of such series are so convertible as set forth in the Board Resolution with respect to such series (or in any supplemental indenture entered into pursuant to Section 901(9) with respect to such series), as the same may be

adjusted from time to time in accordance with Section 1405 (or such supplemental indenture pursuant to Section 1401).

"Corporate Trust Office" means the office of the Trustee at which at any particular time its corporate trust business shall be principally administered, which office at the date of execution of this Indenture is located at 450 West 33rd Street, New York, New York 10001.

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

"Defaulted Interest" has the meaning specified in Section 307.

"Depository" means, with respect to the Securities of any series issuable or issued in the form of a Global Security, a clearing agency registered under the Securities Exchange Act of 1934, as amended, or any successor thereto, which shall in either case be designated by the Company pursuant to Section 301 or 305 until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter

"Depository" shall mean or include each Person who is then a Depository hereunder, and if at any time there is more than one such Person, "Depository" as used with respect to the Securities of any such series shall mean the Depository with respect to the

Securities of that series.

"Event of Default" has the meaning specified in Section 501.

"Funded Debt" means all indebtedness for money borrowed having a maturity of more than 12 months from the date as of which the amount thereof is to be determined or having a maturity of less than 12 months but by its terms being renewable or extendible beyond 12 months from such date at the option of the borrower.

"Global Security or Securities" means one or more fully registered Securities in global form evidencing all or a part of a series of Securities issued to the Depository for such series or its nominee or registered in the name of the Depository or its nominee.

"Holder" means a Person in whose name a Security is registered in the Security Register.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of particular series of Securities established as contemplated by Section 301.

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

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

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

"Mortgage" means and includes any mortgage, pledge, lien, security interest, conditional sale or other title retention agreement or other similar encumbrance.

"Officers' Certificate" means a certificate signed by at least two officers of the Company, one signature being that of the Chairman of the Board, the President or a Vice President, and the other signature being that of the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Company, and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Company, and who shall be acceptable to the Trustee.

"Original Issue Discount Security" means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502.

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

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

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

(iii) Securities which have been paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company; and

(iv) Securities with respect to which the Company has effected defeasance as provided in Article Fifteen;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, (a) the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the Maturity thereof pursuant to Section 502, and (b) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee

establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor.

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

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

"Place of Payment", when used with respect to the Securities of any series, means the place or places where the principal of (and premium, if any) and interest on the Securities of that series are payable as specified as contemplated by Section 301.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Preferred Stock" means any stock of any class of the Company which has a preference over Common Stock in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company and which is not mandatorily redeemable or repayable, or redeemable or repayable at the option of the Holder, otherwise than in shares of Common Stock or Preferred Stock of another class or series or with the proceeds of the sale of Common Stock or Preferred Stock.

"Principal Property" means any building, structure or other facility, together with the land upon which it is erected and fixtures comprising a part thereof, used primarily for selling home improvement products or the manufacturing, warehousing or

distributing of such products, owned or leased by the Company or any Subsidiary of the Company.

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

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

"Regular Record Date" for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 301.

"Repayment Date" means, when used with respect to any Security to be repaid at the option of the Holder, the date fixed for such repayment by or pursuant to this Indenture.

"Repayment Price" means, when used with respect to any Security to be repaid at the option of the Holder, the price at which it is to be repaid by or pursuant to this Indenture.

"Responsible Officer", when used with respect to the Trustee, means any officer of the Trustee customarily performing corporate trust functions.

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

"Security Register" and "Security Registrar" have the respective meanings specified in Section 305.

"Special Record Date" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 307.

"Stated Maturity", when used with respect to any Security or any installment of principal thereof or interest thereon, means the date specified in such Security as the fixed date on which the

principal or such installment of principal, premium, if any, or interest on such Security is due and payable.

"Subsidiary" means a corporation more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries. For the purposes of this definition, "voting stock" means stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

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

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force at the date as of which this instrument was executed; provided, however, that in the event the Trust Indenture Act of 1939 is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

"United States" means the United States of America.

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

Section 102. Compliance Certificates and Opinions.

Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this

Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than the certificate provided for in Section 1005) shall include:

(1) A statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

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

Section 103. Form of Documents Delivered to Trustee.

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

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

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

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

Section 104. Acts of Holders; Record Dates.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

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

execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The ownership of Securities shall be proved by the Security Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company

in reliance thereon, whether or not notation of such action is made upon such Security.

(e) The Company may, in the circumstances permitted by the Trust Indenture Act, fix any day as the record date for the purpose of determining the Holders of Securities of any series entitled to give or take any request, demand, authorization, direction, notice, consent, waiver or other action, or to vote on any action, authorized or permitted to be given or taken by Holders of Securities of such series. If not set by the Company prior to the first solicitation of a Holder of Securities of such series made by any Person in respect of any such action, or in the case of any such vote, prior to such vote, the record date for any such action or vote shall be the 30th day (or, if later, the date of the most recent list of Holders required to be provided pursuant to Section 701) prior to such first solicitation or vote, as the case may be. With regard to any record date for action to be taken by the Holders of one or more series of Securities, only the Holders of Securities of such series on such date (or their duly designated proxies) shall be entitled to give or take, or vote on, the relevant action.

(f) Without limiting the foregoing, a Holder entitled hereunder to take any action hereunder with regard to any particular Security may do so with regard to all or any part of the principal amount of such Security or by one or more duly appointed agents each of which may do so pursuant to such appointment with

regard to all or any part of such principal amount. Any notice given or action taken by a Holder or its agents with regard to different parts of such principal amount pursuant to this paragraph shall have the same effect as if given or taken by separate Holders of each such different part.

(g) Without limiting the generality of the foregoing, unless otherwise specified pursuant to Section 301 or pursuant to one or more indentures supplemental hereto, a Holder, including a Depositary that is the Holder of a Global Security, may make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders, and a Depositary that is the Holder of a Global Security may provide its proxy or proxies to the beneficial owners of interests in any such Global Security through such Depositary's standing instructions and customary practices.

(h) The Trustee shall fix a record date for the purpose of determining the Persons who are beneficial owners of interests in any Global Security held by a Depositary entitled under the procedures of such Depositary to make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders. If such a record date is fixed, the Holders on such record date or their duly appointed proxy or proxies, and only such Persons, shall be entitled to make, give or take such request, demand,

authorization, direction, notice, consent, waiver or other action, whether or not such Holders remain Holders after such record date. No such request, demand, authorization, direction, notice, consent, waiver or other action shall be valid or effective if made, given or taken more than 90 days after such record date.

Section 105. Notices, Etc., to Trustee and Company.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

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

(2) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company addressed to it at the address of its principal office specified in the first paragraph of this instrument, Attention: Secretary, or at any other address previously furnished in writing to the Trustee by the Company.

Section 106. Notice to Holders; Waiver.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Any notice to a Holder which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not such Holder receives such notice. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case, by reason of the suspension of or irregularities in regular mail service or by reason of any other cause, it shall be impracticable to give notice of any event to Holders by mail when such notice is required to be given pursuant to any provision of

this Indenture, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

Section 107. Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with the duties imposed by any of Sections 310 through 317, inclusive, of the Trust Indenture Act through the operation of Section 318(c) thereof, such imposed duties shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or shall be deemed to be so excluded, as the case may be.

Section 108. Effect of Headings and Table of Contents.

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

Section 109. Successors and Assigns.

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

Section 110. Separability Clause.

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

Section 111. Benefits of Indenture.

Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any Paying Agent and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture; provided that this Section 111 shall not limit the rights of any Holder of a Global Security to give any notice or take any action, or appoint any agents, with regard to any part or different parts of the principal amount of such Global Security pursuant to Section 104.

Section 112. Governing Law.

This Indenture and the Securities shall be governed by and

construed in accordance with the laws of the State of New York.

Section 113. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date, Repayment Date, sinking fund payment date or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then

(notwithstanding any other provision of this Indenture or of the Securities) payment of interest or principal (and premium, if any) need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date, Redemption Date, Repayment Date, sinking fund payment date or at the Stated Maturity, provided that no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date, Repayment Date, sinking fund payment date or Stated Maturity, as the case may be.

ARTICLE TWO SECURITY FORMS

Section 201. Forms of Securities.

The Securities of each series shall be in such form or forms (including global form) as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with any law or with any rules made pursuant thereto or the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of such Securities. If the form of Securities of any series is established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities.

The Trustee's certificates of authentication shall be in substantially the form set forth in this Article.

The definitive Securities shall be printed, lithographed or engraved or may be produced in any other manner permitted by the rules of any securities exchange upon which the Securities may be listed and (with respect to Global Securities of any Series) the rules of the Depositary, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

Section 202. Form of Trustee's Certificate of Authentication.

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

Chemical Bank, as Trustee

By.....
Authorized Officer

Section 203. Securities in Global Form.

If any Security of a series is issuable in global form, such Security may provide that it shall represent the aggregate amount of Outstanding Securities from time to time endorsed thereon and also may provide that the aggregate amount of Outstanding Securities represented thereby may from time to time be reduced to reflect exchanges. Any endorsement of a Security in global form to reflect the amount, or any increase or decrease in the amount, of Outstanding Securities represented thereby shall be made by the Trustee and in such manner as shall be specified in such Security. Any instructions by the Company with respect to a Security in global form, after its initial issuance, shall be in writing but need not comply with Section 102.

ARTICLE THREE

THE SECURITIES

Section 301. Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. All Securities of each series issued under this Indenture shall in all respects be equally and ratably entitled to the benefits hereof with respect to such series without preference, priority or distinction on account of the actual time of the authentication and delivery or Maturity of the Securities of such series. There shall be established in or pursuant to a Board Resolution, and, to the extent not set forth therein, set forth in an Officers' Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series:

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

(2) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of that series pursuant to Section 304, 305, 306, 906, 1107, 1305 or 1403);

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

(4) the rate or rates, or the method of determination thereof, at which the Securities of the series shall bear interest, if any, the date or dates

from which such interest shall accrue, the Interest Payment Dates on which such interest shall be payable and the Regular Record Date for the interest payable on any

Interest Payment Date;

(5) if other than the Corporate Trust Office, the place or places where the principal of (and premium, if any) and interest on Securities of the series shall be payable;

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

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

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

(9) if other than the principal amount thereof, the portion of the principal amount of Securities of the series which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 502;

(10) if the Securities of the series shall be issued in whole or in part in the form of a Global Security or Securities, the Depositary for such Global Security or Securities;

(11) any addition to or change in the Events of Default which applies to any Securities of the series;

(12) any addition to or change in the covenants set forth in Article Ten which applies to Securities of the series;

(13) if the Securities of the series are convertible into Common Stock, the Conversion Price therefor, the period during which such Securities are convertible and any terms and conditions for the conversion of such Securities which differ from Article Fourteen;

(14) the application, if any, of Section 1502 or 1503 to the Securities of the series and any provisions

in modification of, in addition to or in lieu of any of

the provisions of Article Fifteen; and

(15) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture).

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to such Board Resolution and set forth in such Officers' Certificate, to the extent applicable, or in any such indenture supplemental hereto. All Securities of any one series need not be issued at the same time and, unless otherwise provided, a series may be reopened, without the consent of the Holders, for issuance of additional Securities of such series.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Board Resolution or the Officers' Certificate setting forth the terms of the series.

Section 302. Denominations.

The Securities of each series shall be issuable in registered form without coupons in such denominations as shall be specified as contemplated by Section 301. In the absence of any such provisions with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of \$1,000 and any integral multiple thereof.

Section 303. Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company by its Chairman of the Board, its President or one of its Vice Presidents, under its corporate seal reproduced thereon and attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Securities may be manual or facsimile.

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

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series executed by the Company to the Trustee for authentication, and the Trustee shall authenticate and deliver such Securities upon Company Order. If all the Securities of any one series are not to be originally issued at one time and if a Board Resolution relating to such Securities shall so permit, such Company Order may set forth procedures (acceptable to the Trustee)

for the issuance and authentication of such Securities.

If the form or terms of the Securities of the series have been established in or pursuant to one or more Board Resolutions as permitted by Sections 201 and 301, in authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating:

(a) if the form of such Securities has been established by or pursuant to Board Resolution as permitted by Section 201, that such form has been established in conformity with the provisions of this Indenture;

(b) if the terms of such Securities have been established by or pursuant to Board Resolution as permitted by Section 301, that such terms have been established in conformity with the provisions of this Indenture; and

(c) that such Securities, when authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding

obligations of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Notwithstanding the provisions of Section 301 and of the preceding paragraph, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Board Resolution or Officers' Certificate otherwise required pursuant to Section 301 or the Company Order and Opinion of Counsel otherwise required pursuant to such preceding paragraph at or prior to the time of authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued and such documents reasonably contemplate the issuance of all Securities of such series.

Unless otherwise provided in the form of Security for any series, each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there

appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature of an authorized officer, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture.

If the Company shall establish pursuant to Section 301 that

the Securities of a series are to be issued in the form of one or more Global Securities, then the Company shall execute and the Trustee shall, in accordance with this Section and the Company Order with respect to such series, authenticate and deliver one or more Global Securities that (i) shall represent and shall be denominated in an amount equal to the aggregate principal amount of all of the Securities of such series having the same terms issued and not yet canceled, (ii) shall be registered in the name of the Depository for such Global Security or Securities or the nominee of such Depository, (iii) shall be delivered by the Trustee to such Depository or pursuant to such Depository's instructions and (iv) shall bear a legend substantially to the following effect: "Unless and until it is exchanged in whole or in part for Securities in definitive registered form, this Security may not be transferred except as a whole by the Depository to the nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository."

Section 304. Temporary Securities.

Pending the preparation of definitive Securities of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities of any series are issued, the Company will cause definitive Securities of that series to be prepared without unreasonable delay. After the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable for definitive Securities of such series upon surrender of the temporary Securities of such series at the office or agency of the Company in a Place of Payment for that series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Securities of the same series of authorized denominations. Until so exchanged the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive

Securities of such series.

Section 305. Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept at one of its offices or agencies maintained pursuant to Section 1002 a register (the register maintained in such office being herein sometimes referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Person responsible for the maintenance of the Security Register is referred to herein as the "Security Registrar." The Trustee is hereby initially appointed Security Registrar for the purpose of registering Securities and transfers of Securities as herein provided.

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

At the option of the Holder, Securities of any series (except Global Securities) may be exchanged for other Securities of the same series, of any authorized denominations and of a like aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

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

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Security Registrar) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed, by the Holder thereof or

his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 906, 1107, 1305 or 1403 not involving any transfer.

The Company shall not be required (i) to issue, register the

transfer of or exchange Securities of any series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities of that series selected for redemption under Section 1103 and ending at the close of business on the day of such mailing, or (ii) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

Notwithstanding any other provision of this Section 305, unless and until it is exchanged in whole or in part for Securities in definitive registered form, a Global Security representing all or a portion of the Securities of a series may not be transferred except as a whole by the Depositary for such series 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 Depositary for such series or a nominee of such successor Depositary.

If at any time the Depositary for the Securities of a series notifies the Company that it is unwilling or unable to continue as Depositary for the Securities of such series or if at any time the Depositary for the Securities of a series shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, the Company shall appoint a successor Depositary with respect to the Securities of such series. If a successor Depositary for the Securities of such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition, the Company shall execute, and the Trustee, upon

receipt of a Company Order for the authentication and delivery of definitive Securities of such series, shall authenticate and deliver Securities of such series in definitive form in an aggregate principal amount equal to the principal amount of the Global Security or Securities representing such series in exchange for such Global Security or Securities.

The Company may at any time and in its sole discretion determine that the Securities of any series issued in the form of one or more Global Securities shall no longer be represented by a Global Security or Securities. In such event the Company shall execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Securities of such series, shall authenticate and deliver, Securities of such series in definitive registered form without coupons, in any authorized denominations, in an aggregate principal amount equal to the principal amount of the Global Security or Securities representing such series, in exchange for such Global Security or Securities.

If specified by the Company pursuant to Section 301 with respect to a series of Securities, the Depositary for such series of Securities may surrender a Global Security for such series of Securities in exchange in whole or in part for Securities of such series in definitive registered form on such terms as are acceptable to the Company and such Depositary. Thereupon, the

Company shall execute, and the Trustee shall authenticate and deliver, without service charge,

(i) to the Person specified by such Depositary a new Security or Securities of the same series, of any authorized denomination as requested by such Person, in an aggregate principal amount equal to and in exchange for such Person's beneficial interest in the Global Security; and

(ii) to such Depositary a new Global Security in a denomination equal to the difference, if any, between the principal amount of the surrendered Global Security and the aggregate principal amount of Securities authenticated and delivered pursuant to Clause (i) above.

Upon the exchange of a Global Security for Securities in definitive registered form, in authorized denominations, such Global Security shall be canceled by the Trustee. Securities in definitive registered form issued in exchange for a Global Security pursuant to this Section 305 shall be registered in such names and in such authorized denominations as the Depository for such Global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall not be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. The Trustee shall, at Company expense, deliver such Securities to or as directed by the Persons in whose names such Securities are so registered.

Section 306. Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee, together with such other security or indemnity as may be reasonably required by the Trustee to save it harmless, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and upon its request the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

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

Security, subject to satisfaction of the foregoing conditions.

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

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

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

Section 307. Payment of Interest; Interest Rights Preserved.

Except as otherwise provided as contemplated by Section 301 with respect to any series of Securities, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest. The Company and the Trustee understand that interest on any Global Security will be disbursed or credited by the Depository to the Persons having ownership thereof pursuant to a book entry or other system maintained by the Depository.

Any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in Clause (1) or Clause (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid

on each Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such

Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Securities of such series at his address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following Clause (2).

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

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

Section 308. Persons Deemed Owners.

The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of (and premium, if any) and (subject to Section 307) interest on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

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 309. Cancellation.

All Securities surrendered for payment, redemption, registration of transfer or exchange or for credit against any sinking fund payment shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly canceled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly canceled by the Trustee, except that if a Global Security is so surrendered, the Company shall execute and the Trustee shall authenticate and deliver to the Depository for such Global Security, without service charge, a new Global Security or Securities in a denomination equal to and in exchange for the

portion of the Global Security so surrendered not to be paid, redeemed, repaid or registered for transfer or exchange or for credit. No Securities shall be authenticated in lieu of or in exchange for any Securities canceled as provided in this Section, except as expressly permitted by this Indenture. All canceled Securities held by the Trustee shall be disposed of in accordance with its customary procedures and a certificate of disposition shall be delivered to the Company, unless, by a Company Order, the Company shall direct the canceled Securities be returned to it.

Section 310. Computation of Interest.

Except as otherwise specified as contemplated by Section 301 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

ARTICLE FOUR
SATISFACTION AND DISCHARGE

Section 401. Satisfaction and Discharge of Indenture.

Upon Company Request, this Indenture shall cease to be of further effect with respect to the Securities of a particular series (except as to any surviving rights to convert Securities into Common Stock, or rights of registration of transfer or exchange of Securities herein expressly provided for), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture as to such Securities, when:

(1) either:

(A) all Securities of such series theretofore authenticated and delivered (other than (i) Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 306 and (ii) Securities for whose payment money has theretofore been deposited in trust or segregated and held in trust by the

Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 1003) have been delivered to the Trustee for cancellation; or

(B) all Securities of such series not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption within one year, under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

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

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to such Securities; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture with respect to the Securities of such series have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture with respect to the Securities of a particular series, the obligations of the Company to the Trustee under Section 607, the obligations, if any, of the Trustee to any Authenticating Agent under Section 614 and, if money shall have been deposited with the Trustee pursuant to subclause (B) of clause (1) of this Section, the obligations of the Trustee under Section 402 and the last paragraph of Section 1003, in each case with respect to such Securities, shall survive.

Notwithstanding the cessation, termination and discharge of all obligations, covenants and agreements of the Company under this Indenture with respect to any series of Securities, the obligations of the Company to the Trustee under Section 607, the obligations of the Trustee under Section 402 and the last paragraph of Section 1003 shall survive with respect to such series of Securities.

Section 402. Application of Trust Money.

Subject to the provisions of the last paragraph of Section 1003, all money deposited with the Trustee pursuant to Section 401 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent), as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee. All money deposited with the Trustee pursuant to Section 401 (and held by it or any Paying Agent) for the payment of Securities subsequently converted into Common Stock shall be returned to the Company upon Company Request.

ARTICLE FIVE
REMEDIES

Section 501. Events of Default.

"Event of Default", wherever used herein with respect to Securities of any series, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (1) default in the payment of any interest upon any Security of that series when it becomes due and payable, and continuance of such default for a period of 30 days;
or
- (2) default in the payment of the principal of (or

premium, if any, on) any Security of that series at its Maturity; or

(3) default in the deposit of any sinking fund payment, when and as due by the terms of a Security of that series; or

(4) default in the performance, or breach, of any covenant or warranty of the Company in this Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section specifically dealt with or which has expressly been included in this Indenture solely for the benefit of

series of Securities other than that series), and continuance of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of that series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(5) a default under any bond, debenture, note or other evidence of indebtedness for money borrowed by the Company or any Subsidiary (including a default with respect to Securities of any series other than that series) or under any mortgage, indenture (including this Indenture) or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by the Company or any Subsidiary (each such bond, debenture, note, evidence of indebtedness, mortgage, indenture or instrument being referred to as a "Loan Document"), whether such indebtedness now exists or shall hereafter be created, which default shall constitute a failure to pay any portion of the principal of such indebtedness when due and payable after the expiration of any applicable grace period with respect thereto or shall have resulted in such indebtedness becoming or being declared due and

payable prior to the date on which it would otherwise have become due and payable, without such indebtedness having been discharged or such acceleration having been rescinded or annulled within a period of 10 days after there shall have been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of that series a written notice specifying such default and requiring the Company to cause such indebtedness to be discharged or such acceleration to be rescinded or annulled and stating that such notice is a "Notice of Default" hereunder, if the aggregate outstanding principal amount of indebtedness under the Loan Document with respect to which such default or acceleration has occurred exceeds \$10 million; provided, however, that if such default under such Loan Document shall be cured by the Company or be waived by the holders of such indebtedness or if such acceleration shall be rescinded or annulled, in each case as may be permitted by such Loan Document, then the Event of Default hereunder by reason of such default shall be deemed likewise to have been thereupon cured or waived; and provided, further, that, subject to the provisions of Sections 601 and 602, the Trustee shall not be deemed to have knowledge of such default or acceleration unless either (A) a Responsible Officer of the Trustee shall have actual knowledge of such default or acceleration or (B) the Trustee shall have received written notice

thereof from the Company, from any Holder, from the holder of any such indebtedness or from the trustee under any such mortgage, indenture or other instrument; or

(6) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Company or any Subsidiary in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudging the Company or any Subsidiary a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization,

arrangement, adjustment or composition of or in respect of the Company or any Subsidiary under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or any Subsidiary or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or

(7) the commencement by the Company or any Subsidiary of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Company or any Subsidiary in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or any Subsidiary or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company or any Subsidiary in furtherance of any such action; or

(8) any other Event of Default provided with respect to Securities of that series.

Upon receipt by the Trustee of any proposed Notice of Default from any Holder with respect to Securities of a series all or part of which is represented by a Global Security, a record date shall be established for determining Holders of Outstanding Securities of

such series entitled to join in such proposed Notice of Default, which record date shall be at the close of business on the day the Trustee receives such proposed Notice of Default. The Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to join in such proposed Notice of Default, whether or not such Holders remain Holders after such record date; provided, that unless Holders of at least 25% in principal amount of the Outstanding Securities of such series, or their proxies, shall have joined in such proposed Notice of Default prior to the day which is 90 days after such record date, such proposed Notice of Default shall automatically and without further action by any Holder be canceled and of no further effect. Nothing in this paragraph shall prevent a Holder, or a proxy of a Holder, from giving (i) after expiration of such 90-day period, a new proposed Notice of Default identical to a proposed Notice of Default which has been canceled pursuant to the proviso to the preceding sentence, or (ii) during any such 90-day period, an additional proposed Notice of Default with respect to any new or different fact or circumstance permitting the giving of a proposed Notice of Default with respect to Securities of such series, in either of which events a new record date shall be established pursuant to the provisions of this Section 501. Any such proposed Notice of Default shall be considered a Notice of Default hereunder at such time, if any, that Holders of at least 25% in principal amount of the Outstanding Securities shall have joined in such proposed Notice of Default by giving timely notice to the Trustee hereunder.

Section 502. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default with respect to Securities of any series at the time Outstanding occurs and is continuing, then in every such case, the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series may declare the principal amount (or, if any of the Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Securities as may be specified in the terms thereof) of all of the Securities of that series to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such principal amount (or specified amount) shall become immediately due and payable.

At any time after such a declaration of acceleration with respect to Securities of any series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the Outstanding Securities of

that series, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if

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

(A) all overdue interest on all

Securities of that series,

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

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

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel;

and

(2) all Events of Default with respect to Securities of that series, other than the non-payment of the principal of Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513.

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

Upon receipt by the Trustee of written notice declaring such an acceleration, or rescission and annulment thereof, with respect

to Securities of a series all or part of which is represented by a Global Security, a record date shall be established for determining Holders of Outstanding Securities of such series entitled to join in such notice, which record date shall be at the close of business on the day the Trustee receives such notice. The Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to join in such notice, whether or not such Holders remain Holders after such record date; provided, that unless such declaration of acceleration, or rescission and annulment, as the case may be, shall have become effective by virtue of the requisite percentage having joined in such notice prior to the day which is 90 days after such record date, such notice of declaration of acceleration, or rescission and annulment, as the case may be, shall automatically and without further action by any Holder be canceled and of no further effect. Nothing in this paragraph shall prevent a Holder, or a proxy of a Holder, from giving, (i) after expiration of such 90-day period, a new written notice of declaration of acceleration or rescission and annulment thereof, as the case may be, that is identical to a written notice which has been canceled pursuant to the proviso to the preceding sentence, or (ii) during any such 90-day period, an additional written notice of declaration of acceleration with respect to

Securities of such series, or an additional written notice of rescission and annulment of any declaration of acceleration with respect to any other Event of Default with respect to Securities of such series, in either of which events a new record date shall be established pursuant to the provisions of this Section 502.

Section 503. Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company covenants that if

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

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

thereof,

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

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may, but shall not be obligated to, institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree, and may enforce the same against the Company or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities, wherever situated.

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

Section 504. Trustee May File Proofs of Claim.

In case of any judicial proceeding relative to the Company (or

any other obligor upon the Securities), its property or its creditors, the Trustee shall be entitled and empowered, by intervention in such proceeding or otherwise, to take any and all

actions authorized under the Trust Indenture Act in order to have claims of the Holders and the Trustee allowed in any such proceeding. In particular, the Trustee shall be authorized to file and prove a claim for the whole amount of principal, premium and interest owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

No provision of this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 505. Trustee May Enforce Claims Without Possession of Securities.

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

Section 506. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 607;

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

THIRD: The balance, if any, to the Company or to whomsoever may be lawfully entitled to receive the same as a court of competent jurisdiction may direct.

Section 507. Limitation on Suits.

No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

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

(4) the Trustee for 60 days after its receipt of

such notice, request and offer of indemnity has failed to institute any such proceeding; and

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

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

Section 508. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of (and premium, if any) and (subject to Section 307) interest on such Security on the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption or repayment at the option of the Holder, on the Redemption Date or the Repayment Date, as the case may be) and (if the terms of such Security so provide) to have such Security converted into Common Stock pursuant to Article Fourteen and to institute suit for the enforcement of any such payment or conversion, and such rights shall not be impaired without the consent of such Holder.

Section 509. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such

proceeding, the Company, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 510. Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 511. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Securities to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 512. Control by Holders.

The Holders of at least a majority in principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series, provided that

(1) such direction shall not be in conflict with any rule of law or with this Indenture, expose the Trustee to personal liability or be unduly prejudicial to Holders not joining therein, and

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Upon receipt by the Trustee of any such direction with respect to Securities of a series all or part of which is represented by a Global Security, a record date shall be established for determining Holders of Outstanding Securities of such series entitled to join in such direction, which record date shall be determined in accordance with Section 104(e). The Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to join in such direction, whether or not such Holders remain Holders after such record date; provided, that unless Holders of at least a majority in principal amount of the outstanding Securities of such series, or their proxies, shall have been joined in such direction prior to the day which is 90 days after such record date, such direction shall automatically and without further action by any Holder be canceled and of no further effect. Nothing in this paragraph shall prevent a Holder, or a proxy of a Holder, from giving, (i) after expiration of such 90-day period, a new direction identical to a direction which has been canceled pursuant to the provisions to the preceding sentence or (ii) during any such 90-day period a new direction contrary to or different from such direction, in either of which events a new record date shall be established pursuant to the provisions of this Section 512.

Section 513. Waiver of Past Defaults.

By Act delivered to the Company and the Trustee, the Holders of not less than a majority in principal amount of the Outstanding Securities of any affected series may on behalf of the Holders of all the Securities of such series waive any past default hereunder with respect to such series and its consequences, except a default

(1) in the payment of the principal of (or premium, if any) or interest on any Security of such series, or

(2) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding

Security of such series affected.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Persons entitled to waive any past default hereunder. If a record date is fixed, the Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to waive any default hereunder, whether or not such Holders remain Holders after such record date; provided, that unless such majority in principal amount shall have been obtained prior to the date which is 90 days after such record date, any such waiver previously given shall automatically and without further action by any Holder be canceled and of no further effect.

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

Section 514. Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, a court may require any party litigant in such suit to file an undertaking to pay the costs of such suit, and may assess costs against any such party litigant, in the manner and to the extent provided in the Trust Indenture Act; provided that neither this Section nor the Trust Indenture Act shall be deemed to authorize any court to require such an undertaking or to make such an assessment in any suit instituted by the Trustee, by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities of any series, or by any Holder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Security on or after the Stated Maturity expressed in such Security (or, in the case of redemption or repayment at the option of the Holder, on or after the Redemption Date or Repayment Date, as the case may be, and (if the terms of such Security so provide) to have such Security converted into Common Stock pursuant to Article Fourteen).

Section 515. Waiver of Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do

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

ARTICLE SIX
THE TRUSTEE

Section 601. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default

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

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

(b) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of

care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

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

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

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

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

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

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

Section 602. Notice of Defaults.

Within 90 days after the occurrence of any default hereunder with respect to Securities of any series, the Trustee shall transmit by mail to all Holders of Securities of such series, as their names and addresses appear in the Security Register, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal, premium or interest on any Security of such series or in the payment of any sinking fund installment with respect to the Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee of the board of directors and/or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interests of the Holders of the Securities of such series; and provided, further, that in the case of any default of the character specified in Section 501(4) with respect to the Securities of such series no such notice to Holders shall be given until at least 60 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 603. Certain Rights of Trustee.

Subject to the provisions of Section 601:

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

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by

a Board Resolution;

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

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

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

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

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

Section 604. Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and the Trustee or any Authenticating

Agent assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee or any Authenticating Agent shall not be accountable for the use or application by the

Company of Securities or the proceeds thereof. The Trustee shall not be deemed to have knowledge of the identity of any Subsidiary unless either (A) a Responsible Officer of the Trustee shall have actual knowledge thereof or (B) the Trustee shall have received written notice thereof from the Company or any Holder.

Section 605. May Hold Securities.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 608 and 613, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

Section 606. Money Held in Trust.

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

Section 607. Compensation and Reimbursement.

The Company agrees:

(1) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all

reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

As security for the performance of the obligations of the Company under this Section, the Trustee shall have a lien prior to

the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the Holders of particular Securities.

Section 608. Disqualification; Conflicting Interests.

If the Trustee has or shall acquire a conflicting interest within the meaning of Section 310 of the Trust Indenture Act, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture. To the extent permitted by the Trust Indenture Act, the Trustee shall not be deemed to have a conflicting interest with respect to the Securities of any series by virtue of being Trustee with respect to the Securities of any particular series of Securities other than that series or by virtue of being trustee under the Indenture, dated as of April 15, 1992, between the Company and the Trustee.

Section 609. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be

a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least \$50,000,000. If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of Federal, State, Territorial or District of Columbia supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 610. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 611.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 611 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

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

(d) If at any time:

(1) the Trustee shall fail to comply with Section 608 after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security

for at least six months, or

(2) the Trustee shall cease to be eligible under Section 609 and shall fail to resign after written request therefor by the Company or by any such Holder, or

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

then, in any such case, (i) the Company by a Board Resolution may remove the Trustee with respect to any or all Securities, or (ii) subject to Section 514, any Holder who has been a bona fide Holder of a Security 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 with respect to any or all Securities and the appointment of a successor Trustee or Trustees with respect to such series.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series) and shall comply with the applicable requirements of Section 611. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of that or those series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 611, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 611, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of

a successor Trustee with respect to the Securities of such series.

(f) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series to all Holders of Securities of such series in the manner provided in Section 106. Each notice of appointment shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

Section 611. Acceptance of Appointment by Successor.

(a) In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 607.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall

contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such

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

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

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

Section 612. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or

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

Section 613. Preferential Collection of Claims Against Company.

If and when the Trustee shall be or become a creditor of the Company (or any other obligor upon the Securities), the Trustee shall be subject to the provisions of Section 311 of the Trust Indenture Act regarding the collection of such claims against the Company (or any such other obligor). A Trustee that has resigned or been removed shall be subject to and comply with said Section 311 to the extent required thereby.

Section 614. Appointment of Authenticating Agent.

The Trustee may appoint an Authenticating Agent or Agents with

respect to one or more series of Securities (which may be an Affiliate of the Company) which shall be authorized to act on behalf of the Trustee to authenticate Securities issued upon registration of transfer or partial redemption or repayment thereof or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of

authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business and in good standing under the laws of the United States of America, any State or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of no less than \$50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

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

An Authenticating Agent for any series of Securities may resign at any time by giving written notice thereof to the Trustee for such series and to the Company. The Trustee for any series of Securities may at any time terminate the agency of an Authenticating Agent for such series by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee of such series may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall mail written notice of such appointment by first-class mail, postage prepaid, to all Holders of Securities of the series with respect to which such

Authenticating Agent will serve, as their names and addresses appear in the Security Register. Any successor Authenticating Agent upon acceptance of its appointment thereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

Except with respect to an Authenticating Agent appointed at the request of the Company, the Trustee agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section, and the Trustee shall be entitled to be reimbursed for such payments, pursuant to the provisions of Section 607.

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

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

Chemical Bank, as Trustee

By _____
As Authenticating Agent

By _____
Authorized Officer

ARTICLE SEVEN
HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

Section 701. Company to Furnish Trustee Names and Addresses of Holders.

With respect to each series of Securities, the Company will furnish or cause to be furnished to the Trustee for the Securities of such Series

(a) semiannually, not more than 15 days after each Regular Record Date relating to that series (or, if there is no Regular Record Date relating to that series, on June 30 and December 31), a list, in such form as such Trustee may reasonably require, of the names and addresses of the Holders of that series as of such date,

and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished;

provided, however, that if and so long as the Trustee is Security Registrar with respect to Securities of a particular series no such list shall be required with respect to the Securities of such series.

Section 702. Preservation of Information; Communications to Holders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 701 and the names and addresses of Holders received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

(b) The rights of Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and privileges of the Trustee, shall be as provided by the Trust Indenture Act.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of either of them shall be held accountable by reason of the disclosure of information as to

the names and addresses of the Holders made pursuant to the Trust Indenture Act.

Section 703. Reports by Trustee.

(a) Within 60 days after May 15 of each year commencing with the year 1994, the Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act if and to the extent and in the manner provided pursuant thereto.

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

Section 704. Reports by Company.

The Company shall file with the Trustee and the Commission, and transmit to Holders, such information, documents and other reports, and such summaries thereof, as may be required pursuant to

the Trust Indenture Act at the times and in the manner provided pursuant to such Act; provided that any such information, documents or reports required to be filed with the Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, shall be filed with the Trustee within 15 days after the same is so required to be filed with the Commission. Delivery of such reports to the Trustee is for informational purposes only and the Trustee's receipt of such reports shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

ARTICLE EIGHT
CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

Section 801. Company May Consolidate, Etc., Only on Certain Terms.

The Company shall not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and the Company shall not permit any Person to consolidate with or merge into the Company, unless:

(1) in case the Company shall consolidate with or merge into another Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be a corporation, partnership or trust, shall be organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee the due and punctual payment of the principal of and any premium and interest on all the Securities and the performance or observance of every covenant of this Indenture on the part of the Company to be performed or observed;

(2) immediately after giving effect to such transaction, and treating any indebtedness which becomes an obligation of the Company or a Subsidiary as a result of such transaction as having been incurred by the Company or such Subsidiary at the time of such 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 happened and be continuing;

(3) if, as a result of any such consolidation or

merger or such conveyance, transfer or lease, properties or assets of the company could become subject to a Mortgage which would not be permitted by this Indenture,

the Company or such successor Person, as the case may be, shall prior to or contemporaneously with such consolidation, merger, conveyance transfer or lease, take such steps as shall be necessary effectively to secure the Securities equally and ratably with (or prior to) all indebtedness secured thereby; and

(4) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

Section 802. Successor Substituted.

Upon any consolidation of the Company with, or merger of the Company into, any other Person or any conveyance, transfer or lease of the properties and assets of the Company substantially as an entirety in accordance with Section 801, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Securities. In the case of a lease, the predecessor Person shall not be released from its obligations to pay the principal of, premium, if any, and interest on the Securities. All Securities issued by the successor Person shall in all respects have the same legal priority as the Securities theretofore or thereafter authenticated, issued and delivered in accordance with the terms of this Indenture.

ARTICLE NINE SUPPLEMENTAL INDENTURES

Section 901. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another Person to the Company and the assumption by any such successor of

the covenants of the Company herein and in the

Securities; or

(2) to add to the covenants of the Company for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company; or

(3) to add any additional Events of Default for the benefit of the Holders of all or any series of Securities (and if such Events of Default are to be for the benefit of less than all series of Securities, stating that such Events of Default are expressly being included solely for the benefit of such series); or

(4) to add to or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities in bearer form, registrable or not registrable as to principal and with or without interest coupons, or to permit or facilitate the issuance of Securities in uncertificated form; or

(5) to add to, change or eliminate any of the provisions of this Indenture in respect of one or more series of Securities, provided that any such addition, change or elimination (i) shall neither (A) apply to any Security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (B) modify the rights of the Holder of any such Security with respect to such provision or (ii) shall become effective only when there is no such Security Outstanding; or

(6) to secure the Securities pursuant to Sections 801 or 1008 or otherwise; or

(7) to establish the form or terms of Securities of any series as permitted by Sections 201 and 301; or

(8) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 611(b); or

(9) to add to or change any provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities convertible into other securities; or

(10) to effectuate the provisions of Section 1405(b); or

(11) to supplement any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge and covenant defeasance with respect to any series of Securities pursuant to Sections 1502 or 1503; provided, however, that any such action shall not adversely affect the interests of the Holders of Securities of such series or any other series of Securities in any material respect; or

(12) to add or change or eliminate any provisions of this Indenture as shall be necessary or desirable in accordance with any amendments to the Trust Indenture Act; or

(13) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture, provided that such action

pursuant to this Clause (13) shall not adversely affect the interests of the Holders of Securities of any series in any material respect.

Section 902. Supplemental Indentures With Consent of Holders.

With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of each series affected by such supplemental indenture, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby,

(1) change the Stated Maturity of the principal of, or any installment of principal of, premium, if any, or interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, change the method of determination of interest thereon, or reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502, or adversely affect any right of repayment at the option of the Holder of any Security, or change any Place of Payment where, or the coin or currency in which, any

Security or any premium or the interest thereon is payable or impair the right of any Holders of Securities of a Series entitled to the conversion rights set forth in Article Fourteen to receive securities upon the exercise of such conversion rights, or impair the right to institute suit for the enforcement of any such payment or delivery of Common Stock for Securities converted pursuant to Article Fourteen on or after the Stated Maturity thereof (or, in the case of redemption or

repayment at the option of the Holder, on or after the Redemption Date or Repayment Date, as the case may be, or in the case of such conversion, on or after the date of conversion), or

(2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or

(3) modify any of the provisions of this Section, Section 513 or Section 1010, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby; provided, however, that this clause shall not be deemed to require the consent of any Holder with respect to changes in the references to "the Trustee" and concomitant changes in this Section and Section 1010, or the deletion of this proviso, in accordance with the requirements of Sections 611(b) and 901(8).

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

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

Section 903. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel

stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 904. Effect of Supplemental Indentures.

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

Section 905. Conformity with Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act as then in effect.

Section 906. Reference in Securities to Supplemental Indentures.

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

Section 907. Notice of Supplemental Indentures.

Promptly after the execution by the Company and the Trustee of any supplemental indenture pursuant to the provisions of Section 902, the Company shall give notice to all Holders of such fact, setting forth in general terms the substance of such supplemental indenture, in the manner provided in Section 106. Any failure of the Company to give such notice, or any defect therein, shall not in any way impair or affect the validity of any such supplemental indenture.

ARTICLE TEN
COVENANTS

Section 1001. Payment of Principal, Premium and Interest.

The Company covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay the principal of (and premium, if any) and interest on the Securities of that series in accordance with the terms of the Securities and this Indenture.

Section 1002. Maintenance of Office or Agency.

The Company will maintain in each Place of Payment an office or agency where Securities may be presented or surrendered for payment, where Securities may be surrendered for registration of transfer, conversion or exchange and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company terminates the appointment of a Paying Agent or Security Registrar or conversion agent or otherwise shall fail to maintain any such required office or agency, the Company shall use its reasonable best efforts to appoint a successor Paying Agent or Security Registrar or conversion agent reasonably acceptable to the Trustee. If the Company fails to maintain a Paying Agent or Security Registrar or conversion agent, the Trustee will act as such, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

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

Section 1003. Money for Securities Payments to Be Held in Trust.

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

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

The Company will cause each Paying Agent for any series of Securities other than the Trustee to execute and deliver to the

Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will:

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

(2) give the Trustee written notice of any default by the Company (or any other obligor upon the Securities of that series) in the making of any payment of principal (and premium, if any) or interest on the Securities of that series; and

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

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

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

Section 1004. Corporate Existence.

Subject to Article Eight, the Company will do or cause to be done all things necessary to preserve and keep in full force and

effect its corporate existence and that of each Subsidiary and the rights (charter and statutory) and franchises of the Company and its Subsidiaries; provided, however, that the Company shall not be required to preserve any such right or franchise if in the judgment of the Company it shall be necessary, advisable or in the interest of the Company to discontinue the same.

Section 1005. Statement by Officers as to Default.

Pursuant to Section 314(a) of the Trust Indenture Act, the Company will deliver to the Trustee, within 120 days after the end of each fiscal year of the Company ending after the date hereof, a certificate signed by the principal executive, financial or accounting officer of the Company, stating whether or not to the best knowledge of the signer thereof the Company is in default in the performance and observance of any of the terms, provisions, covenants and conditions of this Indenture (without regard to any period of grace or requirement of notice provided, hereunder) and, if the Company shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge.

Section 1006. Maintenance of Properties.

The Company will cause all properties used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Company may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section shall prevent the Company from discontinuing the operation or maintenance of any of such properties if such discontinuance is, in the judgment of the Company, desirable in the conduct of its business or the business of any Subsidiary.

Section 1007. Payment of Taxes and Other Claims.

The Company will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (1) all taxes, assessments and governmental charges levied or imposed upon the Company or any Subsidiary or upon the income, profits or property of the Company or any Subsidiary, and (2) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of the Company or any Subsidiary; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

Section 1008. Restrictions on Debt.

The Company will not itself, and will not permit any Subsidiary to, incur, issue, assume or guarantee any loans, whether

or not evidenced by negotiable instruments or securities, or any notes, bonds, debentures or other similar evidences of indebtedness for money borrowed (loans, notes, bonds, debentures or other similar evidences of indebtedness for money borrowed being hereinafter in this Article called "Debt"), secured by a Mortgage on any Principal Property of the Company or any Subsidiary, or any shares of Capital Stock or Debt of any Subsidiary, without effectively providing that the Securities of each series then Outstanding (together with, if the Company shall so determine, any other Debt of the Company or such Subsidiary then existing or thereafter created which is not subordinate to the Securities of each series then Outstanding) shall be secured equally and ratably with (or, at the option of the Company, prior to) such secured Debt, so long as such secured Debt shall be so secured, and the Company will not permit any Subsidiary to incur, issue, assume or guarantee any unsecured Debt or to issue any Preferred Stock in each instance unless the aggregate amount of (A) all such Debt, (B) the aggregate preferential amount to which such Preferred Stock would be entitled on any involuntary distribution of assets and (C) Attributable Debt of the Company and its Subsidiaries in respect of sale and leaseback transactions (as defined in Section 1009) would not exceed 10% of Consolidated Net Tangible Assets; provided, however, that this Section 1008 shall not apply to, and there shall be excluded from Debt in any computation under this Section 1008:

(1) Debt secured by Mortgages on any property acquired, constructed or improved by the Company or any Subsidiary after the first date on which a Security is authenticated by the Trustee under this Indenture which Mortgages are created or assumed contemporaneously with, or within 30 months after, such acquisition, or completion of such construction or improvement, or within six months thereafter pursuant to a firm commitment for financing arranged with a lender or investor within such 30-month period, to secure or provide for the payment of all or any part of the purchase price of such property or the cost of such construction or improvement

incurred after the first date on which a Security is authenticated by the Trustee under this Indenture, or, in addition to Mortgages contemplated by paragraphs 2 and 3 below, Mortgages on any property existing at the time of acquisition thereof, provided that any such Mortgage shall not apply to any property theretofore owned by the Company or any Subsidiary other than, in the case of any such construction or improvement, any theretofore unimproved real property on which the property so constructed, or the improvement, is located;

(2) Debt of any corporation existing at the time such corporation is merged with or into the Company or a Subsidiary;

(3) Debt of any corporation existing at the time such corporation becomes a Subsidiary;

(4) Debt of a Subsidiary to the Company or to another Subsidiary;

(5) Debt secured by Mortgages securing obligations issued by a state, territory or possession of the United States, or any political subdivision of any of the foregoing, or the District of Columbia, to finance the acquisition of or construction on property, and on which the interest is not, in the opinion of tax counsel of recognized standing or in accordance with a ruling issued by the Internal Revenue Service, includable in gross income of the holder by reason of Section 103(A)(1) of the Internal Revenue Code (or any successor to such provision) as in effect at the time of the issuance of such obligations; and

(6) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Debt referred to in the foregoing clauses (1) to (5), inclusive; provided, that the principal amount of the Debt being extended, renewed or replaced shall not be increased and such extension, renewal or replacement, in the case of Debt secured by a Mortgage, shall be limited to all or a part of the same property, shares of Capital Stock or Debt that

secured the Mortgage extended, renewed or replaced (plus improvements on such property); and provided, further, that this Section 1008 shall not apply to any issuance of Preferred Stock by a Subsidiary to the Company or another Subsidiary, provided that such Preferred Stock shall not thereafter be transferable to any Person other than the Company or a Subsidiary.

The Trustee shall have no duty or liability in monitoring or enforcing the provisions of this Section, except as otherwise expressly provided in this Indenture.

Section 1009 Restrictions on Sales and Leasebacks.

The Company will not itself, and will not permit any Subsidiary to, enter into any transaction after the first date on which a Security is authenticated by the Trustee under this Indenture with any bank, insurance company, lender or other investor, or to which any such bank, insurance company, lender or investor is a party, providing for the leasing by the Company or a Subsidiary of any Principal Property which has been or is to be sold or transferred by the Company or such Subsidiary to such bank, insurance company, lender or investor, or to any Person to whom funds have been or are to be advanced by such bank, insurance company, lender or investor on the security of such Principal Property (herein referred to as a "sale and leaseback transaction") unless, after giving effect thereto, the aggregate amount of all Attributable Debt with respect to such transactions plus all Debt to which Section 1008 is applicable would not exceed 10% of Consolidated Net Tangible Assets. This covenant shall not apply to, and there shall be excluded from Attributable Debt in any computation under this Section 1009, Attributable Debt with respect to any sale and leaseback transaction if:

(1) the lease in such sale and leaseback transaction is for a period, including renewal rights, of not in excess of three years, or

(2) the Company or a Subsidiary, within 180 days after the sale or transfer shall have been made by the Company or by

a Subsidiary, applies an amount not less than the greater of the net proceeds of the sale of the Principal Property leased pursuant to such arrangement or the fair market value of the Principal Property so leased at the time of entering into such arrangement (as determined in any manner approved by the Board of Directors) to the retirement of Funded Debt of the Company ranking on a parity with or senior to the Securities or the retirement of Funded Debt of a Subsidiary; provided, however, that the amount to be applied to the retirement of such debt of the Company or a Subsidiary shall be reduced by (x) the principal amount of any Securities (or other notes or debentures constituting Funded Debt) delivered within such 180-day period to the Trustee or other applicable trustee for retirement and cancellation and (y) the principal amount of such Funded Debt, other than items referred to in the preceding clause (x), voluntarily retired by the Company or a Subsidiary within 180 days after such sale; and provided, further, that, notwithstanding the foregoing, no such retirement may be effected by payment at maturity or pursuant to any mandatory sinking fund payment or any mandatory prepayment provision, or

(3) such sale and leaseback transaction is entered into prior to, at the time of, or within 30 months after the later of the acquisition of the Principal Property or the completion of construction thereon, or

(4) the lease in such sale and leaseback transaction secures or relates to obligations issued by a state, territory or possession of the United States, or any political subdivision of any of the foregoing, or the District of Columbia, to finance the acquisition of or construction on property, and on which the interest is not, in the opinion tax counsel of recognized standing or in accordance with a ruling issued by the Internal Revenue Service, includable in gross income of the holder by reason of Section 103(a)(1) of the Internal Revenue Code (or any successor to such provision) as in effect at the time of the issuance of such obligations, or

(5) such sale and leaseback transaction is entered into between the Company and a Subsidiary or between Subsidiaries.

The Trustee shall have no duty or liability in monitoring or enforcing the provisions of this Section, except as otherwise expressly provided in this Indenture.

Section 1010. Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with

any term, provision or condition set forth in Section 801(3) and in Section 1004 and Sections 1006 to 1009, inclusive, with respect to the Securities of any series if before the time for such compliance the Holders of at least a majority in principal amount of the Outstanding Securities of such series shall, by Act of such Holders, either waive compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

ARTICLE ELEVEN
REDEMPTION OF SECURITIES

Section 1101. Applicability of Article.

Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated in Section 301 for Securities of any series) in accordance with this Article.

Section 1102. Election to Redeem; Notice to Trustee.

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

Section 1103. Selection by Trustee of Securities to Be Redeemed.

If less than all the Securities of any series are to be redeemed (unless all of the Securities of such series and of a specified tenor are to be redeemed), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, in a manner which the Trustee deems fair and appropriate, which may provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of that series or any integral multiple thereof) of the principal amount of Securities of such series of a denomination larger than the minimum authorized denomination for Securities of that series. If the Company shall so specify and identify the appropriate Securities, Securities

owned of record and beneficially by the Company or any Subsidiary shall not be included in the Securities selected for redemption.

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

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

Section 1104. Notice of Redemption.

Notice of redemption shall, unless otherwise specified by the terms of the Securities to be redeemed, be given not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, in accordance with Section 106.

All notices of redemption shall state:

- (1) the Redemption Date,
- (2) the Redemption Price,

(3) if less than all the Outstanding Securities of any series are to be redeemed (unless all the Securities of such series of a specified tenor are to be redeemed), the identification (and, in the case of partial redemption of any Securities, the principal amounts) of the particular Securities to be redeemed,

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

(5) the place or places where such Securities are to be surrendered for payment of the Redemption Price, which shall be the office or agency of the Company in each Place of Payment, and

(6) that the redemption is for a sinking fund, if such is the case.

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

Section 1105. Deposit of Redemption Price.

Prior to any Redemption Date, the Company shall deposit with

the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date.

Section 1106. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from

and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price, together with accrued interest to the Redemption Date; provided, however, that, unless otherwise specified as contemplated by Section 301, installments of interest whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 307.

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

Section 1107. Securities Redeemed in Part.

Any Security which is to be redeemed only in part shall be surrendered at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series and of like tenor, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered. If a Global Security is so surrendered, such new Security so issued shall be a new Global Security.

ARTICLE TWELVE SINKING FUNDS

Section 1201. Applicability of Article.

The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 301 for Securities

of such series.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "mandatory sinking fund payment", and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an "optional sinking fund payment." If provided for by the terms of Securities of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 1202. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of Securities of such series.

Section 1202. Satisfaction of Sinking Fund Payments with Securities.

The Company (1) may deliver Outstanding Securities of a series (other than any previously called for redemption) and (2) may apply as a credit Securities of a series which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any sinking fund payment with respect to the Securities of such series required to be made pursuant to the terms of such Securities as provided for by the terms of such series; provided that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

Section 1203. Redemption of Securities for Sinking Fund.

Not less than 60 days prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities of that series pursuant to Section 1202 and the basis for such credit and will also deliver to the Trustee any Securities to be so delivered which have not theretofore been delivered to the Trustee. Not less than 30 days before each such sinking fund payment date, the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 1103 and cause notice of the redemption thereof to be given in the name

of and at the expense of the Company in the manner provided in Section 1104. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 1105, 1106 and 1107.

ARTICLE THIRTEEN

REPAYMENT OF SECURITIES AT OPTION OF HOLDERS

Section 1301. Applicability of Article.

Securities of any series that are repayable before their Stated Maturity at the option of the Holders shall be repaid in accordance with their terms and (except as otherwise specified as contemplated by Section 301 for Securities of any series) in accordance with this Article.

Section 1302. Notice of Repayment Date.

Notice of any Repayment Date with respect to Securities of any series shall, unless otherwise specified by the terms of the Securities of such series, be given by the Company not less than 45 nor more than 60 days prior to such Repayment Date, to the Trustee and to each Holder of Securities of such series in accordance with Sections 105 and 106, respectively.

The notice as to Repayment Date shall state:

(1) the Repayment Date;

(2) the Repayment Price;

(3) the place or places where such Securities are to be surrendered for payment of the Repayment Price, which shall be the office or agency of the Company in each Place of Payment, and the date by which Securities must be so surrendered in order to be repaid;

(4) a description of the procedure which a Holder must follow to exercise a repayment right; and

(5) that exercise of the option to elect repayment is irrevocable.

No failure of the Company to give the foregoing notice shall limit any Holder's right to exercise a repayment right.

Section 1303. Deposit of Repayment Price.

On or prior to any Repayment Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Repayment Price of and (except if the Repayment Date shall be an Interest Payment Date) accrued interest on, all the Securities of such series which are to be repaid on that date.

Section 1304. Securities Payable on Repayment Date.

The form of option to elect repayment having been delivered as specified in the form of Security for such series as provided in Section 201, the Securities so to be repaid shall, on the Repayment

Date, become due and payable at the Repayment Price applicable thereto, and from and after such date (unless the Company shall default in the payment of the Repayment Price and accrued interest) such Securities shall cease to bear interest. Upon surrender of any such Security for repayment in accordance with said notice, such Security shall be paid by the Company at the Repayment Price, together with accrued interest to the Repayment Date; provided, however, that, unless otherwise specified as contemplated by Section 301, installments of interest whose Stated Maturity is on or prior to such Repayment Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Date according to their terms and the provisions of Section 307.

If any Security to be repaid shall not be so paid upon surrender thereof for repayment, the principal shall, until paid, bear interest from the Repayment Date at the rate prescribed in the Security.

Section 1305. Securities Repaid in Part.

Any Security which by its terms may be repaid in part at the option of the Holder and which is to be repaid only in part shall be surrendered at any office or agency of the Company designated for that purpose pursuant to Section 1002 (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge, a new Security or Securities of the same series and of like tenor, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unrepaid portion of the principal of the Security so surrendered. If a Global Security is so surrendered, such new Security so issued shall be a new Global Security.

ARTICLE FOURTEEN
CONVERSION OF SECURITIES

Section 1401. General.

If so provided in the terms of the Securities of any series established in accordance with Section 301, the principal amount of the Securities of such series shall be convertible into shares of Common Stock in accordance with this Article Fourteen and the terms of such series of Securities if such terms differ from this Article Fourteen; provided, however, that if any of the terms by which any such Security shall be convertible into Common Stock are set forth in a supplemental indenture entered into with respect thereto pursuant to Section 901(9) hereof, the terms of such supplemental indenture shall govern.

Section 1402. Right to Convert.

Subject to and upon compliance with the provisions of this Article, the Holder of any Security that is convertible into Common

Stock shall have the right, at such Holder's option, at any time on or after the date of original issue of such Security or such other date specified in the applicable Board Resolution delivered pursuant to Section 301 and prior to the close of business on the date set forth in such Board Resolution (or if such Security is called for redemption, then in respect of such Security to and including but not after the close of business on the date of redemption unless the Company shall default in the payment due on such date) to convert the principal amount of any such Security of any authorized denomination, or, in the case of any Security to be converted of a denomination greater than the minimum denomination for Securities of the applicable series, any portion of such principal which is an authorized denomination or an integral multiple thereof, into that number of fully paid and nonassessable shares of Common Stock obtained by dividing the principal amount of such Security or portion thereof surrendered for conversion by the Conversion Price therefor by surrender of the Security so to be converted in whole or in part in the manner provided in Section 1403. Such conversion shall be effected by the Company in accordance with the provisions of this Article and the terms of the Securities, if such terms differ from this Article.

Section 1403. Manner of Exercise of Conversion Privilege;
Delivery of Common Stock; No Adjustment for
Interest or Dividends.

In order to effect a conversion, the holder of any Security to be converted, in whole or in part, shall surrender such Security at the office or agency maintained by the Company for such purpose, as provided in Section 1002 and shall give written notice of conversion to the Company at such office or agency that the Holder elects to convert such Security or the portion thereof specified in said notice. The notice shall state the name or names (with address), and taxpayer identification number, in which the certificate or certificates for shares of Common Stock which shall be deliverable on such conversion shall be registered, and shall be accompanied by payments in respect of transfer taxes, if required pursuant to Section 1406. Each Security surrendered for conversion shall, unless the shares of Common Stock deliverable on conversion are to be issued in the same name as the registration of such Security, be duly endorsed by or be accompanied by instruments of transfer, in form satisfactory to the Company, duly executed by the Holder or such Holder's duly authorized attorney, and by any payment required pursuant to this Section 1403. As promptly as practicable after the surrender of such Security and notice, as aforesaid, the Company shall deliver or cause to be delivered at such office or agency to such Holder, or on such Holder's written order, a certificate or certificates for the number of full shares of Common Stock deliverable upon the conversion of such Security or portion thereof in accordance with the provisions of this Article and a check or cash in respect of any fractional interest in

respect of a share of Common Stock arising upon such conversion as

provided in Section 1404. In case any Security of a denomination greater than the minimum denomination for Securities of the applicable series shall be surrendered for partial conversion, the Company shall execute and register and the Trustee shall authenticate and deliver to or upon the written order of the Company and the Holder of the Security so surrendered, without charge to such Holder, a new Security or Securities of the same series in authorized denominations in an aggregate principal amount equal to the unconverted portion of the surrendered Security. Each conversion shall be deemed to have been effected as of the date on which such Security shall have been surrendered (accompanied by the funds, if any, required by the last paragraph of this Section) and such notice received by the Company, as aforesaid, and the person or persons in whose name or names any certificate or certificates for shares of Common Stock shall be registrable upon such conversion shall become on said date the Holder of record of the shares represented thereby, provided, however, that any such surrender on any date when the stock transfer books of the Company shall be closed shall constitute the person in whose name the certificates are to be registered as the record holder thereof for all purposes on the next succeeding day on which such stock transfer books are open, but such conversion shall be at the Conversion Price in effect on the date upon which such Security shall have been so surrendered.

Any Security or portion thereof surrendered for conversion during the period from the close of business on the Regular Record Date for any Interest Payment Date to the opening of business on such Interest Payment Date shall (unless such Security or portion thereof being converted shall have been called for redemption or submitted for repayment on a date during such period) be accompanied by payment, in legal tender or other funds acceptable to the Company, of an amount equal to the interest otherwise payable on such Interest Payment Date on the principal amount being converted; provided, however, that no such payment need be made if there shall exist at the time of conversion a default in the payment of interest on the applicable series of Securities. An amount equal to such payment shall be paid by the Company on such Interest Payment Date to the Holder of such Security on such Regular Record

Date; provided, however, that if the Company shall default in the payment of interest on such Interest Payment Date, such amount shall be paid to the person who made such required payment. Except as provided above in this Section, no adjustment shall be made for interest accrued on any Security converted or for dividends on any shares issued upon the conversion of such Security as provided in this Article.

Section 1404. Cash Payments in Lieu of Fractional Shares.

No fractional shares of Common Stock or scrip representing fractional shares of Common Stock shall be delivered upon conversion of Securities. If more than one Security shall be surrendered for conversion at one time by the same Holder, the number of full shares of Common Stock which shall be deliverable upon conversion shall be computed on the basis of the aggregate principal amount of

the Securities (or specified portions thereof to the extent permitted hereby) so surrendered. Instead of any fraction of a share of Common Stock which would otherwise be deliverable upon the conversion of any Security, the Company shall pay to the Holder of such Security an amount in cash (computed to the nearest cent, with one-half cent being rounded upward) equal to the same fraction of the closing price (determined in the manner provided in Section 1405(a)(v)) of the Common Stock on the Trading Day (as defined in Section 1405(a)(v)) next preceding the date of conversion.

Section 1405. Conversion Price Adjustments; Effect of Reclassification, Mergers, Consolidations and Sales of Assets.

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

(i) In case the Company shall (x) pay a dividend or make a distribution on the Common Stock in shares of Common Stock, (y) subdivide the outstanding Common Stock into a greater number of shares or (z) combine the outstanding Common Stock into a smaller number of shares, the Conversion Price shall be adjusted so that the Holder of any Security thereafter surrendered for conversion shall be entitled to receive the

number of shares of Common Stock of the Company which such holder would have owned or have been entitled to receive after the happening of any of the events described above had such Security been converted immediately prior to the record date in the case of a dividend or the effective date in the case of subdivision or combination. An adjustment made pursuant to this subparagraph (i) shall become effective immediately after the record date in the case of a dividend, except as provided in subparagraph (vii) below, and shall become effective immediately after the effective date in the case of a subdivision or combination.

(ii) In case the Company shall issue rights or warrants to all holders of shares of Common Stock entitling them (for a period expiring within 45 days after the record date mentioned below) to subscribe for or purchase shares of Common Stock at a price per share less than the current market price per share of Common Stock (as defined for purposes of this subparagraph (ii) in subparagraph (v) below), the Conversion Price in effect after the record date for the determination of stockholders entitled to receive such rights or warrants shall be determined by multiplying the Conversion Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding on such record date plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered would purchase at such current market price, and the denominator of which shall be the number of shares of Common Stock outstanding on the record date for issuance of such rights or warrants plus the number of additional shares of Common Stock

receivable upon exercise of such rights or warrants. Such adjustment shall be made successively whenever any such rights or warrants are issued, and shall become effective immediately, except as provided in subparagraph (vii) below, after such record date.

(iii) In case the Company shall distribute to all holders of Common Stock any shares of capital stock of the Company (other than Common Stock) or evidences of its

indebtedness or assets (excluding cash dividends or distributions paid from retained earnings of the Company or dividends payable in Common Stock) or rights or warrants to subscribe for or purchase any of its securities (excluding those rights or warrants referred to in subparagraph (ii) above) (any of the foregoing being hereinafter in this subparagraph (iii) called the "Assets"), then, in each such case, the Conversion Price shall be adjusted so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately prior to the record date for determination of stockholders entitled to receive such distribution by a fraction the numerator of which shall be the current market price per share (as defined for purposes of this subparagraph (iii) in subparagraph (v) below) of the Common Stock at such record date for determination of stockholders entitled to receive such distribution less the then fair market value (as determined by the Board of Directors, whose determination shall be conclusive) of the portion of the Assets so distributed applicable to one share of Common Stock, and the denominator of which shall be the current market price per share (as defined in subparagraph (v) below) of the Common Stock at such record date. Such adjustment shall become effective immediately, except as provided in subparagraph (vii) below, after the record date for the determination of stockholders entitled to receive such distribution.

(iv) If, pursuant to subparagraph (ii) or (iii) above, the number of shares of Common Stock into which a Security is convertible shall have been adjusted because the Company has declared a dividend, or made a distribution, on the outstanding shares of Common Stock in the form of any right or warrant to purchase securities of the Company, or the Company has issued any such right or warrant, then, upon the expiration of any such unexercised right or unexercised warrant, the Conversion Price shall forthwith be adjusted to equal the Conversion Price that would have applied had such right or warrant never been declared, distributed or issued.

(v) For the purpose of any computation under subparagraphs (ii) or (iii) above, the current market price per share of Common Stock on any date shall be deemed to be the average of the daily closing prices of the Common Stock for the shorter of (i) 30 consecutive Trading Days ending on the last full Trading Day on the exchange or market specified in the second following sentence prior to the Time of Determination or (ii) the period commencing on the date next

succeeding the first public announcement of the issuance of such rights or warrants or such distribution through such last full Trading Day prior to the Time of Determination. The term "Time of Determination" as used herein shall be the time and date of the earlier of (x) the determination of stockholders entitled to receive such rights, warrants, or distributions or (y) the commencement of "ex-dividend" trading in the Common Stock on the exchange or market specified in the following sentence. The closing price for each day shall be the reported last sales price, regular way, or, in case no sale takes place on such day, the average of the reported closing bid and asked prices, regular way, in either case as reported on the New York Stock Exchange Composite Tape or, if the Common Stock is not listed or admitted to trading on the New York Stock Exchange at such time, on the principal national securities exchange on which the Common Stock is listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange, on the National Market System of the National Association of Securities Dealers, Inc. Automated Quotations System ("NASDAQ") or, if the Common Stock is not quoted on such National Market System, the average of the closing bid and asked prices on such day in the over-the-counter market as reported by NASDAQ or, if bid and asked prices for the Common Stock on each such day shall not have been reported through NASDAQ, the average of the bid and asked prices for such date as furnished by any New York Stock Exchange member firm regularly making a market in the Common Stock selected for such purpose by the Company or, if no such quotations are available, the fair market value of the Common Stock as determined by a New York Stock Exchange member firm regularly making a market in the Common Stock selected for such purpose by the Company. As used herein, the term "Trading Day" with respect to Common Stock means (x) if the Common Stock is listed or admitted for trading on the New York Stock Exchange or another national securities exchange, a day on which the New York Stock Exchange or such other national securities exchange, as the case may be, is open for business or (y) if the Common Stock is quoted on the National Market System of the NASDAQ, a day on which trades may be made on such National Market System or (z) otherwise, any day other than a Saturday or Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

(vi) No adjustment in the Conversion Price shall be

required unless such adjustment would require an increase or decrease of at least 1% in such price; provided, however, that any adjustments which by reason of this subparagraph (vi) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 1405(a) shall be made to the nearest cent or to the nearest .01 of a share, as the case may be, with one-half cent and .005 of a share, respectively, being rounded upward. Anything in this Section 1405(a) to the contrary notwithstanding, the Company shall be entitled to make such

reductions in the Conversion Price, in addition to those required by this Section 1405(a), as it in its discretion shall determine to be advisable in order that any stock dividend, subdivision of shares, distribution of rights or warrants to purchase stock or securities, or distribution of other assets (other than cash dividends) hereafter made by the Company to its stockholders shall not be taxable.

(vii) In any case in which this Section 1405(a) provides that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event (x) issuing to the holder of any Security converted after such record date and before the occurrence of such event the additional shares of Common Stock issuable upon such conversion by reason of the adjustment required by such event over and above the Common Stock issuable upon such conversion before giving effect to such adjustment and (y) paying to such holder any amount of cash in lieu of any fractional share of Common Stock pursuant to Section 1404.

(viii) Whenever the Conversion Price is adjusted as herein provided, the Company shall file with the Trustee an Officers' Certificate, setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment, which certificate shall be conclusive evidence of the correctness of such adjustment; provided, however, that the failure of the Company to file such Officers' Certificate shall not affect the legality or validity of any corporate action by the Company.

(ix) Whenever the Conversion Price for any series of Securities is adjusted as provided in this Section 1405(a), the Company shall cause to be mailed to each holder of Securities of such series at its then registered address by first-class mail, postage prepaid, a notice of such adjustment of the Conversion Price setting forth such adjusted Conversion Price and the effective date of such adjusted Conversion Price; provided, however, that the failure of the Company to give such notice shall not affect the legality or validity of any corporate action by the Company.

(b) (i) Notwithstanding any other provision herein to the contrary, if any of the following events occur, namely (x) any reclassification or change of outstanding shares of Common Stock (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination of the Common Stock), (y) any consolidation, merger or combination of the Company with or into another corporation as a result of which holders of Common Stock shall be entitled to receive stock, securities or other property or assets (including cash) with respect to or in exchange for such Common Stock, or (z) any sale or conveyance of all or substantially all of the assets of the Company to any other entity as a result of which holders of Common Stock shall be entitled to receive stock,

securities or other property or assets (including cash) with respect to or in exchange for such Common Stock, then appropriate provision shall be made by supplemental indenture so that (A) the holder of any outstanding Security that is convertible into Common Stock shall have the right to convert such Security into the kind and amount of the shares of stock and securities or other property or assets (including cash) that would have been receivable upon such reclassification, change, consolidation, merger, combination, sale, or conveyance by a holder of the number of shares of Common Stock issuable upon conversion of such Security immediately prior to such reclassification, change, consolidation, merger, combination, sale or conveyance and (B) the number of shares of any such other stock or securities into which such Security shall thereafter be convertible shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as

practicable to the terms of adjustment provided for in this Section, and Sections 1402, 1403, 1404, 1406, 1407, 1408 and 1409 shall apply on like terms to any such other stock or securities.

(ii) In case of any reclassification or change of the Common Stock (other than a subdivision or combination of its outstanding Common Stock, or a change in par value, or from par value to no par value, or from no par value to par value), or of any consolidation, merger or combination of the Company with or into another corporation or of the sale or conveyance of all or substantially all of the assets of the Company, the Company shall cause to be filed with the Trustee and to be mailed to each holder of Securities that are convertible into shares of Common Stock at such holder's registered address, the date on which such reclassification, change, consolidation, merger, combination, sale or conveyance is expected to become effective, and the date as of which it is expected that holders of Common Stock shall be entitled to exchange their Common Stock for stock, securities or other property deliverable upon such reclassification, change, consolidation, merger, combination, sale or conveyance.

Section 1406. Taxes on Shares Issued.

The delivery of stock certificates upon conversions of Securities shall be made without charge to the holder converting a Security for any tax in respect of the issue thereof. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the delivery of stock registered in any name other than of the holder of any Security converted, and the Company shall not be required to deliver any such stock certificate unless and until the person or persons requesting the delivery thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

Section 1407. Shares to be Fully Paid; Compliance with Governmental Requirements; Listing of Common Stock.

The Company covenants that all shares of Common Stock which

may be delivered upon conversion of Securities of any series which are convertible into Common Stock will upon delivery be fully paid and nonassessable by the Company and free from all taxes, liens and charges with respect to the issue thereof.

The Company covenants that if any shares of Common Stock to be provided for the purpose of conversion of Securities hereunder require registration with or approval of any governmental authority under any Federal or state law before such shares may be validly delivered upon conversion, the Company will in good faith and as expeditiously as possible endeavor to secure such registration or approval, as the case may be.

The Company further covenants that it will, if permitted by the rules of The New York Stock Exchange, Inc., list and keep listed for so long as the Common Stock shall be so listed on such exchange, upon official notice of issuance, all Common Stock deliverable upon conversion of Securities of any series which are convertible into Common Stock.

Section 1408. Responsibility of Trustee.

Neither the Trustee nor any conversion agent shall at any time be under any duty or responsibility to any Holder of Securities to determine whether any facts exist which may require any adjustment of the Conversion Price applicable to such Securities, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. Neither the Trustee nor any conversion agent shall be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock, or of any securities or property, which may at any time be delivered upon the conversion of any Security; and neither the Trustee nor any conversion agent makes any representation with respect thereto. Neither the Trustee nor any conversion agent shall be responsible for any failure of the Company to deliver any shares of Common Stock or stock certificates or other securities or property or cash upon the surrender of any Security for the purpose of conversion or for any failure of the Company to comply with any of the covenants of the Company contained in this Article Fourteen.

Section 1409. Covenant to Reserve Shares.

The Company covenants that it will at all times reserve and keep available, free from pre-emptive rights, out of its authorized but unissued Common Stock, such number of shares of Common Stock as shall then be deliverable upon the conversion of all Outstanding Securities of any series of Securities which are convertible into Common Stock.

Section 1410. Other Conversions.

If so provided in a Board Resolution with respect to the Securities of a series, the principal amount of the Securities of

such series shall be convertible into or exchangeable for a principal amount of other securities of the Company (which other securities may be issued under this Indenture or otherwise), and the issuance of such securities upon any such conversion or exchange shall be made in accordance with the terms of such Board Resolution.

ARTICLE FIFTEEN
DEFEASANCE AND COVENANT DEFEASANCE

Section 1501. Applicability of Article; Company's Option to Effect Defeasance or Covenant Defeasance.

If pursuant to Section 301 provision is made for either or both of (a) defeasance of the Securities of a series under Section 1502 or (b) covenant defeasance of the Securities of a series under Section 1503, then the provisions of such Section or Sections, as the case may be, together with the other provisions of this Article Fifteen, shall be applicable to the Securities of such series, and the Company may at its option by Board Resolution, at any time, with respect to the Securities of such series, elect to have either Section 1502 (if applicable) or Section 1503 (if applicable) be applied to the Outstanding Securities of such series upon compliance with the conditions set forth below in this Article Fifteen.

Section 1502. Defeasance and Discharge.

Upon the Company's exercise of the above option applicable to this Section with respect to the Outstanding Securities of a particular series, the Company shall be deemed to have been discharged from its obligations with respect to the Outstanding Securities of such series on and after the date the conditions precedent set forth below are satisfied (hereinafter,

"defeasance"). For this purpose, such defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by the Outstanding Securities of such series and to have satisfied all its other obligations under such Securities and this Indenture insofar as such Securities are concerned (and the Trustee, at the expense of the Company and upon Company Request, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder: (A) the rights of Holders of Outstanding Securities of such series to receive, solely from the trust fund described in Section 1504 as more fully set forth in such Section, payments of the principal of and any premium and interest on such Securities when such payments are due, (B) the Company's obligations with respect to such Securities under Section 304, 305, 306, 607, 1002 and 1003 and such obligations as shall be ancillary thereto, (C) the rights, powers, trusts, duties, immunities and other provisions in respect of the Trustee hereunder and (D) this Article Fifteen. Subject to compliance with this Article Fifteen, the Company may exercise its option under this

Section 1502 notwithstanding the prior exercise of its option under Section 1503 with respect to the Securities of such series.

Section 1503. Covenant Defeasance.

Upon the Company's exercise of the above option applicable to this Section with respect to the Outstanding Securities of a particular series, the Company shall be released from its obligations under Sections 801, 1008 and 1009 (and any other covenant applicable to such Securities that is determined pursuant to Section 301 to be subject to covenant defeasance under this Section) and the occurrence of an event specified in Clause (4) of Section 501 with respect to any of Sections 801, 1008 or 1009 (and any other Event of Default applicable to such Securities that is determined pursuant to Section 301 to be subject to covenant defeasance under this Section) shall not be deemed to be an Event of Default with respect to the Outstanding Securities of such series on and after the date the conditions set forth below are satisfied (hereinafter, "covenant defeasance"). For this purpose, such covenant defeasance means that, with respect to the Outstanding Securities of such series, the Company may omit to

comply with and shall have no liability in respect of any term, condition or limitation set forth in any such Section or Clause whether directly or indirectly by reason of any reference elsewhere herein to any such Section or Clause or by reason of any reference in any such Section or Clause to any other provision herein or in any other document, but the remainder of this Indenture and such Securities shall be unaffected thereby.

Section 1504. Conditions to Defeasance or Covenant Defeasance.

The following shall be the conditions precedent to application of either Section 1502 or Section 1503 to the Outstanding Securities of a particular series:

(1) The Company shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee satisfying the requirements of Section 609 who shall agree to comply with the provisions of this Article Fifteen applicable to it) as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities, (A) money in an amount, or (B) U.S. Government Obligations which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount, or (C) a combination thereof, sufficient, without reinvestment, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereto delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or other qualifying trustee) to pay and discharge, (i) the principal of and any premium and interest on the Outstanding Securities of such series on the maturity of such principal, premium or interest and (ii) any mandatory

sinking fund payments or analogous payments applicable to the Outstanding Securities of such series on the day on which such payments are due in accordance with the terms of this Indenture and of such Securities. Before such a deposit, the Company may make arrangements satisfactory to the Trustee for the redemption of Securities at a future date or dates in

accordance with Article Eleven, which shall be given effect in applying the foregoing. For this purpose, "U.S. Government Obligations" means securities that are (x) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (y) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act of 1933) as custodian with respect to any such U.S. Government Obligation or a specific payment of principal of or interest on any such U.S. Government Obligation held by such custodian for the account of the holder of such depositary receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of principal of or interest on the U.S. Government Obligation evidenced by such depositary receipt.

(2) No Event of Default or event which with notice or lapse of time or both would become an Event of Default with respect to the Securities of such series shall have occurred and be continuing (A) on the date of such deposit or (B) insofar as subsections 501(6) and (7) are concerned, at any time during the period ending on the 91st day after the date of such deposit or, if longer, ending on the day following the expiration of the longest preference period applicable to the Company in respect of such deposit (it being understood that the condition in this condition shall not be deemed satisfied until the expiration of such period).

(3) Such defeasance or covenant defeasance shall not (A) cause the Trustee for the Securities of such series to have a conflicting interest as defined in Section 608 or for purposes of the Trust Indenture Act with respect to any securities of the Company or (B) result in the trust arising from such deposit to constitute, unless it is qualified as, a regulated investment company under the Investment Company Act of 1940, as amended.

(4) Such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Company is a party or by which it is bound.

(5) In the case of an election under Section 1502, the Company shall have delivered to the Trustee an Opinion of Counsel stating that (x) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (y) since the date of this Indenture there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the Holders of the Outstanding Securities of such series will not recognize income, gain or loss for Federal income tax purposes as a result of such defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred.

(6) In the case of an election under Section 1503, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of the Outstanding Securities of such series will not recognize income, gain or loss for Federal income tax purposes as a result of such covenant defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred.

(7) Such defeasance or covenant defeasance shall be effected in compliance with any additional terms, conditions or limitations which may be imposed on the Company in connection therewith pursuant to Section 301.

(8) The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for relating to either the defeasance under Section 1502 or the covenant defeasance under Section 1503 (as the case may be) have been complied with.

Section 1505. Deposited Money and U.S. Government Obligations to be Held in Trust; Other Miscellaneous Provisions.

Subject to the provisions of the last paragraph of Section 1003, all money and U.S. Government Obligations (including the

proceeds thereof) deposited with the Trustee (or other qualifying trustee -- collectively, for purposes for this Section 1505, the "Trustee") pursuant to Section 1504 in respect of the Outstanding Securities of such series shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any Paying Agent (but not including the Company acting as its own Paying Agent) as the Trustee may determine, to the Holders of such Securities, of all sums due and to become due thereon in respect of principal, premium and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any

tax, fee or other charge imposed on or assessed against the money or U.S. Government Obligations deposited pursuant to Section 1504 or the principal and interest received in respect thereof.

Anything herein to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon Company Request any money or U.S. Government Obligations held by it as provided in Section 1504 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof which would then be required to be deposited to effect an equivalent defeasance or covenant defeasance.

Section 1506. Reinstatement.

If the Trustee or the Paying Agent is unable to apply any money in accordance with Section 1502 or 1503 with respect to the Securities of any series by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Indenture and the Securities of such series shall be revived and reinstated as though no deposit had occurred pursuant to this Article Fifteen until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 1502 or 1053; provided, however, that if the Company makes any payment of the principal of or any premium or interest on any such Security

following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money held by the Trustee or the Paying Agent.

ARTICLE SIXTEEN
IMMUNITY OF INCORPORATORS, STOCKHOLDERS,
OFFICERS AND DIRECTORS

Section 1601. Immunity of Incorporators, Stockholders, Officers and Directors.

No recourse under or upon any obligation, covenant or agreement of this Indenture, or of any Security, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the obligations issued hereunder are solely corporate obligations, and that no personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, stockholders, officers or directors, as such, of the Company or any successor corporation, or any of them, because of the creation of the indebtedness hereby authorized, or under or by this Indenture or in any of the Securities or implied therefrom; and that any and

all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, stockholder, officer or director, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of such Securities.

* * *

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

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

[SEAL]

LOWE'S COMPANIES, INC.

By: _____
Its: _____

Attest:

By: _____
Its: _____

[SEAL]

CHEMICAL BANK

By: _____
Its: _____

Attest:

By: _____
Its: _____

State of North Carolina

SS:

County of Wilkes

On the _____ day of _____, 1993, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he is _____ of LOWE'S COMPANIES, INC., one of the corporations described in and which executed the foregoing instrument; 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.

[SEAL]

Notary Public

State of New York

SS:

County of New York

On the _____ day of _____, 1993, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he is _____ of CHEMICAL BANK, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporation's 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.

[SEAL]

Notary Public

LOWE'S COMPANIES, INC.

AND

_____, Trustee

Indenture

Dated as of _____, 199_

Subordinated Debt Securities

Reconciliation and tie between
the Trust Indenture Act of 1939 and Indenture,
dated as of _____, 199_*

Trust Indenture

Section 310 (a) (1)	.609
(a) (2)	.609
(a) (3)	Not Applicable
(a) (4)	Not Applicable
(a) (5)	608, 610
(b)	608, 610
(c)	Not Applicable
Section 311 (a)	.613
(b)	.613
Section 312 (a)	.701, 702 (a)
(b)	702 (b)
(c)	.703
Section 313 (a)	.703
(b)	.703
(c)	.703
(d)	.703
Section 314 (a)	.704, 1005
(b)	Not Applicable
(c) (1)	.102
(c) (2)	.102
(c) (3)	Not Applicable
(d)	Not Applicable
(e)	.102
(f)	Not Applicable
Section 315 (a)	.601
(b)	.602
(c)	.601
(d)	.601
(e)	.514
Section 316 (a)	.101
(a) (1) (A)	.512
(a) (1) (B)	.513
(a) (2)	Not Applicable
(b)	.508
Section 317 (a) (1)	.503
(a) (2)	.504
(b)	1003
Section 318 (a)	.107

* This table shall not, for any purpose, be deemed to be a part of the Indenture.

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INDENTURE, dated as of _____, 199_, between LOWE'S COMPANIES, INC., a corporation duly organized and existing under the laws of the State of North Carolina (herein called the "Company"), having its principal office at Highway 268 East, North Wilkesboro, North Carolina 28656, and WACHOVIA BANK OF NORTH CAROLINA, N.A., a corporation duly organized and existing under the laws of the United States of America, as Trustee (herein called the "Trustee").

RECITALS OF THE COMPANY

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

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

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

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

ARTICLE ONE
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 101. Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

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

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

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

(4) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

Certain terms, used principally in Article Six, are defined in that Article.

"Act", when used with respect to any Holder, has the meaning specified in Section 104.

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

"Authenticating Agent" means any Person authorized by the

Trustee pursuant to Section 614 to act on behalf of the Trustee to authenticate Securities of one or more series.

"Authorized Newspaper" means a newspaper of general circulation in the relevant area, printed in the English language and customarily published on each Business Day therein.

"Board of Directors" means either the board of directors of the Company or any duly authorized committee of that board or any director or directors and/or officer or officers of the Company to whom that board or committee shall have duly delegated its authority.

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

"Business Day", when used with respect to any Place of Payment, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment are authorized or obligated by law or executive order to close.

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

"Common Stock" means any stock of any class of the Company which has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company and which is not subject to redemption by the Company.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor corporation shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor corporation.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company by its Chairman of the

Board, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee.

"Conversion Price" means with respect to any series of Securities which are convertible into Common Stock, the price per share of Common Stock at which the Securities of such series are so convertible as set forth in the Board Resolution with respect to such series (or in any supplemental indenture entered into pursuant

to Section 901(8) with respect to such series), as the same may be adjusted from time to time in accordance with Section 1505 (or such supplemental indenture pursuant to Section 1501).

"Corporate Trust Office" means the office of the Trustee in _____, _____, at which at any particular time its corporate trust business shall be principally administered, which office at the date of execution of this Indenture is located at _____.

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

"Defaulted Interest" has the meaning specified in Section 307.

"Depository" means, with respect to the Securities of any series issuable or issued in the form of a Global Security, a clearing agency registered under the Securities Exchange Act of 1934, as amended, or any successor thereto, which shall in either case be designated by the Company pursuant to Section 301 or 305 until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Depository" shall mean or include each Person who is then a Depository hereunder, and if at any time there is more than one such Person, "Depository" as used with respect to the Securities of any such series shall mean the Depository with respect to the Securities of that series.

"Event of Default" has the meaning specified in Section 501.

"Global Security or Securities" means one or more fully

registered Securities in global form evidencing all or a part of a series of Securities issued to the Depositary for such series or its nominee or registered in the name of the Depositary or its nominee.

"Holder" means a Person in whose name a Security is registered in the Security Register.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of particular series of Securities established as contemplated by Section 301.

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

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

"Maturity", when used with respect to any Security, means the

date on which the principal of such Security or an installment of principal becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or by repayment or otherwise.

"Officers' Certificate" means a certificate signed by at least two officers of the Company, one signature being that of the Chairman of the Board, the President or a Vice President, and the other signature being that of the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Company, and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Company, and who shall be acceptable to the Trustee.

"Original Issue Discount Security" means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502.

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

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

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

(iii) Securities which have been paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company.

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, (a) the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of

acceleration of the Maturity thereof pursuant to Section 502, and

(b) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor.

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

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

"Place of Payment", when used with respect to the Securities of any series, means the place or places where the principal of (and premium, if any) and interest on the Securities of that series are payable as specified as contemplated by Section 301.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Preferred Stock" means any stock of any class of the Company which has a preference over Common Stock in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company and which is not mandatorily redeemable or repayable, or redeemable or repayable at the option of the Holder, otherwise than in shares of Common Stock or Preferred Stock of another class or series or with the proceeds of the sale of Common Stock or Preferred Stock.

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

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

"Regular Record Date" for the interest payable on any Interest Payment Date on the Securities of any series means the date

specified for that purpose as contemplated by Section 301.

"Repayment Date" means, when used with respect to any Security to be repaid at the option of the Holder, the date fixed for such repayment by or pursuant to this Indenture.

"Repayment Price" means, when used with respect to any Security to be repaid at the option of the Holder, the price at which it is to be repaid by or pursuant to this Indenture.

"Responsible Officer", when used with respect to the Trustee, means any officer of the Trustee customarily performing corporate trust functions.

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

"Security Register" and "Security Registrar" have the respective meanings specified in Section 305.

"Senior Indebtedness" means the principal of, premium, if any, and interest on, and any other payment due pursuant to the terms of, an instrument (including, without limitation of, fees, expenses, collection expenses (including attorneys' fees), interest yield amounts, post-petition interest (whether or not earned) and taxes) creating, securing or evidencing any of the following, whether outstanding on the date of the Indenture or thereafter incurred or created: (a) all indebtedness of the Company for money borrowed or constituting reimbursement obligations with respect to letters of credit and interest or currency swap agreements (including indebtedness secured by a mortgage, conditional sales contract or other lien which is (i) given to secure all or a part of the purchase price of property subject thereto, whether given to the vendor of such property or to another, or (ii) existing on property at the time of acquisition thereof); (b) all indebtedness of the Company evidenced by notes, debentures, bonds or other

securities sold by the Company for money; (c) lease obligations (including but not limited to capitalized lease obligations); (d) all indebtedness of others of the kinds described in either of the preceding clauses (a) or (b) and all lease obligations and obligations of others of the kind described in the preceding clause (c) assumed by or guaranteed in any manner by the Company or in effect guaranteed by the Company through an agreement to purchase, contingent or otherwise; and (e) all (whether initial or seriatim) renewals, deferrals, increases, extensions or refundings of and modifications to indebtedness of the kinds described in any of the preceding clauses (a), (b) or (d) and all renewals or extensions of leases of the kinds described in either of the preceding clauses (c) or (d); unless, in the case of any particular indebtedness, lease, renewal, extension or refunding, the instrument or lease creating or evidencing the same or the assumption or guarantee of the same expressly provides that such indebtedness, lease, renewal, extension, deferral, increase, modification or refunding is not superior in right of payment to the Securities or is expressly

subordinated by its terms in right of payment to all other indebtedness of the Company (including the Securities).

"Special Record Date" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 307.

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

"Subsidiary" means a corporation more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries. For the purposes of this definition, "voting stock" means stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

"Trustee" means the Person named as the "Trustee" in the first

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

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force at the date as of which this instrument was executed; provided, however, that in the event the Trust Indenture Act of 1939 is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

"United States" means the United States of America.

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

Section 102. Compliance Certificates and Opinions.

Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular

application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(1) A statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

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

Section 103. Form of Documents Delivered to Trustee.

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

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

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but

need not, be consolidated and form one instrument.

Section 104. Acts of Holders; Record Dates.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

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

(c) The ownership of Securities shall be proved by the Security Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company

in reliance thereon, whether or not notation of such action is made upon such Security.

(e) The Company may, in the circumstances permitted by the Trust Indenture Act, fix any day as the record date for the purpose of determining the Holders of Securities of any series entitled to give or take any request, demand, authorization, direction, notice, consent, waiver or other action, or to vote on any action, authorized or permitted to be given or taken by Holders of Securities of such series. If not set by the Company prior to the first solicitation of a Holder of Securities of such series made by any Person in respect of any such action, or , in the case of any

such vote, prior to such vote, the record date for any such action or vote shall be the 30th day (or, if later, the date of the most recent list of Holders required to be provided pursuant to Section 701) prior to such first solicitation or vote, as the case may be. With regard to any record date for action to be taken by the Holders of one or more series of Securities, only the Holders of Securities of such series on such date (or their duly designated proxies) shall be entitled to give or take, or vote on, the relevant action.

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

(g) Without limiting the generality of the foregoing, unless otherwise specified pursuant to Section 301 or pursuant to one or more indentures supplemental hereto, a Holder, including a Depositary that is the Holder of a Global Security, may make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or

taken by Holders, and a Depositary that is the Holder of a Global Security may provide its proxy or proxies to the beneficial owners of interests in any such Global Security through such Depositary's standing instructions and customary practices.

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

Section 105. Notices, Etc., to Trustee and Company.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

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

(2) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company addressed to it at the address of its principal office specified in the first paragraph of this instrument,

Attention: Secretary, or at any other address previously furnished in writing to the Trustee by the Company.

Section 106. Notice to Holders; Waiver.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Any notice to a Holder which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not such Holder receives such notice. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case, by reason of the suspension of or irregularities in regular mail service or by reason of any other cause, it shall be impracticable to give notice of any event to Holders by mail when such notice is required to be given pursuant to any provision of this Indenture, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

Section 107. Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with the duties imposed by any of Sections 310 through 317, inclusive, of the Trust Indenture Act through the operation of Section 318(c) thereof, such imposed duties shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter

provision shall be deemed to apply to this Indenture as so modified or shall be deemed to be so excluded, as the case may be.

Section 108. Effect of Headings and Table of Contents.

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

Section 109. Successors and Assigns.

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

Section 110. Separability Clause.

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

Section 111. Benefits of Indenture.

Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any Paying Agent, the Holders and the holders of Senior Indebtedness, any benefit or any legal or equitable right, remedy or claim under this Indenture; provided that this Section 111 shall not limit the rights of any Holder of a Global Security to give any notice or take any action, or appoint any agents, with regard to any part or different parts of the principal amount of such Global Security pursuant to Section 104.

Section 112. Governing Law.

This Indenture and the Securities and the rights, duties, standard of care and immunities of the Trustee in connection with the administration of its trust hereunder shall be governed by the laws of the State of New York.

Section 113. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date, Repayment Date, sinking fund payment date or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities) payment of interest or principal (and premium, if any) need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made

on the Interest Payment Date, Redemption Date, Repayment Date, sinking fund payment date or at the Stated Maturity, provided that no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date, Repayment Date, sinking fund payment date or Stated Maturity, as the case may be.

ARTICLE TWO SECURITY FORMS

Section 201. Forms of Securities.

The Securities of each series shall be in such form or forms (including global form) as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with any law or with any rules made pursuant thereto or the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of such Securities. If the form of Securities of any series is established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities.

The Trustee's certificates of authentication shall be in substantially the form set forth in this Article.

The definitive Securities shall be printed, lithographed or engraved or may be produced in any other manner permitted by the rules of any securities exchange upon which the Securities may be listed and (with respect to Global Securities of any Series) the rules of the Depositary, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

Section 202. Form of Trustee's Certificate of Authentication.

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

_____, as Trustee

By.....
Authorized Officer

Section 203. Securities in Global Form.

If any Security of a series is issuable in global form, such Security may provide that it shall represent the aggregate amount of Outstanding Securities from time to time endorsed thereon and also may provide that the aggregate amount of Outstanding Securities represented thereby may from time to time be reduced to reflect exchanges. Any endorsement of a Security in global form to reflect the amount, or any increase or decrease in the amount, of

Outstanding Securities represented thereby shall be made by the Trustee and in such manner as shall be specified in such Security. Any instructions by the Company with respect to a Security in global form, after its initial issuance, shall be in writing but need not comply with Section 102.

ARTICLE THREE
THE SECURITIES

Section 301. Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. All Securities of each series issued under this Indenture shall in all respects be equally and ratably entitled to the benefits hereof with respect to such series without preference, priority or

distinction on account of the actual time of the authentication and delivery or Maturity of the Securities of such series. There shall be established in or pursuant to a Board Resolution, and, to the extent not set forth therein, set forth in an Officers' Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series:

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

(2) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of that series pursuant to Section 304, 305, 306, 906, 1107, 1305 or 1503);

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

(4) the rate or rates, or the method of determination thereof, at which the Securities of the series shall bear interest, if any, the date or dates from which such interest shall accrue, the Interest Payment Dates on which such interest shall be payable and the Regular Record Date for the interest payable on any Interest Payment Date;

(5) if other than the Corporate Trust Office, the place or places where the principal of (and premium, if any) and interest on Securities of the series shall be payable;

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

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

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

(9) if other than the principal amount thereof, the portion of the principal amount of Securities of the series which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 502;

(10) if the Securities of the series shall be issued in whole or in part in the form of a Global Security or Securities, the Depositary for such Global Security or Securities;

(11) any addition to or change in the Events of Default which applies to any Securities of the series;

(12) any addition to or change in the covenants set forth in Article Ten which applies to Securities of the series;

(13) if the Securities of the series are convertible into Common Stock, the Conversion Price therefor, the period during which such Securities are convertible and any terms and conditions for the conversion of such Securities which differ from Article Fifteen; and

(14) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture).

The Securities shall be subordinate and junior in right of payment to Senior Indebtedness of the Company as provided in Article Fourteen.

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to such Board Resolution and set forth in such Officers' Certificate, to the extent applicable, or in any such indenture supplemental hereto. All Securities of any one

series need not be issued at the same time and, unless otherwise provided, a series may be reopened, without the consent of the Holders, for issuance of additional Securities of such series.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Board Resolution or the Officers' Certificate setting forth the terms of the series.

Section 302. Denominations.

The Securities of each series shall be issuable in registered form without coupons in such denominations as shall be specified as contemplated by Section 301. In the absence of any such provisions with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of \$1,000 and any integral multiple thereof.

Section 303. Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company by its Chairman of the Board, its President or one of its Vice Presidents, under its corporate seal reproduced thereon and attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Securities may be manual or facsimile.

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

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series executed by the Company to the Trustee for authentication, and the Trustee shall authenticate and deliver such

Securities upon Company Order. If all the Securities of any one series are not to be originally issued at one time and if a Board Resolution relating to such Securities shall so permit, such Company Order may set forth procedures (acceptable to the Trustee) for the issuance and authentication of such Securities.

If the form or terms of the Securities of the series have been established in or pursuant to one or more Board Resolutions as permitted by Sections 201 and 301, in authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating:

(a) if the form of such Securities has been established

by or pursuant to Board Resolution as permitted by Section 201, that such form has been established in conformity with the provisions of this Indenture;

(b) if the terms of such Securities have been established by or pursuant to Board Resolution as permitted by Section 301, that such terms have been established in conformity with the provisions of this Indenture; and

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

If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Notwithstanding the provisions of Section 301 and of the preceding paragraph, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Board Resolution or Officers' Certificate otherwise required pursuant to Section 301 or the Company Order and Opinion of Counsel otherwise required pursuant to such preceding paragraph at or prior to the time of authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued and such documents reasonably contemplate the issuance of all Securities of such series.

Unless otherwise provided in the form of Security for any series, each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature of an authorized officer, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture.

If the Company shall establish pursuant to Section 301 that the Securities of a series are to be issued in the form of one or more Global Securities, then the Company shall execute and the

Trustee shall, in accordance with this Section and the Company Order with respect to such series, authenticate and deliver one or more Global Securities that (i) shall represent and shall be denominated in an amount equal to the aggregate principal amount of all of the Securities of such series having the same terms issued and not yet canceled, (ii) shall be registered in the name of the Depository for such Global Security or Securities or the nominee of such Depository, (iii) shall be delivered by the Trustee to such Depository or pursuant to such Depository's instructions and (iv) shall bear a legend substantially to the following effect: "Unless

and until it is exchanged in whole or in part for Securities in definitive registered form, this Security may not be transferred except as a whole by the Depositary to the nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary."

Section 304. Temporary Securities.

Pending the preparation of definitive Securities of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities of any series are issued, the Company will cause definitive Securities of that series to be prepared without unreasonable delay. After the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable for definitive Securities of such series upon surrender of the temporary Securities of such series at the office or agency of the Company in a Place of Payment for that series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Securities of the same series of authorized denominations. Until so exchanged the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series.

Section 305. Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept at one of its offices or agencies maintained pursuant to Section 1002 a register (the register maintained in such office being herein sometimes referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The

Person responsible for the maintenance of the Security Register is referred to herein as the "Security Registrar." The Trustee is hereby initially appointed Security Registrar for the purpose of registering Securities and transfers of Securities as herein provided.

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

At the option of the Holder, Securities of any series (except Global Securities) may be exchanged for other Securities of the same series, of any authorized denominations and of a like aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

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

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

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 906, 1107, 1305 or 1503 not involving any transfer.

The Company shall not be required (i) to issue, register the transfer of or exchange Securities of any series during a period beginning at the opening of business 15 days before the day of the

mailing of a notice of redemption of Securities of that series selected for redemption under Section 1103 and ending at the close of business on the day of such mailing, or (ii) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

Notwithstanding any other provision of this Section 305, unless and until it is exchanged in whole or in part for Securities

in definitive registered form, a Global Security representing all or a portion of the Securities of a series may not be transferred except as a whole by the Depositary for such series 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 Depositary for such series or a nominee of such successor Depositary.

If at any time the Depositary for the Securities of a series notifies the Company that it is unwilling or unable to continue as Depositary for the Securities of such series or if at any time the Depositary for the Securities of a series shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, the Company shall appoint a successor Depositary with respect to the Securities of such series. If a successor Depositary for the Securities of such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition, the Company shall execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Securities of such series, shall authenticate and deliver Securities of such series in definitive form in an aggregate principal amount equal to the principal amount of the Global Security or Securities representing such series in exchange for such Global Security or Securities.

The Company may at any time and in its sole discretion determine that the Securities of any series issued in the form of one or more Global Securities shall no longer be represented by a Global Security or Securities. In such event the Company shall execute, and the Trustee, upon receipt of a Company Order for the

authentication and delivery of definitive Securities of such series, shall authenticate and deliver, Securities of such series in definitive registered form without coupons, in any authorized denominations, in an aggregate principal amount equal to the principal amount of the Global Security or Securities representing such series, in exchange for such Global Security or Securities.

If specified by the Company pursuant to Section 301 with respect to a series of Securities, the Depositary for such series of Securities may surrender a Global Security for such series of Securities in exchange in whole or in part for Securities of such series in definitive registered form on such terms as are acceptable to the Company and such Depositary. Thereupon, the Company shall execute, and the Trustee shall authenticate and deliver, without service charge,

(i) to the Person specified by such Depositary a new Security or Securities of the same series, of any authorized denomination as requested by such Person, in an aggregate principal amount equal to and in exchange for such Person's beneficial interest in the Global Security; and

(ii) to such Depositary a new Global Security in a

denomination equal to the difference, if any, between the principal amount of the surrendered Global Security and the aggregate principal amount of Securities authenticated and delivered pursuant to Clause (i) above.

Upon the exchange of a Global Security for Securities in definitive registered form, in authorized denominations, such Global Security shall be canceled by the Trustee. Securities in definitive registered form issued in exchange for a Global Security pursuant to this Section 305 shall be registered in such names and in such authorized denominations as the Depositary for such Global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall not be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. The Trustee shall, at Company expense, deliver

such Securities to or as directed by the Persons in whose names such Securities are so registered.

Section 306. Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee, together with such other security or indemnity as may be reasonably required by the Trustee to save it harmless, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and upon its request the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

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

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

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the

Company, whether or not the destroyed, lost or stolen Security

shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that series duly issued hereunder.

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

Section 307. Payment of Interest; Interest Rights Preserved.

Except as otherwise provided as contemplated by Section 301 with respect to any series of Securities, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest. The Company and the Trustee understand that interest on any Global Security will be disbursed or credited by the Depositary to the Persons having ownership thereof pursuant to a book entry or other system maintained by the Depositary.

Any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in Clause (1) or Clause (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10

days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall

promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Securities of such series at his address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following Clause (2).

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

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

Section 308. Persons Deemed Owners.

The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of

receiving payment of principal of (and premium, if any) and (subject to Section 307) interest on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

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 309. Cancellation.

All Securities surrendered for payment, redemption, registration of transfer or exchange or for credit against any sinking fund payment shall, if surrendered to any Person other than

the Trustee, be delivered to the Trustee and shall be promptly canceled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly canceled by the Trustee, except that if a Global Security is so surrendered, the Company shall execute and the Trustee shall authenticate and deliver to the Depository for such Global Security, without service charge, a new Global Security or Securities in a denomination equal to and in exchange for the portion of the Global Security so surrendered not to be paid, redeemed, repaid or registered for transfer or exchange or for credit. No Securities shall be authenticated in lieu of or in exchange for any Securities canceled as provided in this Section, except as expressly permitted by this Indenture. All canceled Securities held by the Trustee shall be disposed of in accordance with its customary procedures and a certificate of disposition shall be delivered to the Company, unless, by a Company Order, the Company shall direct the canceled Securities be returned to it.

Section 310. Computation of Interest.

Except as otherwise specified as contemplated by Section 301 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

ARTICLE FOUR
SATISFACTION AND DISCHARGE

Section 401. Satisfaction and Discharge of Indenture.

Upon Company Request, this Indenture shall cease to be of further effect with respect to the Securities of a particular series (except as to any surviving rights to convert Securities into Common Stock, or rights of registration of transfer or exchange of Securities herein expressly provided for), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture as to such Securities, when:

(1) either:

(A) all Securities of such series theretofore authenticated and delivered (other than (i) Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 306 and (ii) Securities for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 1003) have been delivered to the Trustee for cancellation; or

(B) all Securities of such series not theretofore

delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption within one year, under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

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

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to such Securities; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture with respect to the Securities of such series have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture with respect to the Securities of a particular series, the obligations of the Company to the Trustee under Section 607, the obligations, if any, of the Trustee to any Authenticating Agent under Section 614 and, if money shall have been deposited with the Trustee pursuant to subclause (B) of clause (1) of this Section, the obligations of the Trustee under Section 402 and the last paragraph of Section 1003, in each case with respect to such Securities, shall survive.

Notwithstanding the cessation, termination and discharge of all obligations, covenants and agreements of the Company under this Indenture with respect to any series of Securities, the obligations of the Company to the Trustee under Section 607, the obligations of the Trustee under Section 402 and the last paragraph of Section 1003 shall survive with respect to such series of Securities.

Section 402. Application of Trust Money.

Subject to the provisions of the last paragraph of Section 1003, all money deposited with the Trustee pursuant to Section 401

shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent), as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee. All money deposited with the Trustee pursuant to Section 401 (and held by it or any Paying Agent) for the payment of Securities subsequently converted into Common Stock shall be returned to the Company upon Company Request.

ARTICLE FIVE REMEDIES

Section 501. Events of Default.

"Event of Default", wherever used herein with respect to Securities of any series, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or Article Fourteen or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in the payment, whether or not prohibited by the provisions of Article Fourteen, of any installment of interest upon any of the Securities of that Series as and when the same shall become due and payable, and continuance of such default for a period of 30 days; or

(2) default in the payment, whether or not prohibited by the provisions of Article Fourteen, of the principal of or premium, if any, on any of the Securities of that series as and when the same shall become due and payable either at maturity, upon redemption by the Company pursuant to Article Eleven, by declaration or otherwise; or

(3) default in the payment of any sinking fund payment, as and when the same shall become due and payable by the terms of the Securities of that series; or

(4) failure on the part of the Company to perform in any material respect any covenant or breach of any warranty of the Company contained in the Securities or in this Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section specifically dealt with or which has been expressly included in this Indenture solely for the benefit of other series of Securities) for a period of 60 days after the date on which written notice specifying such failure, requiring the same to be remedied and stating that it is a "Notice of Default" hereunder, shall

have been given to the Company by the Trustee by registered mail, which the Trustee shall do upon receipt of requests to do so by the Holders of at least 25% in principal amount of Outstanding Securities, or to the Company and the Trustee by the Holders of at least 25% in principal amount of Outstanding Securities; or

e b a default under any mortgage, indenture, or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by the Company or any consolidated Subsidiary, whether such indebtedness now exists or shall hereafter be created, which default shall have resulted in such indebtedness, in an aggregate principal amount exceeding \$10 million, becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, without such indebtedness having been discharged, or such acceleration having been rescinded or annulled, or there having been deposited in trust a sum of money sufficient to discharge in full such indebtedness, within a period of 30 days after there shall have been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in principal amount of the Securities, a written notice specifying such default and requiring the Company to cause such indebtedness to be discharged, to cause there to be deposited in trust a sum sufficient to discharge in full

such indebtedness or to cause such acceleration to be rescinded or annulled and stating that such notice is a "Notice of Default" hereunder; or

(6) a court having jurisdiction in the premises shall have entered a decree or order for relief in respect of the Company in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for all or any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and such decree or order shall have remained unstayed or in effect for a period of 90 consecutive days; or

(7) the Company shall have commenced a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall have consented to the entry of an order for relief in an involuntary case under any such law, or shall have consented to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Company or for all or any substantial part of its property, or shall have made an assignment for the benefit of creditors, or shall have failed generally to pay its debts as they

become due or shall have taken any corporate action in furtherance of any of the foregoing; or

(8) any other Event of Default provided with respect to Securities of that series.

Upon receipt by the Trustee of any proposed Notice of Default from any Holder with respect to Securities of a series all or part of which is represented by a Global Security, a record date shall be established for determining Holders of Outstanding Securities of such series entitled to join in such proposed Notice of Default, which record date shall be at the close of business on the day the Trustee receives such proposed Notice of Default. The Holders on

such record date, or their duly designated proxies, and only such Persons, shall be entitled to join in such proposed Notice of Default, whether or not such Holders remain Holders after such record date; provided, that unless Holders of at least 25% in principal amount of the Outstanding Securities of such series, or their proxies, shall have joined in such proposed Notice of Default prior to the day which is 90 days after such record date, such proposed Notice of Default shall automatically and without further action by any Holder be canceled and of no further effect. Nothing in this paragraph shall prevent a Holder, or a proxy of a Holder, from giving (i) after expiration of such 90-day period, a new proposed Notice of Default identical to a proposed Notice of Default which has been canceled pursuant to the proviso to the preceding sentence, or (ii) during any such 90-day period, an additional proposed Notice of Default with respect to any new or different fact or circumstance permitting the giving of a proposed Notice of Default with respect to Securities of such series, in either of which events a new record date shall be established pursuant to the provisions of this Section 501. Any such proposed Notice of Default shall be considered a Notice of Default hereunder at such time, if any, that Holders of at least 25% in principal amount of the Outstanding Securities shall have joined in such proposed Notice of Default by giving timely notice to the Trustee hereunder.

Section 502. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default with respect to Securities of any series at the time Outstanding occurs and is continuing, then in every such case, the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series may declare the principal amount (or, if any of the Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Securities as may be specified in the terms thereof) of all of the Securities of that series to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such principal amount (or specified amount) shall become immediately due and payable.

At any time after such a declaration of acceleration with respect to Securities of any series has been made and before a

judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the Outstanding Securities of that series, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if

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

(A) all overdue interest on all Securities of that series,

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

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

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel;

and

(2) all Events of Default with respect to Securities of that series, other than the non-payment of the principal of Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513.

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

Upon receipt by the Trustee of written notice declaring such an acceleration, or rescission and annulment thereof, with respect to Securities of a series all or part of which is represented by a Global Security, a record date shall be established for determining Holders of Outstanding Securities of such series entitled to join in such notice, which record date shall be at the close of business on the day the Trustee receives such notice. The Holders on such record date, or their duly designated proxies, and only such

Persons, shall be entitled to join in such notice, whether or not such Holders remain Holders after such record date; provided, that unless such declaration of acceleration, or rescission and annulment, as the case may be, shall have become effective by virtue of the requisite percentage having joined in such notice prior to the day which is 90 days after such record date, such

notice of declaration of acceleration, or rescission and annulment, as the case may be, shall automatically and without further action by any Holder be canceled and of no further effect. Nothing in this paragraph shall prevent a Holder, or a proxy of a Holder, from giving, (i) after expiration of such 90-day period, a new written notice of declaration of acceleration or rescission and annulment thereof, as the case may be, that is identical to a written notice which has been canceled pursuant to the proviso to the preceding sentence, or (ii) during any such 90-day period, an additional written notice of declaration of acceleration with respect to Securities of such series, or an additional written notice of rescission and annulment of any declaration of acceleration with respect to any other Event of Default with respect to Securities of such series, in either of which events a new record date shall be established pursuant to the provisions of this Section 502.

Section 503. Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company covenants that if

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

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

the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal (and premium, if any) and interest and, to the extent that payment of such interest

shall be legally enforceable, interest on any overdue principal (and premium, if any) and on any overdue interest, at the rate or rates prescribed therefor in such Securities and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may, but shall not be obligated to, institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree, and may enforce the same against the Company or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the

Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

Section 504. Trustee May File Proofs of Claim.

In case of any judicial proceeding relative to the Company (or any other obligor upon the Securities), its property or its creditors, the Trustee shall be entitled and empowered, by intervention in such proceeding or otherwise, to take any and all actions authorized under the Trust Indenture Act in order to have claims of the Holders and the Trustee allowed in any such proceeding. In particular, the Trustee shall be authorized to file and prove a claim for the whole amount of principal, premium and interest owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in

order to have claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

No provision of this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 505. Trustee May Enforce Claims Without Possession of Securities.

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

Section 506. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed

by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 607;

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

THIRD: The balance, if any, to the Company or to whomsoever may be lawfully entitled to receive the same as a court of competent jurisdiction may direct.

Section 507. Limitation on Suits.

No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

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

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

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

of the Outstanding Securities of that series;

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

Section 508. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of (and premium, if any) and (subject to Section 307) interest on such Security on the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption or repayment at the option of the Holder, on the Redemption Date or the Repayment Date, as the case may be) and (if the terms of such Security so provide) to have such Security converted into Common Stock pursuant to Article Fifteen and to institute suit for the enforcement of any such payment or conversion, and such rights shall not be impaired without the consent of such Holder.

Section 509. Restoration of Rights and Remedies.

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

Section 510. Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 511. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Securities to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 512. Control by Holders.

The Holders of at least a majority in principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series, provided that

(1) such direction shall not be in conflict with any rule of law or with this Indenture, expose the Trustee to personal liability or be unduly prejudicial to Holders not joining therein, and

(2) the Trustee may take any other action deemed

proper by the Trustee which is not inconsistent with such direction.

Upon receipt by the Trustee of any such direction with respect to Securities of a series all or part of which is represented by a Global Security, a record date shall be established for determining Holders of Outstanding Securities of such series entitled to join in such direction, which record date shall be determined in accordance with Section 104(e). The Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to join in such direction, whether or not such Holders remain Holders after such record date; provided, that unless Holders of at least a majority in principal amount of the outstanding Securities of such series, or their proxies, shall have been joined in such direction prior to the day which is 90 days after such record date, such direction shall automatically and without further action by any Holder be canceled and of no further effect. Nothing in this paragraph shall prevent a Holder, or a proxy of a Holder, from giving, (i) after expiration of such 90-day period, a new direction identical to a direction which has been canceled pursuant to the provisions to the preceding sentence or (ii) during any such 90-day period a new direction contrary to or different from such direction, in either of which events a new record date shall be established pursuant to the provisions of this Section 512.

Section 513. Waiver of Past Defaults.

By Act delivered to the Company and the Trustee, the Holders of not less than a majority in principal amount of the Outstanding

Securities of any affected series may on behalf of the Holders of all the Securities of such series waive any past default hereunder with respect to such series and its consequences, except a default

(1) in the payment of the principal of (or premium, if any) or interest on any Security of such series, or

(2) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding

Security of such series affected.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Persons entitled to waive any past default hereunder. If a record date is fixed, the Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to waive any default hereunder, whether or not such Holders remain Holders after such record date; provided, that unless such majority in principal amount shall have been obtained prior to the date which is 90 days after such record date, any such waiver previously given shall automatically and without further action by any Holder be canceled and of no further effect.

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

Section 514. Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, a court may require any party litigant in such suit to file an undertaking to pay the costs of such suit, and may assess costs against any such party litigant, in the manner and to the extent provided in the Trust Indenture Act; provided that neither this Section nor the Trust Indenture Act shall be deemed to authorize any court to require such an undertaking or to make such an assessment in any suit instituted by the Trustee, by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities of any series, or by any Holder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Security on or after the Stated Maturity expressed in such Security (or, in the case of redemption or repayment at the option of the Holder, on or after the Redemption Date or Repayment Date, as the case may be, and (if the terms of such Security so provide) to have such Security converted into Common Stock pursuant to Article Fifteen).

Section 515. Waiver of Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do

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

ARTICLE SIX
THE TRUSTEE

Section 601. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default

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

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

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

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

except that

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

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

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

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

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

Section 602. Notice of Defaults.

Within 90 days after the occurrence of any default hereunder with respect to Securities of any series, the Trustee shall transmit by mail to all Holders of Securities of such series, as their names and addresses appear in the Security Register, notice of such default hereunder known to the Trustee, unless such default

shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal, premium or interest on any Security of such series or in the payment of any sinking fund instalment with respect to the Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee of the board of directors and/or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interests of the Holders of the Securities of such series; and provided, further, that in the case of any default of the character specified in Section 501(4) with respect to the Securities of such series no such notice to Holders shall be given until at least 60 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 603. Certain Rights of Trustee.

Subject to the provisions of Section 601:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report,

notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

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

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee

(unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

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

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

n a the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney; and

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

Securities.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and the Trustee or any Authenticating Agent assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee or any Authenticating Agent shall not be accountable for the use or application by the Company of Securities or the proceeds thereof.

Section 605. May Hold Securities.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 608 and 613, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

Section 606. Money Held in Trust.

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

Section 607. Compensation and Reimbursement.

The Company agrees:

(1) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred

without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and

expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

As security for the performance of the obligations of the Company under this Section, the Trustee shall have a lien prior to the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the Holders of particular Securities.

Section 608. Disqualification; Conflicting Interests.

If the Trustee has or shall acquire a conflicting interest within the meaning of Section 310 of the Trust Indenture Act, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture. To the extent permitted by the Trust Indenture Act, the Trustee shall not be deemed to have a conflicting interest with respect to the Securities of any series by virtue of being Trustee with respect to the Securities of any particular series of Securities other than that series or by virtue of being trustee under the Indenture dated as of July [15], 1993, between the Company and the Trustee.

Section 609. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least \$50,000,000. If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of Federal, State, Territorial or District of Columbia supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section,

it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 610. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 611.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 611 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee

with respect to the Securities of such series.

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

(d) If at any time:

(1) the Trustee shall fail to comply with Section 608 after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(2) the Trustee shall cease to be eligible under Section 609 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the

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

then, in any such case, (i) the Company by a Board Resolution may remove the Trustee with respect to any or all Securities, or (ii) subject to Section 514, any Holder who has been a bona fide Holder of a Security 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 with respect to any or all Securities and the appointment of a successor Trustee or Trustees with respect to such series.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series) and shall comply with the applicable requirements of Section 611. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of that or those series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 611, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee

with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 611, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series to all Holders of Securities of such series in the manner provided in Section 106. Each notice of appointment shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

Section 611. Acceptance of Appointment by Successor.

(a) In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 607.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the

trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

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

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

Section 612. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or

consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

Section 613. Preferential Collection of Claims Against Company.

If and when the Trustee shall be or become a creditor of the Company (or any other obligor upon the Securities), the Trustee shall be subject to the provisions of Section 311 of the Trust Indenture Act regarding the collection of such claims against the Company (or any such other obligor). A Trustee that has resigned

or been removed shall be subject to and comply with said Section 311 to the extent required thereby.

Section 614. Appointment of Authenticating Agent.

The Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Securities (which may be an Affiliate of the Company) which shall be authorized to act on behalf of the Trustee to authenticate Securities issued upon registration of transfer or partial redemption or repayment thereof or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business and in good standing under the laws of the United States of America, any State or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of no less than \$50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements

of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

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

An Authenticating Agent for any series of Securities may resign at any time by giving written notice thereof to the Trustee for such series and to the Company. The Trustee for any series of Securities may at any time terminate the agency of an Authenticating Agent for such series by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination,

or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee of such series may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall mail written notice of such appointment by first-class mail, postage prepaid, to all Holders of Securities of the series with respect to which such Authenticating Agent will serve, as their names and addresses appear in the Security Register. Any successor Authenticating Agent upon acceptance of its appointment thereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

Except with respect to an Authenticating Agent appointed at the request of the Company, the Trustee agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section, and the Trustee shall be entitled to be reimbursed for such payments, pursuant to the provisions of Section 607.

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

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

WACHOVIA BANK OF NORTH CAROLINA,
N.A., as Trustee

By _____
As Authenticating Agent

By _____
Authorized Officer

ARTICLE SEVEN
HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

Section 701. Company to Furnish Trustee Names and Addresses of Holders.

With respect to each series of Securities, the Company will furnish or cause to be furnished to the Trustee for the Securities of such Series

(a) semiannually, not more than 15 days after each Regular Record Date relating to that series (or, if there is no Regular Record Date relating to that series, on June 30 and December 31), a list, in such form as such Trustee may reasonably require, of the names and addresses of the Holders of that series as of such date, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished;

provided, however, that if and so long as the Trustee is Security Registrar with respect to Securities of a particular series no such list shall be required with respect to the Securities of such series.

Section 702. Preservation of Information; Communications to Holders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 701 and the names and addresses of Holders received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

(b) The rights of Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and privileges of the Trustee, shall be as provided by the Trust Indenture Act.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of either of them shall be held accountable by reason of the disclosure of information as to the names and addresses of the Holders made pursuant to the Trust Indenture Act.

Section 703. Reports by Trustee.

(a) Within 60 days after [May 15] of each year commencing with the year 1994, the Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act if and to

the extent and in the manner provided pursuant thereto.

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

Securities are listed on any stock exchange.

Section 704. Reports by Company.

The Company shall file with the Trustee and the Commission, and transmit to Holders, such information, documents and other reports, and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant to such Act; provided that any such information, documents or reports required to be filed with the Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, shall be filed with the Trustee within 15 days after the same is so required to be filed with the Commission. Delivery of such reports to the Trustee is for informational purposes only and the Trustee's receipt of such reports shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

ARTICLE EIGHT

CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

Section 801. Company May Consolidate, Etc., Only on Certain Terms.

(a) The Company shall not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and the Company shall not permit any Person to consolidate with or merge into the Company, unless:

(1) in case the Company shall consolidate with or merge into another Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be a corporation, partnership or trust, shall be organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee the due and punctual payment of the principal of and any premium and interest on all the Securities and the performance or observance of every covenant of this Indenture on the part of the Company to be performed or observed;

(2) immediately after giving effect to such 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 happened and be continuing; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

(b) For purposes of this Section, any indebtedness that becomes an obligation of the Company or any Subsidiary as a result of such transaction shall be treated as having been incurred by the Company or such Subsidiary at the time of such transaction.

Section 802. Successor Substituted.

Upon any consolidation of the Company with, or merger of the Company into, any other Person or any conveyance, transfer or lease of the properties and assets of the Company substantially as an entirety in accordance with Section 801, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Securities. In the case of a lease, the predecessor Person shall not be released from its obligations to pay the principal of, premium, if any, and interest on the Securities. All Securities issued by the successor Person shall in all respects have the same legal priority as the Securities theretofore or thereafter authenticated, issued and delivered in accordance with the terms of this Indenture.

ARTICLE NINE
SUPPLEMENTAL INDENTURES

Section 901. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities; or

(2) to add to the covenants of the Company for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such

covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company; or

(3) to add any additional Events of Default for the benefit of the Holders of all or any series of Securities (and if such Events of Default are to be for the benefit of less than all series of Securities, stating that such Events of Default are expressly being included solely for the benefit of such series); or

(4) to add to or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities in bearer form, registrable or not registrable as to principal and with or without interest coupons, or to permit or facilitate the issuance of Securities in uncertificated form; or

(5) to add to, change or eliminate any of the provisions of this Indenture in respect of one or more series of Securities, provided that any such addition, change or elimination (i) shall neither (A) apply to any Security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (B) modify the rights of the Holder of any such Security with respect to such provision or (ii) shall become effective only when there is no such Security Outstanding; or

(6) to establish the form or terms of Securities of any series as permitted by Sections 201 and 301; or

(7) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 611(b); or

(8) to add to or change any provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities convertible into other securities; or

(9) to effectuate the provisions of Section 1505(b); or

(10) to add or change or eliminate any provisions of

this Indenture as shall be necessary or desirable in accordance with any amendments to the Trust Indenture Act; or

(11) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture, provided that such action pursuant to this clause (11) shall not adversely affect the interests of the Holders of Securities of any series in any material respect.

Section 902. Supplemental Indentures With Consent of Holders.

With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of each series affected by such supplemental indenture, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby,

(1) change the Stated Maturity of the principal of, or any installment of principal of, premium, if any, or interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, change the method of determination of interest thereon, or reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502, or adversely affect any right of repayment at the option of the Holder of any Security, or change any Place of Payment where, or the coin or currency in which, any

Security or any premium or the interest thereon is payable or impair the right of any Holders of Securities of a Series entitled to the conversion rights set forth in Article Fifteen to receive securities upon the exercise of such conversion rights, or impair the right to institute suit for the enforcement of any such payment or delivery of Common Stock for Securities converted pursuant to Article Fifteen on or after the Stated Maturity thereof (or, in the case of redemption or repayment at the option of the Holder, on or after the Redemption Date or Repayment Date, as the case may be, or in the case of such conversion, on or after the date of conversion), or

(2) reduce the percentage in principal amount of

the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or

(3) modify any of the provisions of this Section, Section 513 or Section 1007, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby; provided, however, that this clause shall not be deemed to require the consent of any Holder with respect to changes in the references to "the Trustee" and concomitant changes in this Section and Section 1007, or the deletion of this proviso, in accordance with the requirements of Sections 611(b) and 901(7).

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other

provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

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

Section 903. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 904. Effect of Supplemental Indentures.

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

Section 905. Conformity with Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act as then in effect.

Section 906. Reference in Securities to Supplemental Indentures.

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article

may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

Section 907. Notice of Supplemental Indentures.

Promptly after the execution by the Company and the Trustee of any supplemental indenture pursuant to the provisions of Section 902, the Company shall give notice to all Holders of such fact, setting forth in general terms the substance of such supplemental indenture, in the manner provided in Section 106. Any failure of the Company to give such notice, or any defect therein, shall not in any way impair or affect the validity of any such supplemental indenture.

Section 908. Subordination Unimpaired.

No supplemental indenture executed pursuant to this Article shall directly or indirectly modify the provisions of Article Fourteen in any manner which might alter the subordination of the Securities.

ARTICLE TEN COVENANTS

Section 1001. Payment of Principal, Premium and Interest.

The Company covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay the principal of (and premium, if any) and interest on the Securities of that series in accordance with the terms of the Securities and this Indenture.

Section 1002. Maintenance of Office or Agency.

The Company will maintain in each Place of Payment an office or agency where Securities may be presented or surrendered for payment, where Securities may be surrendered for registration of transfer, conversion or exchange and where notices and demands to

or upon the Company in respect of the Securities and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company terminates the appointment of a Paying Agent or Security Registrar or conversion agent or otherwise shall fail to maintain any such required office or agency, the Company shall use its reasonable best efforts to appoint a successor Paying Agent or Security Registrar or conversion agent reasonably acceptable to the Trustee. If the Company fails to maintain a Paying Agent or Security Registrar or conversion agent, the Trustee will act as such, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

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

Section 1003. Money for Securities Payments to Be Held in Trust.

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

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

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

(1) hold all sums held by it for the payment of the principal of (and premium, if any) or interest on Securities of that series in trust for the benefit of the

Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(2) give the Trustee written notice of any default by the Company (or any other obligor upon the Securities of that series) in the making of any payment of principal (and premium, if any) or interest on the Securities of that series; and

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

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

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of (and premium, if any) or interest on any Security of any series and remaining unclaimed for two years after such principal (and premium, if any) or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of

such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in an Authorized Newspaper in the Borough of Manhattan, The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 1004. Corporate Existence.

Subject to Article Eight, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and that of each Subsidiary and the rights (charter and statutory) and franchises of the Company and its Subsidiaries; provided, however, that the Company shall not be required to preserve any such right or franchise if in the judgment of the Company it shall be necessary, advisable or in the interest of the Company to discontinue the same.

Section 1005. Statement as to Compliance.

The Company will, so long as any Securities of any series are outstanding, deliver to the Trustee:

(a) forthwith upon becoming aware of any default or defaults in the performance of any covenant, agreement or condition contained in this Indenture, an Officers' Certificate specifying such default or defaults;

(b) within 90 days after the end of each fiscal year, a written statement, which need not comply with Section 102, signed by the Chairman of the Board, the President or a Vice President and by the Treasurer, an Assistant Treasurer, the Controller or an Assistant Controller of the Company (one of whom shall be the Company's principal executive officer, principal financial officer

or principal accounting officer), stating as to each signer thereof, that

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

(2) to the best of his knowledge, based on such review, (a) the Company has fulfilled all its obligations and complied with all conditions and covenants under this Indenture throughout such year, or, if there has been a default in the fulfillment of or compliance with any such obligation, condition or covenant, specifying each such default known to him and the nature and status thereof, and (b) no event has occurred and is continuing which is, or after notice or lapse of time or both would become, an Event of Default or Default, or if such an event has occurred and is continuing, specifying each such event known to him and the nature and status thereof; and

(3) within five days after becoming aware of the occurrence thereof, written notice of any acceleration which, with the giving of notice and the lapse of time, would be an Event of Default within the meaning of Section 501(4).

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

Section 1006. Usury Laws.

The Company will not voluntarily claim, and will actively resist any attempts to claim, the benefit of any usury laws against any holder of the Securities of any series.

Section 1007. Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with

any term, provision or condition set forth in Section 1004 with

respect to the Securities of any series if before the time for such compliance the Holders of at least a majority in principal amount of the Outstanding Securities of such series shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

ARTICLE ELEVEN
REDEMPTION OF SECURITIES

Section 1101. Applicability of Article.

Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated in Section 301 for Securities of any series) in accordance with this Article.

Section 1102. Election to Redeem; Notice to Trustee.

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

Section 1103. Selection by Trustee of Securities to Be Redeemed.

If less than all the Securities of any series are to be redeemed (unless all of the Securities of such series and of a specified tenor are to be redeemed), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, in a manner which the Trustee deems fair and appropriate, which may provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of that series or any integral multiple thereof) of the principal amount of Securities of such series of a denomination larger than the minimum authorized

denomination for Securities of that series. If the Company shall so specify and identify the appropriate Securities, Securities owned of record and beneficially by the Company or any Subsidiary

shall not be included in the Securities selected for redemption.

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

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

Section 1104. Notice of Redemption.

Notice of redemption shall, unless otherwise specified by the terms of the Securities to be redeemed, be given not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, in accordance with Section 106.

All notices of redemption shall state:

(1) the Redemption Date,

(2) the Redemption Price,

(3) if less than all the Outstanding Securities of any series are to be redeemed (unless all the Securities of such series of a specified tenor are to be redeemed), the identification (and, in the case of partial redemption of any Securities, the principal amounts) of the particular Securities to be redeemed,

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

(5) the place or places where such Securities are to be surrendered for payment of the Redemption Price, which shall be the office or agency of the Company in each Place of Payment, and

(6) that the redemption is for a sinking fund, if such is the case.

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

Section 1105. Deposit of Redemption Price.

Prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as

its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date.

Section 1106. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price, together with accrued interest to the Redemption Date; provided, however, that, unless otherwise specified as contemplated by Section 301, installments of interest whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates

according to their terms and the provisions of Section 307.

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

Section 1107. Securities Redeemed in Part.

Any Security which is to be redeemed only in part shall be surrendered at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series and of like tenor, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered. If a Global Security is so surrendered, such new Security so issued shall be a new Global Security.

ARTICLE TWELVE SINKING FUNDS

Section 1201. Applicability of Article.

The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 301 for Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "mandatory sinking fund payment", and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an "optional sinking fund payment." If provided for by the terms of Securities of any series, the cash

amount of any sinking fund payment may be subject to reduction as provided in Section 1202. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of Securities of such series.

Section 1202. Satisfaction of Sinking Fund Payments with Securities.

The Company (1) may deliver Outstanding Securities of a series (other than any previously called for redemption) and (2) may apply as a credit Securities of a series which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any sinking fund payment with respect to the Securities of such series required to be made pursuant to the terms of such Securities as provided for by the terms of such series; provided that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

Section 1203. Redemption of Securities for Sinking Fund.

Not less than 60 days prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities of that series pursuant to Section 1202 and the basis for such credit and will also deliver to the Trustee any Securities to be so delivered which have not theretofore been delivered to the Trustee. Not less than 30 days before each such sinking fund payment date, the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 1103 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 1104. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 1105, 1106 and 1107.

ARTICLE THIRTEEN
REPAYMENT OF SECURITIES AT OPTION OF HOLDERS

Section 1301. Applicability of Article.

Securities of any series that are repayable before their Stated Maturity at the option of the Holders shall be repaid in accordance with their terms and (except as otherwise specified as contemplated by Section 301 for Securities of any series) in accordance with this Article.

Section 1302. Notice of Repayment Date.

Notice of any Repayment Date with respect to Securities of any series shall, unless otherwise specified by the terms of the Securities of such series, be given by the Company not less than 45 nor more than 60 days prior to such Repayment Date, to the Trustee and to each Holder of Securities of such series in accordance with Sections 105 and 106, respectively.

The notice as to Repayment Date shall state:

(1) the Repayment Date;

(2) the Repayment Price;

(3) the place or places where such Securities are to be surrendered for payment of the Repayment Price, which shall be the office or agency of the Company in each Place of Payment, and the date by which Securities must be so surrendered in order to be repaid;

(4) a description of the procedure which a Holder must follow to exercise a repayment right; and

time that exercise of the option to elect repayment is irrevocable.

No failure of the Company to give the foregoing notice shall limit any Holder's right to exercise a repayment right.

Section 1303. Deposit of Repayment Price.

On or prior to any Repayment Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is

acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Repayment Price of and (except if the Repayment Date shall be an Interest Payment Date) accrued interest on, all the Securities of such series which are to be repaid on that date.

Section 1304. Securities Payable on Repayment Date.

The form of option to elect repayment having been delivered as specified in the form of Security for such series as provided in Section 201, the Securities so to be repaid shall, on the Repayment Date, become due and payable at the Repayment Price applicable

thereto, and from and after such date (unless the Company shall default in the payment of the Repayment Price and accrued interest) such Securities shall cease to bear interest. Upon surrender of any such Security for repayment in accordance with said notice, such Security shall be paid by the Company at the Repayment Price, together with accrued interest to the Repayment Date; provided, however, that, unless otherwise specified as contemplated by Section 301, installments of interest whose Stated Maturity is on or prior to such Repayment Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Date according to their terms and the provisions of Section 307.

If any Security to be repaid shall not be so paid upon surrender thereof for repayment, the principal shall, until paid, bear interest from the Repayment Date at the rate prescribed in the Security.

Section 1305. Securities Repaid in Part.

Any Security which by its terms may be repaid in part at the option of the Holder and which is to be repaid only in part shall be surrendered at any office or agency of the Company designated for that purpose pursuant to Section 1002 (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the

Trustee shall authenticate and deliver to the Holder of such Security, without service charge, a new Security or Securities of the same series and of like tenor, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unrepaid portion of the principal of the Security so surrendered. If a Global Security is so surrendered, such new Security so issued shall be a new Global Security.

ARTICLE FOURTEEN
SUBORDINATION OF SECURITIES

Section 1401. Securities Subordinate to Senior Indebtedness.

The Company covenants and agrees that anything in this Indenture or the Securities of any series to the contrary notwithstanding, the indebtedness evidenced by the Securities of each series is subordinate and junior in right of payment to all Senior Indebtedness to the extent provided herein, and each Holder of Securities of each series, by his acceptance thereof, likewise covenants and agrees to the subordination herein provided and shall be bound by the provisions hereof. Senior Indebtedness shall continue to be Senior Indebtedness and entitled to the benefits of these subordination provisions irrespective of any amendment, modification or waiver of any term of the Senior Indebtedness or extension or renewal of the Senior Indebtedness.

The Securities and the securities issued under the Indenture dated as of July 15, 1993, between the Company and Wachovia Bank of North Carolina, N.A. shall rank pari passu.

In the event that the Company shall default in the payment of any principal of (or premium, if any) or interest on any Senior Indebtedness when the same becomes due and payable, whether at maturity or at a date fixed for repayment or by declaration of acceleration or otherwise, then, upon written notice of such default to the Company by the holders of Senior Indebtedness or any trustee therefor or representative thereof, unless and until such default shall have been cured or waived or shall have ceased to exist, no direct or indirect payment (in cash, property,

securities, by set-off or otherwise) shall be made or agreed to be made on account of the principal of (or premium, if any) or interest on any of the Securities, or in respect of any redemption, retirement, purchase or other acquisition of any of the Securities.

In the event of

(a) any insolvency, bankruptcy, receivership, liquidation, reorganization, readjustment, composition or other similar proceeding relating to the Company, its creditors or its property,

(b) any proceeding for the liquidation, dissolution or other winding up of the Company, voluntary or involuntary, whether or not involving insolvency or bankruptcy proceedings,

(c) any assignment by the Company for the benefit of creditors, or

(d) any other marshalling of the assets of the Company,

all Senior Indebtedness (including any interest thereon accruing after the commencement of any such proceedings) shall first be paid in full before any payment or distribution, whether in cash, securities or other property, shall be made to any Holder of any of the Securities on account thereof. Any payment or distribution, whether in cash, securities or other property (other than securities of the Company or any other corporation provided for by a plan of reorganization or readjustment the payment of which is subordinate, at least to the extent provided in these subordination provisions with respect to the indebtedness evidenced by the Securities, to the payment of all Senior Indebtedness at the time outstanding and to any securities issued in respect thereof under any such plan of reorganization or readjustment), which would otherwise (but for these subordination provisions) be payable or deliverable in respect of the Securities of any series shall be paid or delivered directly to the holders of Senior Indebtedness in accordance with the priorities then existing among such holders until all Senior Indebtedness (including any interest thereof accruing after the commencement of any such proceedings) shall have

been paid in full. In the event of any such proceeding, after payment in full of all sums owing with respect to Senior Indebtedness, the Holders of the Securities, together with the holders of any obligations of the Company ranking on a parity with the Securities, shall be entitled to be paid from the remaining assets of the Company the amounts at the time due and owing on account of unpaid principal of (and premium, if any) and interest on the Securities and such other obligations before any payment or other distribution, whether in cash, property or otherwise, shall be made on account of any capital stock or any obligations of the Company ranking junior to the Securities and such other obligations.

In the event that, notwithstanding the foregoing, any payment or distribution of any character, whether in cash, securities or other property (other than securities of the Company or any other corporation provided for by a plan of reorganization or readjustment the payment of which is subordinate, at least to the extent provided in these subordination provisions with respect to the indebtedness evidenced by the Securities, to the payment of all Senior Indebtedness at the time outstanding and to any securities issued in respect thereof under any such plan of reorganization or readjustment), or any security shall be received by the Trustee or any Holder in contravention of any of the terms hereof, such payment or distribution or security shall be received in trust for the benefit of, and shall be paid over or delivered and transferred to, the holders of the Senior Indebtedness at the time outstanding in accordance with the priorities then existing among such holders for application to the payment of all Senior Indebtedness remaining unpaid, to the extent necessary to pay all such Senior Indebtedness in full. In the event of the failure of the Trustee or any Holder to endorse or assign any such payment, distribution or security, each holder of Senior Indebtedness is hereby irrevocably authorized to endorse or assign the same.

No present or future holder of any Senior Indebtedness shall be prejudiced in the right to enforce subordination of the indebtedness evidenced by the Securities by any act or failure to act on the part of the Company. Nothing contained herein shall impair, as between the Company and the Holders of Securities of each series, the obligation of the Company to pay to such Holders the principal of (and premium, if any) and interest on such Securities or prevent the Trustee or the Holder from exercising all rights, powers and remedies otherwise permitted by applicable law or hereunder upon a Default or Event of Default hereunder, all subject to the rights of the holders of the Senior Indebtedness to receive cash, securities or other property otherwise payable or deliverable to the Holders.

Senior Indebtedness shall not be deemed to have been paid in full unless the holders thereof shall have received cash, securities or other property equal to the amount of such Senior Indebtedness then outstanding. Upon the payment in full of all Senior Indebtedness, the Holders of Securities of each series shall be subrogated to all rights of any holders of Senior Indebtedness

to receive any further payments or distributions applicable to the Senior Indebtedness until the indebtedness evidenced by the Securities of such series shall have been paid in full, and such payments or distributions received by such Holders, by reason of such subrogation, of cash, securities or other property which otherwise would be paid or distributed to the holders of Senior Indebtedness, shall, as between the Company and its creditors other than the holders of Senior Indebtedness, on the one hand, and such Holders, on the other hand, be deemed to be a payment by the Company on account of Senior Indebtedness, and not on account of the Securities of such series.

The provisions of this Section 1401 shall not impair any right, interests, remedies or powers of any secured creditor of the Company in respect of any security interest the creation of which is not prohibited by the provisions of this Indenture.

The securing of any obligations of the Company, otherwise ranking on a parity with the Securities or ranking junior to the Securities, shall not be deemed to prevent such obligations from constituting, respectively, obligations ranking on a parity with the Securities or ranking junior to the Securities.

Section 1402. Trustee and Holders of Securities May Rely on Certificate of Liquidating Agent; Trustee May Require Further Evidence as to Ownership of Senior Indebtedness; Trustee Not Fiduciary to Holders of Senior Indebtedness.

Upon any payment or distribution of assets of the Company referred to in this Article Fourteen, the Trustee and the Holders shall be entitled to rely upon an order or decree made by any court of competent jurisdiction in which such dissolution or winding up or liquidation or reorganization or arrangement proceedings are

pending or upon a certificate of the trustee in bankruptcy, receiver, assignee for the benefit of creditors or other Person making such payment or distribution, delivered to the Trustee or to the Holders, for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article Fourteen. In the absence of any such bankruptcy trustee, receiver, assignee or other Person, the Trustee shall be entitled to rely upon a written notice by a Person representing himself to be a holder of Senior Indebtedness (or a trustee or representative on behalf of such holder) as evidence that such Person is a holder of such Senior Indebtedness (or is such a trustee or representative). In the event that the Trustee determines, in good faith, that further evidence is required with respect to the right of any Person as a holder of Senior Indebtedness to participate in any payments or distributions pursuant to this Article Fourteen, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such

Person, as to the extent to which such Person is entitled to participate in such payment or distribution, and as to other facts pertinent to the rights of such Person under this Article Fourteen, and if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment. With respect to the holders of Senior Indebtedness, the Trustee undertakes to perform or to observe only such of its covenants and obligations as are specifically set forth in this Article, and no implied covenants or obligations with respect to the holders of Senior Indebtedness shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness and, subject to the provisions of Section 601, the Trustee shall not be liable to any holder of Senior Indebtedness if it shall in good faith pay over or deliver to Holders of Securities, the Company or any other Person moneys or assets to which any holder of Senior Indebtedness shall be entitled by virtue of this Article or otherwise.

Section 1403. Payment Permitted If No Default.

Nothing contained in this Article Fourteen or elsewhere in this Indenture, or in any of the Securities, shall prevent (a) the Company at any time, except during the pendency of any dissolution, winding up, liquidation or reorganization proceedings referred to in, or under the conditions described in, Section 1401, from making payments of the principal of (or premium, if any) or interest on the Securities, or (b) the application by the Trustee or any Paying Agent of any moneys deposited with it hereunder to payments of the principal of (or premium, if any) or interest on the Securities if the Trustee or such Paying Agent, as the case may be, did not have the written notice provided for in Section 1404 by the times referred to therein of any event prohibiting the making of such deposit or exchange, and the Trustee or any Paying Agent shall not be affected by any notice to the contrary received by it on or after such times.

Section 1404. Trustee Not Charged with Knowledge of Prohibition.

Anything in this Article Fourteen or elsewhere in this Indenture contained to the contrary notwithstanding, the Trustee shall not at any time be charged with knowledge of the existence of any facts which would prohibit the making of any payment of money to or by the Trustee and shall be entitled conclusively to assume that no such facts exist and that no event specified in Section 1401 has happened, until the Trustee shall have received an Officers' Certificate to that effect or notice in writing to that effect signed by or on behalf of the holder or holders, or their representatives, of Senior Indebtedness who shall have been certified by the Company or otherwise established to the reasonable satisfaction of the Trustee to be such holder or holders or representatives or from any trustee under any indenture pursuant to which such Senior Indebtedness shall be outstanding; provided, however, that, if prior to the third Business Day preceding the

date upon which by the terms hereof any money becomes payable (including, without limitation, the payment of either the principal of or interest on any Security), or in the event of the execution of an instrument pursuant to Section 401 acknowledging satisfaction

and discharge of this Indenture, then if prior to the second Business Day preceding the date of such execution, the Trustee or any Paying Agent shall not have received with respect to such money the Officers' Certificate or notice provided for in this Section 1404, then, anything herein contained to the contrary notwithstanding, the Trustee or such Paying Agent shall have full power and authority to receive such money and apply the same to the purpose for which they were received and shall not be affected by the notice to the contrary which may be received by it on or after such date. The Company shall give prompt written notice to the Trustee and to the Paying Agent of any facts which would prohibit the payment of money to or by the Trustee or any Paying Agent.

Section 1405. Trustee to Effectuate Subordination.

Each Holder of Securities by his acceptance thereof authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination as between such Holder and holders of Senior Indebtedness as provided in this Article and appoints the Trustee its attorney-in-fact for any and all such purposes.

Section 1406. Rights of Trustee as Holder of Senior Indebtedness.

The Trustee shall be entitled to all the rights set forth in this Article with respect to any Senior Indebtedness which may at the time be held by it, to the same extent as any other holder of Senior Indebtedness; provided, however, that nothing in this Indenture shall deprive the Trustee of any of its rights as such holder; and provided, further, that nothing in this Article shall apply to claims of, or payments to, the Trustee under or pursuant to Section 607.

Section 1407. Article Applicable to Paying Agents.

In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting hereunder, the term "Trustee" as used in this Article shall in such case (unless the context shall otherwise require) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if the Paying Agent were named in this Article in addition to or in place of the Trustee; provided, however, that Sections 1404 and 1406 shall not apply to the Company or any Affiliate of the Company if the Company or such Affiliate acts as Paying Agent.

Section 1408. Subordination Rights Not Impaired by Acts or Omissions of the Company or Holders of Senior Indebtedness.

No right of any present or future holders of any Senior

Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof which any such holder may have or be otherwise charged with. The holders of Senior Indebtedness may, at any time or from time to time and in their absolute discretion, change the manner, place or terms of payment, change or extend the time of payment of, or renew or alter, any such Senior Indebtedness, or amend or supplement any instrument pursuant to which any such Senior Indebtedness is issued or by which it may be secured, or release any security therefor, or exercise or refrain from exercising any other of their rights under the Senior Indebtedness, including, without limitation, the waiver of default thereunder, all without notice to or assent from the Holders of the Securities or the Trustee and without affecting the obligations of the Company, the Trustee or the Holders of the Securities under this Article.

ARTICLE FIFTEEN CONVERSION OF SECURITIES

Section 1501. General.

If so provided in the terms of the Securities of any series established in accordance with Section 301, the principal amount of the Securities of such series shall be convertible into shares of Common Stock in accordance with this Article Fifteen and the terms of such series of Securities if such terms differ from this Article Fifteen; provided, however, that if any of the terms by which any such Security shall be convertible into Common Stock are set forth in a supplemental indenture entered into with respect thereto pursuant to Section 901(8) hereof, the terms of such supplemental indenture shall govern.

Section 1502. Right to Convert.

Subject to and upon compliance with the provisions of this

Article, the Holder of any Security that is convertible into Common Stock shall have the right, at such Holder's option, at any time on or after the date of original issue of such Security or such other date specified in the applicable Board Resolution delivered pursuant to Section 301 and prior to the close of business on the date set forth in such Board Resolution (or if such Security is called for redemption, then in respect of such Security to and including but not after the close of business on the date of redemption unless the Company shall default in the payment due on such date) to convert the principal amount of any such Security of any authorized denomination, or, in the case of any Security to be converted of a denomination greater than the minimum denomination for Securities of the applicable series, any portion of such principal which is an authorized denomination or an integral multiple thereof, into that number of fully paid and nonassessable

shares of Common Stock obtained by dividing the principal amount of such Security or portion thereof surrendered for conversion by the Conversion Price therefor by surrender of the Security so to be converted in whole or in part in the manner provided in Section 1503. Such conversion shall be effected by the Company in accordance with the provisions of this Article and the terms of the Securities, if such terms differ from this Article.

Section 1503. Manner of Exercise of Conversion Privilege;
Delivery of Common Stock; No Adjustment for
Interest or Dividends.

In order to effect a conversion, the holder of any Security to be converted, in whole or in part, shall surrender such Security at the office or agency maintained by the Company for such purpose, as provided in Section 1002 and shall give written notice of conversion to the Company at such office or agency that the Holder elects to convert such Security or the portion thereof specified in said notice. The notice shall state the name or names (with address), and taxpayer identification number, in which the certificate or certificates for shares of Common Stock which shall be deliverable on such conversion shall be registered, and shall be accompanied by payments in respect of transfer taxes, if required pursuant to Section 1506. Each Security surrendered for conversion shall, unless the shares of Common Stock deliverable on conversion

are to be issued in the same name as the registration of such Security, be duly endorsed by or be accompanied by instruments of transfer, in form satisfactory to the Company, duly executed by the Holder or such Holder's duly authorized attorney, and by any payment required pursuant to this Section 1503. As promptly as practicable after the surrender of such Security and notice, as aforesaid, the Company shall deliver or cause to be delivered at such office or agency to such Holder, or on such Holder's written order, a certificate or certificates for the number of full shares of Common Stock deliverable upon the conversion of such Security or portion thereof in accordance with the provisions of this Article and a check or cash in respect of any fractional interest in respect of a share of Common Stock arising upon such conversion as provided in Section 1504. In case any Security of a denomination greater than the minimum denomination for Securities of the applicable series shall be surrendered for partial conversion, the Company shall execute and register and the Trustee shall authenticate and deliver to or upon the written order of the Company and the Holder of the Security so surrendered, without charge to such Holder, a new Security or Securities of the same series in authorized denominations in an aggregate principal amount equal to the unconverted portion of the surrendered Security. Each conversion shall be deemed to have been effected as of the date on which such Security shall have been surrendered (accompanied by the funds, if any, required by the last paragraph of this Section) and such notice received by the Company, as aforesaid, and the person or persons in whose name or names any certificate or certificates for shares of Common Stock shall be registrable upon such conversion shall become on said date the Holder of record of the shares represented thereby, provided, however, that any such

surrender on any date when the stock transfer books of the Company shall be closed shall constitute the person in whose name the certificates are to be registered as the record holder thereof for all purposes on the next succeeding day on which such stock transfer books are open, but such conversion shall be at the Conversion Price in effect on the date upon which such Security shall have been so surrendered.

Any Security or portion thereof surrendered for conversion during the period from the close of business on the Regular Record

Date for any Interest Payment Date to the opening of business on such Interest Payment Date shall (unless such Security or portion thereof being converted shall have been called for redemption or submitted for repayment on a date during such period) be accompanied by payment, in legal tender or other funds acceptable to the Company, of an amount equal to the interest otherwise payable on such Interest Payment Date on the principal amount being converted; provided, however, that no such payment need be made if there shall exist at the time of conversion a default in the payment of interest on the applicable series of Securities. An amount equal to such payment shall be paid by the Company on such Interest Payment Date to the Holder of such Security on such Regular Record Date; provided, however, that if the Company shall default in the payment of interest on such Interest Payment Date, such amount shall be paid to the person who made such required payment. Except as provided above in this Section, no adjustment shall be made for interest accrued on any Security converted or for dividends on any shares issued upon the conversion of such Security as provided in this Article.

Section 1504. Cash Payments in Lieu of Fractional Shares.

No fractional shares of Common Stock or scrip representing fractional shares of Common Stock shall be delivered upon conversion of Securities. If more than one Security shall be surrendered for conversion at one time by the same Holder, the number of full shares of Common Stock which shall be deliverable upon conversion shall be computed on the basis of the aggregate principal amount of the Securities (or specified portions thereof to the extent permitted hereby) so surrendered. Instead of any fraction of a share of Common Stock which would otherwise be deliverable upon the conversion of any Security, the Company shall pay to the Holder of such Security an amount in cash (computed to the nearest cent, with one-half cent being rounded upward) equal to the same fraction of the closing price (determined in the manner provided in Section 1505(a)(v)) of the Common Stock on the Trading Day (as defined in Section 1505(a)(v)) next preceding the date of conversion.

Section 1505. Conversion Price Adjustments; Effect of
Reclassification, Mergers, Consolidations and Sales
of Assets.

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

(i) In case the Company shall (x) pay a dividend or make a distribution on the Common Stock in shares of Common Stock, (y) subdivide the outstanding Common Stock into a greater number of shares or (z) combine the outstanding Common Stock into a smaller number of shares, the Conversion Price shall be adjusted so that the Holder of any Security thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock of the Company which such holder would have owned or have been entitled to receive after the happening of any of the events described above had such Security been converted immediately prior to the record date in the case of a dividend or the effective date in the case of subdivision or combination. An adjustment made pursuant to this subparagraph (i) shall become effective immediately after the record date in the case of a dividend, except as provided in subparagraph (vii) below, and shall become effective immediately after the effective date in the case of a subdivision or combination.

(ii) In case the Company shall issue rights or warrants to all holders of shares of Common Stock entitling them (for a period expiring within 45 days after the record date mentioned below) to subscribe for or purchase shares of Common Stock at a price per share less than the current market price per share of Common Stock (as defined for purposes of this subparagraph (ii) in subparagraph (v) below), the Conversion Price in effect after the record date for the determination of stockholders entitled to receive such rights or warrants shall be determined by multiplying the Conversion Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding on such record date plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered would purchase at such current market price, and the denominator of which shall be the number of shares of Common Stock outstanding on the record date for issuance of such rights or warrants plus the number of additional shares of Common Stock receivable upon exercise of such rights or warrants. Such adjustment shall be made successively whenever any such rights or warrants are issued, and shall become effective immediately, except as provided in subparagraph (vii) below, after such record date.

(iii) In case the Company shall distribute to all holders of Common Stock any shares of capital stock of the

Company (other than Common Stock) or evidences of its indebtedness or assets (excluding cash dividends or distributions paid from retained earnings of the Company or dividends payable in Common Stock) or rights or warrants to subscribe for or purchase any of its securities (excluding those rights or warrants referred to in subparagraph (ii) above) (any of the foregoing being hereinafter in this subparagraph (iii) called the "Assets"), then, in each such case, the Conversion Price shall be adjusted so that the same shall equal the price

determined by multiplying the Conversion Price in effect immediately prior to the record date for determination of stockholders entitled to receive such distribution by a fraction the numerator of which shall be the current market price per share (as defined for purposes of this subparagraph (iii) in subparagraph (v) below) of the Common Stock at such record date for determination of stockholders entitled to receive such distribution less the then fair market value (as determined by the Board of Directors, whose determination shall be conclusive) of the portion of the Assets so distributed applicable to one share of Common Stock, and the denominator of which shall be the current market price per share (as defined in subparagraph (v) below) of the Common Stock at such record date. Such adjustment shall become effective immediately, except as provided in subparagraph (vii) below, after the record date for the determination of stockholders entitled to receive such distribution.

(iv) If, pursuant to subparagraph (ii) or (iii) above, the number of shares of Common Stock into which a Security is convertible shall have been adjusted because the Company has declared a dividend, or made a distribution, on the outstanding shares of Common Stock in the form of any right or warrant to purchase securities of the Company, or the Company has issued any such right or warrant, then, upon the expiration of any such unexercised right or unexercised warrant, the Conversion Price shall forthwith be adjusted to equal the Conversion Price that would have applied had such right or warrant never been declared, distributed or issued.

(v) For the purpose of any computation under

subparagraphs (ii) or (iii) above, the current market price per share of Common Stock on any date shall be deemed to be the average of the daily closing prices of the Common Stock for the shorter of (i) 30 consecutive Trading Days ending on the last full Trading Day on the exchange or market specified in the second following sentence prior to the Time of Determination or (ii) the period commencing on the date next succeeding the first public announcement of the issuance of such rights or warrants or such distribution through such last full Trading Day prior to the Time of Determination. The term "Time of Determination" as used herein shall be the time and date of the earlier of (x) the determination of stockholders entitled to receive such rights, warrants, or distributions or (y) the commencement of "ex-dividend" trading in the Common Stock on the exchange or market specified in the following sentence. The closing price for each day shall be the reported last sales price, regular way, or, in case no sale takes place on such day, the average of the reported closing bid and asked prices, regular way, in either case as reported on the New York Stock Exchange Composite Tape or, if the Common Stock is not listed or admitted to trading on the New York Stock Exchange at such time, on the principal national securities exchange on which the Common Stock is listed or admitted to trading or, if not listed or admitted to trading

on any national securities exchange, on the National Market System of the National Association of Securities Dealers, Inc. Automated Quotations System ("NASDAQ") or, if the Common Stock is not quoted on such National Market System, the average of the closing bid and asked prices on such day in the over-the-counter market as reported by NASDAQ or, if bid and asked prices for the Common Stock on each such day shall not have been reported through NASDAQ, the average of the bid and asked prices for such date as furnished by any New York Stock Exchange member firm regularly making a market in the Common Stock selected for such purpose by the Company or, if no such quotations are available, the fair market value of the Common Stock as determined by a New York Stock Exchange member firm regularly making a market in the Common Stock selected for such purpose by the Company. As used herein, the term "Trading Day" with respect to Common Stock means (x) if the

Common Stock is listed or admitted for trading on the New York Stock Exchange or another national securities exchange, a day on which the New York Stock Exchange or such other national securities exchange, as the case may be, is open for business or (y) if the Common Stock is quoted on the National Market System of the NASDAQ, a day on which trades may be made on such National Market System or (z) otherwise, any day other than a Saturday or Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

(vi) No adjustment in the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in such price; provided, however, that any adjustments which by reason of this subparagraph (vi) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 1505(a) shall be made to the nearest cent or to the nearest .01 of a share, as the case may be, with one-half cent and .005 of a share, respectively, being rounded upward. Anything in this Section 1505(a) to the contrary notwithstanding, the Company shall be entitled to make such reductions in the Conversion Price, in addition to those required by this Section 1505(a), as it in its discretion shall determine to be advisable in order that any stock dividend, subdivision of shares, distribution of rights or warrants to purchase stock or securities, or distribution of other assets (other than cash dividends) hereafter made by the Company to its stockholders shall not be taxable.

(vii) In any case in which this Section 1505(a) provides that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event (x) issuing to the holder of any Security converted after such record date and before the occurrence of such event the additional shares of Common Stock issuable upon such conversion by reason of the adjustment required by such event over and above the Common Stock issuable upon such conversion before giving effect to such

adjustment and (y) paying to such holder any amount of cash in

lieu of any fractional share of Common Stock pursuant to Section 1504.

(viii) Whenever the Conversion Price is adjusted as herein provided, the Company shall file with the Trustee an Officers' Certificate, setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment, which certificate shall be conclusive evidence of the correctness of such adjustment; provided, however, that the failure of the Company to file such Officers' Certificate shall not affect the legality or validity of any corporate action by the Company.

(ix) Whenever the Conversion Price for any series of Securities is adjusted as provided in this Section 1505(a), the Company shall cause to be mailed to each holder of Securities of such series at its then registered address by first-class mail, postage prepaid, a notice of such adjustment of the Conversion Price setting forth such adjusted Conversion Price and the effective date of such adjusted Conversion Price; provided, however, that the failure of the Company to give such notice shall not affect the legality or validity of any corporate action by the Company.

(b) (i) Notwithstanding any other provision herein to the contrary, if any of the following events occur, namely (x) any reclassification or change of outstanding shares of Common Stock (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination of the Common Stock), (y) any consolidation, merger or combination of the Company with or into another corporation as a result of which holders of Common Stock shall be entitled to receive stock, securities or other property or assets (including cash) with respect to or in exchange for such Common Stock, or (z) any sale or conveyance of all or substantially all of the assets of the Company to any other entity as a result of which holders of Common Stock shall be entitled to receive stock, securities or other property or assets (including cash) with respect to or in exchange for such Common Stock, then appropriate provision shall be made by supplemental indenture so that (A) the holder of any outstanding Security that is convertible into Common Stock shall have the right to convert such Security into the kind and amount of the shares of stock and securities or other property or assets (including cash) that would have been receivable upon such reclassification, change, consolidation, merger, combination, sale, or conveyance by a holder of the number of shares of Common Stock issuable upon conversion of such Security immediately prior to such reclassification, change, consolidation, merger, combination, sale or conveyance and (B) the number of shares of any such other stock or securities into which such Security shall thereafter be convertible shall be subject to adjustment from time

to time in a manner and on terms as nearly equivalent as practicable to the terms of adjustment provided for in this Section, and Sections 1502, 1503, 1504, 1506, 1507, 1508 and 1509

shall apply on like terms to any such other stock or securities.

(ii) In case of any reclassification or change of the Common Stock (other than a subdivision or combination of its outstanding Common Stock, or a change in par value, or from par value to no par value, or from no par value to par value), or of any consolidation, merger or combination of the Company with or into another corporation or of the sale or conveyance of all or substantially all of the assets of the Company, the Company shall cause to be filed with the Trustee and to be mailed to each holder of Securities that are convertible into shares of Common Stock at such holder's registered address, the date on which such reclassification, change, consolidation, merger, combination, sale or conveyance is expected to become effective, and the date as of which it is expected that holders of Common Stock shall be entitled to exchange their Common Stock for stock, securities or other property deliverable upon such reclassification, change, consolidation, merger, combination, sale or conveyance.

Section 1506. Taxes on Shares Issued.

The delivery of stock certificates upon conversions of Securities shall be made without charge to the holder converting a Security for any tax in respect of the issue thereof. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the delivery of stock registered in any name other than of the holder of any Security converted, and the Company shall not be required to deliver any such stock certificate unless and until the person or persons requesting the delivery thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

Section 1507. Shares to be Fully Paid; Compliance with Governmental Requirements; Listing of Common Stock.

The Company covenants that all shares of Common Stock which may be delivered upon conversion of Securities of any series which are convertible into Common Stock will upon delivery be fully paid and nonassessable by the Company and free from all taxes, liens and charges with respect to the issue thereof.

The Company covenants that if any shares of Common Stock to be provided for the purpose of conversion of Securities hereunder require registration with or approval of any governmental authority under any Federal or state law before such shares may be validly delivered upon conversion, the Company will in good faith and as expeditiously as possible endeavor to secure such registration or approval, as the case may be.

The Company further covenants that it will, if permitted by the rules of The New York Stock Exchange, Inc., list and keep listed for so long as the Common Stock shall be so listed on such exchange, upon official notice of issuance, all Common Stock

deliverable upon conversion of Securities of any series which are convertible into Common Stock.

Section 1508. Responsibility of Trustee.

Neither the Trustee nor any conversion agent shall at any time be under any duty or responsibility to any holder of Securities to determine whether any facts exist which may require any adjustment of the Conversion Price applicable to such Securities, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. Neither the Trustee nor any conversion agent shall be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock, or of any securities or property, which may at any time be delivered upon the conversion of any Security; and neither the Trustee nor any conversion agent makes any representation with respect thereto. Neither the Trustee nor any conversion agent shall be responsible for any failure of the Company to deliver any shares of Common Stock or stock certificates or other securities or property or cash upon the surrender of any Security for the purpose of conversion or for any failure of the

Company to comply with any of the covenants of the Company contained in this Article Fifteen.

Section 1509. Covenant to Reserve Shares.

The Company covenants that it will at all times reserve and keep available, free from pre-emptive rights, out of its authorized but unissued Common Stock, such number of shares of Common Stock as shall then be deliverable upon the conversion of all Outstanding Securities of any series of Securities which are convertible into Common Stock.

Section 1510. Other Conversions.

If so provided in a Board Resolution with respect to the Securities of a series, the principal amount of the Securities of such series shall be convertible into or exchangeable for a principal amount of other securities of the Company (which other securities may be issued under this Indenture or otherwise), and the issuance of such securities upon any such conversion or exchange shall be made in accordance with the terms of such Board Resolution.

ARTICLE SIXTEEN
IMMUNITY OF INCORPORATORS, STOCKHOLDERS,
OFFICERS AND DIRECTORS

Section 1601. Immunity of Incorporators, Stockholders, Officers and Directors.

No recourse under or upon any obligation, covenant or agreement of this Indenture, or of any Security, or for any claim

based thereon or otherwise in respect thereof, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the obligations issued hereunder are solely

corporate obligations, and that no personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, stockholders, officers or directors, as such, of the Company or any successor corporation, or any of them, because of the creation of the indebtedness hereby authorized, or under or by this Indenture or in any of the Securities or implied therefrom; and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, stockholder, officer or director, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of such Securities.

* * *

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

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

[SEAL]

LOWE'S COMPANIES, INC.

By: _____
Its: _____

Attest:

By: _____
Its: _____

[SEAL]

WACHOVIA BANK OF NORTH
CAROLINA, N.A.

By: _____
Its: _____

Attest:

By: _____
Its: _____

State of North Carolina

SS:

County of Wilkes

On the _____ day of _____, 1993, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he is _____ of LOWE'S COMPANIES, INC., one of the corporations described in and which executed the foregoing instrument; 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.

[SEAL]

Notary Public

State of _____

SS:

County of _____

On the _____ day of _____, 1993, before me personally came _____, to me

known, who, being by me duly sworn, did depose and say that he is
_____ of WACHOVIA BANK OF NORTH CAROLINA,
N.A., one of the corporations described in and which executed the
foregoing instrument; that he knows the seal of said corporation;
that the seal affixed to said instrument is such corporation's
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.

[SEAL]

Notary Public

Letterhead of Hunton & Williams

January 10, 1994

Lowe's Companies, Inc.
Highway 268 East
North Wilkesboro, North Carolina 28656-0001

Registration Statement on Form S-3
Relating to \$500,000,000 Issue Amount
of Unallocated Securities

Ladies and Gentlemen:

We have acted as counsel to Lowe's Companies, Inc., a North Carolina corporation (the "Company"), in connection with the registration by the Company of (a) an aggregate of \$500,000,000 of its (i) unsecured subordinated debt securities and unsecured senior debt securities (the "Debt Securities"), (ii) shares of its preferred stock (the "Preferred Stock"), and (iii) shares of its common stock (the "Common Stock"), and (b) an indeterminate number of (i) preferred depositary shares of the Company to be evidenced by depositary receipts (the "Depositary Shares") and (ii) shares of Common Stock (the Debt Securities, the Preferred Stock, the Common Stock and the Depositary Shares, collectively, the "Securities"), as set forth in the Registration Statement on Form S-3 (the "Registration Statement") that is being filed on the date hereof with the Securities and Exchange Commission (the "Commission") by the Company pursuant to the Securities Act of 1933, as amended. The Securities are to be issued in one or more series and are to be sold from time to time as set forth in the Registration Statement, the Prospectus contained therein (the "Prospectus") and any amendments or supplements thereto.

In rendering this opinion, we have relied upon, among other things, our examination of such records of the Company and certificates of its officers and of public officials as we have deemed necessary.

Based upon the foregoing and the further qualifications stated below, we are of the opinion that:

1. The Company is duly incorporated, validly existing and in good standing under the laws of the State of North Carolina; and
2. When (a) the terms of any class or series of the Securities have been authorized by appropriate corporate action of the Company and (b) the

Securities have been issued and sold upon the terms and conditions set forth in the Registration Statement, the Prospectus and the applicable supplement to the Prospectus, and with respect to the Debt Securities, such Debt Securities have been duly executed, authenticated and delivered in accordance with the applicable indenture, then (x) the Debt Securities will be validly authorized and issued and binding obligations of the Company and (y) the Preferred Stock and the Common Stock will be legally issued, fully paid and nonassessable.

We hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement and to the statement made in reference to this firm under the caption "Legal Matters" in the Registration Statement.

Very truly yours,

HUNTON & WILLIAMS

LOWE'S COMPANIES, INC.

RATIO OF EARNINGS TO FIXED CHARGES
(In Thousands)

<TABLE>

	For the Quarter Ended October 31,		For the Year Ended January 31,				
	1993	1992	1993	1992*	1991	1990	1989
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Income Before Income Taxes	159,320	107,378	125,892	4,951	100,251	108,796	105,604
Fixed Charges:							
Interest Expense	15,810	13,658	17,588	18,795	21,818	20,191	22,774
1/3 Rental Expense	6,433	4,892	6,800	5,033	3,933	2,933	2,400
Earnings as Defined	181,563	125,928	150,280	28,779	126,002	131,920	130,778
Fixed Charges:							
Interest Expense	15,810	13,658	17,588	18,795	21,818	20,191	22,774
Capitalized Interest	2,719	1,208	1,849	1,114	1,142	2,221	1,470
1/3 Rental Expense	6,433	4,892	6,800	5,033	3,933	2,933	2,400
Fixed Charges	24,962	19,758	26,237	24,942	26,893	25,345	26,544
Ratio of Earnings to Fixed Charges	7.27	6.37	5.73	1.15	4.69	5.20	4.91

</TABLE>

* Income Before Taxes for the year ended January 31, 1992 included the effect of a one-time restructuring charge of \$71.3 million. Excluding the effect of this restructuring charge. Income Before Income Taxes would have been \$76.2 and the Ratio of Earnings to Fixed Charges would have been 4.01.

December 27, 1993

Lowe's Companies, Inc.
North Wilkesboro, North Carolina

We have made a review, in accordance with standards established by the American Institute of Certified Public Accountants, of the unaudited interim financial information of Lowe's Companies, Inc. and subsidiaries for the periods ended April 30, 1993 and 1992, July 31, 1993 and 1992, and October 31, 1993 and 1992, as indicated in our reports dated May 11, 1993, August 10, 1993, and November 11, 1993, respectively; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our reports referred to above, which were included in your Quarterly Report on Form 10-Q for the quarters ended April 30, 1993, July 31, 1993 and October 31, 1993 are being incorporated by reference in this Registration Statement.

We also are aware that the aforementioned reports, pursuant to Rule 436(c) under the Securities Act of 1933, are not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

DELOITTE & TOUCHE

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Lowe's Companies, Inc. on Form S-3 of our reports dated February 19, 1993, appearing in and incorporated by reference in the Annual Report on Form 10-K of Lowe's Companies, Inc. for the year ended January 31, 1993, and to the reference to us under the heading ``Experts'' in the Prospectus, which is part of this Registration Statement.

DELOITTE & TOUCHE
Charlotte, North Carolina
December 27, 1993

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM T-1

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

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

CHEMICAL BANK

(Exact name of trustee as specified in its charter)

New York 13-4994650
(State of incorporation (I.R.S. employer
if not a national bank) identification No.)

270 Park Avenue
New York, New York 10017
(Address of principal executive offices) (Zip Code)

William H. McDavid
General Counsel
270 Park Avenue
New York, New York 10017
Tel: (212) 270-2611
(Name, address and telephone number of agent for service)

Lowe's Companies, Inc.
(Exact name of obligor as specified in its charter)

North Carolina 56-0578072
(State or other jurisdiction of (I.R.S. employer
incorporation or organization) identification No.)

P. O. Box 1111
North Wilkesboro, N.C. 28656
(Address of principal executive offices) (Zip Code)

Senior Debt Securities

GENERAL

Item 1. General Information.

Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject. New York State Banking Department, State House, Albany, New York 12110.

Board of Governors of the Federal Reserve System, Washington, D.C., 20551 and Federal Reserve Bank of New York, District No. 2, 33 Liberty Street, New York, N.Y.

Federal Deposit Insurance Corporation, Washington, D.C., 20429.

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

Yes.

Item 2. Affiliations with the Obligor.

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

None.

16. List of Exhibits

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

1. A copy of the Articles of Association of the Trustee as now in effect, including the Organization Certificate and the Certificates of Amendment dated February 17, 1969, August 31, 1977, December 31, 1980, September 9, 1982, February 28, 1985 and December 2, 1991 (see Exhibit 1 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference).

2. A copy of the Certificate of Authority of the Trustee to Commence Business (see Exhibit 2 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference).

3. None, authorization to exercise corporate trust powers being contained in the documents identified above as Exhibits 1 and 2.

4. A copy of the existing By-Laws of the Trustee (see Exhibit 4 to Form T-1 filed in connection with Registration Statement No. 33-46892, which is incorporated by reference).

6. The consent of the Trustee required by Section 321(b) of the Act (see Exhibit 6 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference).

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.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, Chemical Bank, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York and State of New York, on the 6th day of December, 1993.

CHEMICAL BANK

By G. John Kirsch
Assistant Vice President

Exhibit 7 to Form T-1

Bank Call Notice

RESERVE DISTRICT NO. 2
CONSOLIDATED REPORT OF CONDITION OF

Chemical Bank
of 270 Park Avenue, New York, New York 10017
and Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System,

at the close of business September 30, 1993, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

Dollar Amounts
in Millions

ASSETS

Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	\$ 5,291
Interest-bearing balances	4,658
Securities	20,620
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 IBF's:	
Federal funds sold	1,706
Securities purchased under agreements to resell ...	434
Loans and lease financing receivables:	
Loans and leases, net of unearned income	\$63,249
Less: Allowance for loan and lease losses	2,197
Less: Allocated transfer risk reserve ...	181

Loans and leases, net of unearned income, allowance, and reserve	60,871
Assets held in trading accounts	6,747
Premises and fixed assets (including capitalized leases).....	1,132
Other real estate owned	786
Investments in unconsolidated subsidiaries and associated companies.....	116
Customer's liability to this bank on acceptance outstanding	1,231
Intangible assets	504
Other assets	6,894
 TOTAL ASSETS	 \$110,990 =====

LIABILITIES

Deposits	
In domestic offices	\$ 50,535
Noninterest-bearing	\$17,241
Interest-bearing	33,294

In foreign offices, Edge and Agreement subsidiaries, and IBF's	23,545
Noninterest-bearing	\$ 136
Interest-bearing	23,409

Federal funds purchased and securities sold under agree- ments to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBF's	

Federal funds purchased	9,006
Securities sold under agreements to repurchase	685
Demand notes issued to the U.S. Treasury	1,502
Other Borrowed money	8,152
Mortgage indebtedness and obligations under capitalized leases	18
Bank's liability on acceptances executed and outstanding	1,249
Subordinated notes and debentures	3,350
Other liabilities	5,267
 TOTAL LIABILITIES	 103,309

EQUITY CAPITAL

Common stock	620
Surplus	4,501
Undivided profits and capital reserves	2,565
Cumulative foreign currency translation adjustments ...	(5)
 TOTAL EQUITY CAPITAL	 7,681

TOTAL LIABILITIES, LIMITED-LIFE PREFERRED STOCK AND EQUITY CAPITAL	\$110,990 =====
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I, Joseph L. Sclafani, S.V.P. & Controller of the above-named bank, do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

JOSEPH L. SCLAFANI

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

JOHN F. MCGILLICUDDY)
WALTER V. SHIPLEY) DIRECTORS
EDWARD D. MILLER)

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form T-1

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

Wachovia Bank of North Carolina, N.A.
(Exact name of trustee as specified in its charter)

(State of incorporation if not a national bank)	56-0927594 (I.R.S. employer identification No.)
--	---

301 N. Main St., Winston-Salem, N.C. (address of trustee's principal executive offices)	27102 (Zip Code)
---	---------------------

Lowe's Companies, Inc.
(Exact name of obligor as specified in its charter)

North Carolina (State or other jurisdiction of incorporation or organization)	56-0578072 (I.R.S. employer identification No.)
---	---

P. O. Box 1111 North Wilkesboro, North Carolina (Address of principal executive offices)	28656 (Zip Code)
--	---------------------

Subordinated Debt Securities
(Title of the indenture securities)

GENERAL

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.
- i. Comptroller of the Currency, Administrator of National Banks, Southeastern District Office, Atlanta, Georgia
 - ii. Federal Reserve Bank of Richmond, 5th District, Richmond, Virginia (Board of Governors of the Federal Reserve System)
 - iii. Federal Deposit Insurance Corporation, Washington, D.C.
- (b) Whether it is authorized to exercise corporate trust powers.

The trustee is authorized to exercise corporate trust powers.

2. Affiliations with Obligor and Underwriters.

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

None

3. Defaults by Obligor

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

default.

None

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 such default.

None

The trustee is not a trustee under another such indenture or with respect to another such series with respect to which there has been a default.

None

4. 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

5. List of Exhibits

- Exhibit T-1 A copy of the Articles of Association of Wachovia Bank of North Carolina, N.A. (formerly Wachovia Bank and Trust Company, N.A.) filed with the Comptroller of the Currency, September 20, 1968, as amended to date.
- Exhibit T-2 A copy of the By-laws of Wachovia Bank of North Carolina, N.A., as amended to date.
- Exhibit T-3 The consent of the trustee required by Section 321(b) of the Trust Indenture Act of 1939, as amended.
- Exhibit T-4 A copy of the latest report of the condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.

NOTE

Note 1: All the shares of Wachovia Bank of North Carolina, N.A. stock are held by Wachovia Corporation. Wachovia Bank of North Carolina, N.A. has outstanding 10,272,014 shares of common stock, \$5 par value. Wachovia Corporation has outstanding 172,343,134 shares of common stock, \$5 par value.

In answering any item in this statement of eligibility and qualification which relates to matters peculiarly within the knowledge of the obligor, or its directors or officers, or an underwriter for the obligor, the undersigned, Wachovia Bank of North Carolina, N.A., has relied upon information furnished to it by the obligor and will rely on information furnished by such underwriter.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, Wachovia Bank of North Carolina, N.A., a corporation organized and existing under the laws of the United States of America, has caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Winston-Salem, North Carolina, N.A. on the 8th day December, 1993.

Wachovia Bank of North Carolina, N.A.
(Trustee)

By: Sandi M. Turner
Vice President

EXHIBIT T-1

WACHOVIA BANK AND TRUST COMPANY, N.A.

CHARTER NO. 15673

ARTICLES OF ASSOCIATION

For the purpose of organizing an Association to carry on the business of banking under the laws of the United States, the undersigned do enter into the following Articles of Association.

FIRST. The title of this Association shall be Wachovia Bank and Trust Company, N.A.

SECOND. The main offices of the Association shall be in Winston-Salem, County of Forsyth, State of North Carolina. The general business of the Association shall be conducted at its main office and its branches.

THIRD. The Board of Directors of this Association shall consist of not less than five nor more than twenty-five shareholders, the exact number of Directors within such minimum and maximum limits to be fixed and determined from time to time by resolution of a majority of the full Board of Directors or by resolution of the shareholders at any annual or special meeting thereof. Unless otherwise provided by the laws of the United States, any vacancy in the Board of Director for any reason, including an increase in the number thereof, may be filled by action of the Board of Directors.

The Board of Directors, by the vote of a majority of the full board, may, between annual meetings of shareholders, within the maximum limitations, increase the membership of the board by not more than four members and by like vote may appoint qualified persons to fill the vacancies created thereby.

FOURTH. The annual meeting of the shareholders for the election of Directors and the transaction of whatever other business may be brought before said meeting shall be held at the main office or such other place as the Board of Directors may designate, on the day of each year specified therefor in the bylaws, but if no election is held on that day, it may be held on any subsequent day according to the provisions of law; and all elections shall be held according to the provisions of the bylaws or according to the provisions of law; and all elections prescribed by the bylaws.

FIFTH. The authorized amount of capital stock of this Association shall be six million (6,000,000) shares of common stock of the par value of Five Dollars (\$5.00) each; but said capital stock may be increased or decreased from time to time in accordance with the provisions of the laws of the United States.

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

SIXTH. The Board of Directors shall appoint one of its members President of this Association, who shall be Chairman of the Board unless otherwise provided in the bylaws or unless the Board appoints another director to be the Chairman. The Board of Directors shall have the power to appoint one or more Vice Presidents; and to appoint a Cashier and such other officers and employees as may be required to transact the business of this Association.

The Board of Directors shall have the power to define the duties of the officers and employees of the Association; to fix the salaries to be paid to them; to dismiss them; to require bonds from them and to fix the penalty thereof; to regulate the manner in which any increase of the capital of the

Association shall be made; to manage and administer the business and affairs of the Association; to make all bylaws that it may be lawful for them to make; and generally to do and perform all acts that it may be legal for a Board of Directors to do and perform.

SEVENTH. The Board of Directors shall have the power to change the location of the main office to any other place within the limits of Winston-Salem, North Carolina, without the approval of the shareholders but subject to the approval of the Comptroller of the Currency; and shall have the power to establish new branches or change the location of any branch or branches of the Association to any other location, without the approval of the shareholders but subject to the approval of the Comptroller of the Currency.

EIGHTH. The corporate existence of this Association shall continue until terminated in accordance with the laws of the United States.

NINTH. The Board of Directors of this Association or its Executive Committee, the President, or any three or more shareholders owning in the aggregate, not less than 25 per cent of the stock of this Association, may call a special meeting of shareholders at any time. Unless otherwise provided by the laws of the United States, a notice of the time and place of every annual meeting of the shareholders and a notice of the time, place and purpose of every special meeting of the shareholders shall be given by first class mail, postage prepaid, to each shareholder who is shown by the books of the Association to be a shareholder 20 days prior to the date of the meeting, and such notice shall be mailed to each such shareholder not less than 10 days before the date of the meeting at his address as shown upon the books of this Association.

TENTH. Any person, his heirs, executors, or administrators may be indemnified or reimbursed by the Association for all liability and reasonable expenses actually incurred in connection with any action, suit, or proceeding, civil or criminal, to which he or they shall be made a party by reason of his being or having been a director, officer, or employee of the Association or of any firm, corporation, or organization which he served in any such capacity at the request of the Association: Provided, however, that no person shall be so indemnified or reimbursed in relation to any matter in such action, suit, or proceeding as to which he shall finally be adjusted to have been guilty of or liable for gross negligence, wilful misconduct or criminal acts in the performance of his duties to the Association: And provided further, that no person shall be so indemnified or reimbursed in relation to any matter in such action, suit, or proceeding which has been made the subject of a compromise settlement except with the approval of a court of competent jurisdiction, or the holders of record of a majority of the outstanding shares of the Association, or the Board of Directors, acting by vote of directors not parties to the same or substantially the same action, suit, or proceeding, constituting a majority of the wholenumber of directors. The foregoing right of indemnification or reimbursement shall not be exclusive of other rights to which such person, his heirs, executors, or administrators, may be entitled as a matter of law.

The Association may, upon the affirmative vote of a majority of its Board of Directors, purchase insurance for the purpose of indemnifying its directors, officers and other employees to the extent that such indemnification is allowed in the preceding paragraph. Such insurance may, but need not, be for the benefit of all directors, officers, or employees.

ELEVENTH. These Articles of Association may be amended at any regular or special meeting of the shareholders by the affirmative vote of the holders of a majority of the stock of this Association, unless the vote of the holders of a greater amount of stock is required by law, and in that case by the vote of the holders of such greater amount.

IN WITNESS WHEREOF, we have hereunto set our hands this 20th day of September, 1968.

/s/ John F. Watlington, Jr.

John F. Watlington, Jr.
2025 Buena Vista Road
Winston-Salem, N. C.

/s/ Archie K. Davis

Archie K. Davis
2828 Forest Drive
Winston-Salem, N. C.

/s/ J. H. Styers

J. H. Styers
360 Lynn Avenue
Winston-Salem, N. C.

/s/ E. T. Shipley

E. T. Shipley
987 Wellington Road
Winston-Salem, N. C.

/s/ James K. Glenn

/s/ Albert L. Butler, Jr.

James K. Glenn
2403 Reynolds Road
Winston-Salem, N. C.

Albert L. Butler, Jr.
2850 Galsworthy Drive
Winston-Salem, N. C.

)
FORSYTH COUNTY)

THIS IS TO CERTIFY that on the 20th day of September, 1968, before me, a Notary Public, personally appeared John F. Watlington, Jr., Archie K. Davis, J. H. Styers, E. T. Shipley, James K. Glenn, and Albert L. Butler, Jr., who I am satisfied are the persons named in and who executed the foregoing Articles of Association; and I having first made known to them the contents thereof, they did each acknowledge that they signed and delivered the same as their voluntary act and deed for the uses and purposes therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and notarial seal, this 20th day of September, 1968.

Notary Public

My commission expires:
My Commission Expires March 23, 1969

SECRETARY'S CERTIFICATE

1. I hereby certify that I am the Assistant Secretary of Wachovia Bank and Trust Company, N. A., duly appointed and serving in accordance with the bylaws of said Bank.

2. I further certify that at a duly called and convened meeting of shareholders of Wachovia Bank and Trust Company, N. A., held on the 28th day of July, 1970, the following resolution was duly adopted by the vote of the holders of two-thirds of the outstanding shares of said Bank entitled to vote thereon:

RESOLVED, that the first sentence of Article FIFTH of the Articles of Association of Wachovia Bank and Trust Company, N. A., is hereby amended to read as follows:

FIFTH. The authorized capital stock of this Association shall be twelve million (12,000,000) shares of common stock of the par value of Five Dollars (\$5.00) each; but the capital stock may be increased or decreased from time to time in accordance with the provisions of the laws of the United States.

RESOLVED FURTHER, that, effective as of July 31, 1970, the common stock of this Bank be increased \$25,320,035 by the issuance of a stock dividend, thus increasing such stock to \$50,640,070, which shall be divided into 10,128,014 shares of the par value of \$5.00 each; and that the shareholders of the Bank, of record on the 18th day of June, 1970, be entitled to share in such stock dividend in proportion to their respective holdings of common stock of the Bank on that date.

RESOLVED FURTHER, that 1,871,986 shares of the \$5.00 par value common stock of the Bank which will remain unissued after giving effect to the one hundred percent (100%) stock dividend herein authorized, be established as authorized but unissued shares of the \$5.00 par value common stock of the Bank; issuable as shall be determined from time to time by the Board of Directors, subject to the conditions of approval as may be imposed by the Comptroller of the Currency or his authorized representative.

RESOLVED FURTHER, that there shall be transferred from the surplus account of the Bank to the capital stock account of the Bank an amount equal to the aggregate par value of the shares of stock issued pursuant to this resolution.

The foregoing resolution is presently in full force and effect and has not been revoked or rescinded as of the date hereof.

In witness hereof I have hereupon set the seal of Wachovia Bank and Trust Company, N. A., this 28th day of July, 1970.

/s/ Clyde A. Wootton
Clyde A. Wootton, Assistant Secretary

(Seal)

1. I hereby certify that I am the Secretary of Wachovia Bank and Trust Company, N.A., duly appointed and serving in accordance with the bylaws of said Bank.

2. I further certify that at a duly called and convened meeting of shareholders of Wachovia Bank and Trust Company, N.A., held on the 15th day of April, 1988, the following resolution was duly adopted by the vote of the holder of all of the outstanding shares of said Bank entitled to vote thereon:

RESOLVED, that the Articles of Association of Wachovia Bank and Trust Company, N.A. are hereby amended by deleting the existing Article Tenth in its entirety and substituting therefor a new Article Tenth reading as follows:

TENTH. Any person, his or her heirs, executors, or administrators may be indemnified or reimbursed by the Association for all liability and reasonable expense actually incurred in connection with any action, suit, or proceeding, civil or criminal, to which such person or persons shall be made a party by reason of being or having been a director, officer, or employee of the Association or of any firm, corporation, or organization which any such person served in any such capacity at the request of the Association: Provided, however, that no person shall be so indemnified or reimbursed in relation to any administrative proceeding or action instituted by an appropriate bank regulatory agency; which proceeding or action results in a final order assessing civil money penalties or requiring affirmative action by an individual or individuals in the form of payments to the Association. The foregoing right of indemnification or reimbursement shall not be exclusive of other rights to which such person, his or her heirs, executors, or administrators, may be entitled as a matter of law.

The Association may, upon the affirmative vote of a majority of its Board of Directors, purchase insurance for the purpose of indemnifying its directors, officers and other employees to the extent that such indemnification is allowed by applicable law or regulation: Provided, however, that no person shall be so indemnified or reimbursed in relation to any administrative proceeding or action instituted by an appropriate bank regulatory agency which proceeding or action results in a formal order assessing civil money penalties against an Association director or employee. Such insurance may, but need not, be for the benefit of all directors, officers, or employees.

To the full extent from time to time permitted by North Carolina law with respect to North Carolina business corporations, and subject to the laws and regulations applicable to national banking associations, no person who is serving or who has served as a director of the Association shall be personally liable in any action for monetary damages for breach of his or her duty as a director, whether such action is brought by or in the rights of the Association or otherwise. Neither the amendment or repeal of this Article, nor the adoption of any provision of these Articles of of action, suit or claim which but for this Article would have accrued or arisen, prior to such amendment, repeal or adoption.

The foregoing resolution is presently in full force and effect and has not been revoked or rescinded as of the date hereof.

In witness hereof I have hereupon set the seal of Wachovia Bank and Trust Company, N. A., this 17th day of May, 1991.

/s/ James G. Vanderberry
James G. Vanderberry, Secretary

(Seal)

TO THE ARTICLES OF ASSOCIATION OF
WACHOVIA BANK AND TRUST COMPANY, N.A.

The undersigned corporation hereby executes these Articles of Amendment for the purpose of amending its Articles of Association:

1. The name of the corporation is Wachovia Bank and Trust Company, N.A.

2. The following amendment to the Articles of Association of the corporation was adopted by its sole shareholder on the 19th day of April, 1991, in the manner prescribed by law:

Item "FIRST" of the Articles of Association shall be amended to read as follows:

"FIRST. The Title of this Association is WACHOVIA BANK OF NORTH CAROLINA NATIONAL ASSOCIATION."

3. The effective date of the change of the Association's name and these Articles of Amendment shall be the 20th day of May, 1991.

4. The number of shares of the corporation outstanding at the time of such adoption was 10,272,014; the number of shares entitled to vote thereon was 10,272,014.

5. The number of shares voted for such amendment was 10,272,014; and the number of shares voted against such amendment was 0.

IN WITNESS WHEREOF, these Articles are signed by the President and Secretary of the corporation this 7th day of May, 1991.

WACHOVIA BANK AND TRUST COMPANY, N.A.

By: /s/ L. M. Baker, Jr.
L. M. Baker, Jr.
President

By: /s/ James G. Vanderberry
James G. Vanderberry
Secretary

COUNTY OF FORSYTH

I, Jill B. Tesh, a Notary Public, hereby certify that on this 7th day of May, 1991, personally appeared before me L. M. Baker, Jr. and James G. Vanderberry, each of whom being by me first duly sworn, declared that he signed the foregoing document in the capacity indicated, that he was authorized so to sign, and that the statements therein contained are true.

/s/ Jill B. Tesh
Notary Public

My commission expires:

April 6, 1995

EXHIBIT T-2

BYLAWS

OF

WACHOVIA BANK AND TRUST COMPANY, N.A.

Adopted by the Shareholders
November 12, 1968

As Amended Through
January 15, 1988

BYLAWS OF
WACHOVIA BANK AND TRUST COMPANY, N.A.

ARTICLE I
MEETINGS OF SHAREHOLDERS

Section 1.1. Annual Meeting. The regular annual meeting of the shareholders of the Bank for the election of Directors and for the transaction of such other business as may properly come before it shall be held at the principal office of the Bank in Winston-Salem, North Carolina, or at such other place as the Directors may designate, at 9:00 a.m. on the third Friday in April, or at such other hour as the Directors may designate. Notice of such meeting shall be mailed, first class mail, postage prepaid, at least ten days before the date thereof, addressed to each shareholder at his address appearing on the books of the Bank. If, for any reason, Directors are not elected at this meeting, the meeting may be adjourned to a later date for this purpose or, if this is not done, the Directors shall order an election to be held on some subsequent day as soon thereafter as practicable, according to the provisions of law; and notice thereof shall be given in the manner herein provided for the annual meeting.

Section 1.2. Special Meetings. Except as otherwise specifically provided by statute, special meetings of the shareholders may be called for any purpose at any time by the Directors or by any three or more shareholders owning, in the aggregate, not less than 25 per cent of the stock of the Bank. Every such special meeting, unless otherwise provided by law, shall be called by mailing, first class mail, postage prepaid, not less than ten days before the date fixed for such meeting, to each shareholder at his address appearing on the books of the Bank, notice stating the time, place and purpose of the meeting.

Section 1.3. Record Date for Shareholders Meetings. Shareholders entitled to notice of the annual meeting or any special meeting shall be shareholders shown by the records of the Bank to be shareholders twenty days before the date of any such meeting or on such other date as may be fixed in advance by the Directors, which date shall not be more than twenty days and not less than ten days before the date of the shareholders meeting.

Section 1.4. Proxies. Shareholders may vote at any meeting of the shareholders by proxies duly authorized in writing, but no officer or employee of the Bank shall act as proxy. Proxies shall be valid only for one meeting, to be specified therein, and any adjournments of such meeting.

Section 1.5. Quorum. At every meeting of shareholders, each shareholder shall be entitled to cast one vote either in person or by proxy for each share of stock held by him as shown by the records of the Bank twenty days before the date of the shareholders meeting or held by him on the record date fixed by the Directors pursuant to Section 1.3 hereof upon any matter coming before the meeting except as otherwise expressly provided by these bylaws. A majority of the outstanding stock, represented in person or by proxy, shall constitute a quorum at any meeting of shareholders unless otherwise provided by law; but less than a quorum may adjourn a meeting from time to time, and the meeting may be held, as adjourned, without further notice.

Section 1.6. Cumulative Voting. Except as otherwise provided by law, in all elections of Directors, each shareholder shall have the right to vote the number of shares owned by him for as many persons as there are Directors to be elected, or to cumulate such shares and give one candidate as many votes as the number of Directors to be elected multiplied by the number of his shares shall equal, or to distribute them on the same principle among as many candidates as he shall think fit. This right of cumulative voting shall not be exercised unless some shareholder or proxy holder announces in open meeting, before the voting for Directors starts, his intention to vote cumulatively; and if such announcement is made, the chair shall declare that all shares entitled to vote

have the right to vote cumulatively and shall announce the number of shares present in person and by proxy, and shall thereupon grant a recess of not less than one hour or of such other period as is unanimously then agreed upon by the shares represented in person or by proxy at the meeting.

Section 1.7. Waiver of Notice. Any shareholder may in writing waive

notice of any regular or special meeting at any time before or after the holding thereof.

ARTICLE II
DIRECTORS

Section 2.1. Authority of Directors. The Board of Directors (referred to in these bylaws as the "Directors") shall have power to manage and administer the business and affairs of the Bank. Except as expressly limited by law, all corporate powers of the Bank shall be vested in and may be exercised by the Directors, but the Directors may delegate powers as provided in these bylaws.

Section 2.2. Number. The Board of Directors shall consist of not less than five nor more than twenty-five shareholders, the exact number within such minimum and maximum limits to be fixed and determined from time to time by resolution of a majority of the Directors or by resolution of the shareholders at any meeting thereof, provided, however, that a majority of the Directors may not increase the number of Directors to a number which (a) exceeds by more than two the number of Directors last elected by the shareholders where such number was fifteen or less, and (b) to a number which exceeds by more than four the number of Directors last elected by shareholders where such number was sixteen or more, but in no event shall the number of Directors exceed twenty-five.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors shall be held on the third Friday of January, April, July and October of each year at the principal office of the Bank in Winston-Salem, North Carolina, unless the Chief Executive Officer or the Directors by a majority vote shall fix some other time or place for the holding of such meetings. Notice of these regular meetings shall be given in writing or by telephone or telegraph at least five days before the meeting.

Section 2.4. Organization Meeting. If possible, Directors-elect shall meet on the same days of the annual meeting of shareholders at which they are elected for the purpose of organizing the new Board and for the purpose of electing officers of the Bank for the succeeding year, but in any event, the new Board shall be organized and officers elected no later than the next regular meeting of Directors.

Section 2.5. Special Meetings. Special meetings of the Directors may be called by the Chief Executive Officer, or at the request of three or more Directors, upon not less than two days' notice. Each Director shall be given notice stating the time, place and purpose of a special meeting. Notice may be given in writing or in person or by telephone or telegraph.

Section 2.6. Quorum. At any meeting of the Directors, a majority of the Directors shall constitute a quorum, provided not less than a majority of the Directors present are not officers of the Bank. Less than a quorum may adjourn any meeting from time to time, and the meeting may be held as adjourned without further notice. In the event of the death or disability of Directors by reason of war or other catastrophe, reducing the total Directors to less than that required for a quorum, a majority of the remaining Directors shall constitute a quorum.

Section 2.7. Waiver of Notice. Any Director may in writing waive notice of any regular or special meeting at any time before or after the holding thereof.

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Section 2.8. Vacancies. When any vacancy occurs among the Directors, the remaining Directors may appoint a Director to fill such vacancy at any regular meeting of the Directors or at any special meeting called for that purpose. Any Directorships not filled by the shareholders shall be treated as vacancies to be filled by and in the discretion of the Directors.

Section 2.9. Term. A Director elected at the annual meeting of shareholders shall hold office until the next annual meeting of shareholders or until his successor has been elected and qualified. A Director elected to fill a vacancy shall hold office until the next annual meeting of shareholders or until his successor is elected and qualified, provided, however, that, unless otherwise provided by law, any Director may be removed from office by a majority vote of the stock outstanding entitled to vote at any special meeting of shareholders called for that purpose.

Section 2.10. Qualification of Directors. No person shall be elected a Director who is not the owner in his or her own right of shares of stock of First Wachovia Corporation having a par value of not less than One Thousand Dollars (\$1,000), nor shall any person be elected or continue to serve as a Director past the annual meeting if such person, as of the date of the annual meeting, reached the age of seventy (70) years. No person who has retired from active participation in his principal business or from the

active practice of his principal profession shall be elected a Director, provided, however, that a person who has served as Chairman, Vice Chairman, President, or Chief Executive Officer of the Bank or The Wachovia Corporation may complete an unexpired term and may be re-elected a Director after retirement from active service with the Bank or The Wachovia Corporation.

Section 2.11. Directors Emeriti. A Director, upon retiring from the Board of Directors, may be elected a Director Emeritus by the Directors. A Director Emeritus shall not have the right to vote and shall not be charged with the responsibilities nor be the subject to the liability of Directors. He may attend meetings of the Board only upon invitation of the Directors.

Section 2.12. Compensation. The Directors shall have authority to vote themselves reasonable compensation for their services as Directors; and the Directors may provide for their own indemnification and reimbursement of others by the Bank for liability and expenses actually incurred in connection with any action, suit or proceeding, civil or criminal, to which they shall be made a party by reason of having acted for the Bank, subject to the limitations set forth in Article Ten of the Articles of Association, and the Directors may authorize the purchase of insurance to provide therefor.

Section 2.13. Declaration of Dividends. The Directors may, in their discretion, from time to time declare dividends as permitted by law. Such dividends may be payable in money, stock of the Bank or in other assets of the Bank. The Directors may fix a date not exceeding thirty days preceding the date fixed for the payment of any dividend as the record date for the determination of shareholders entitled to receive payment of any dividend, provided the record date shall be not less than seven days after the date on which the dividend is declared; and only shareholders of record on the date so fixed shall be entitled to receive such dividend notwithstanding any transfer of shares on the books of the Bank after any record date so fixed.

ARTICLE III COMMITTEES

(Exclusive of Trust Department)

Section 3.1. Power of Directors to Appoint Committees. The Directors having the power to manage and administer the business and affairs of the Bank may delegate these powers to committees which may, but need not necessarily, include Directors. By the appointment of such committees, the Directors do not thereby relieve themselves of their responsibility of directing the business

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and affairs of the Bank. The following committees, not to include any committees of the Trust Department, shall be annually appointed by the Directors at their organizational meeting unless they shall specifically determine not to appoint such committees. The committees which relate directly to the business and affairs of the Trust Department shall be appointed in accordance with Article V of these bylaws.

Section 3.2. Executive Committee. The Executive Committee shall consist entirely of Directors, the number of which shall be fixed by the Directors.

The Executive Committee may exercise all of the powers of Directors during intervals between meetings thereof, including the power to authorize the execution of contracts, deeds, leases, and other agreements respecting real or personal property. It shall fix the compensation of all officers or it may delegate this power to other committees or to the Chief Executive Officer and may authorize such committees or the Chief Executive Officer to further delegate this power. It may fill vacancies occurring in any committee appointed by the Directors between regular meetings of the Directors. It may fill vacancies occurring in any offices between meetings of Directors and, when deemed necessary, may create new offices and elect persons to fill such offices. It shall have general supervision over all expenditures of the Bank and shall consider and act upon any matter submitted to it by the Directors or by the Chief Executive Officer and shall advise the Directors in regard to the policies of the Bank and the conduct of its affairs. In the event of the death, prolonged absence, or the inability of the Chief Executive Officer to act, the Executive Committee shall appoint an Acting Chief Executive Officer who shall assume the duties and have the powers of the Chief Executive Officer until the Directors shall elect a new Chief Executive Officer. The Executive Committee shall elect its own Chairman from among its own members and shall elect its own Secretary who need not be from among its own members. The Executive Committee shall meet upon the call of the Chairman of the Executive Committee, the Chief Executive Officer, or upon the call of any two of its members.

Section 3.3. Bank Loan and Investment Committee. The Bank Loan and Investment Committee shall include at least three members who are Directors, two of whom are not officers, and such number of additional members as the Directors may from time to time determine. The Chief Financial Officer and the Chief Loan Administration Officer shall each be a member of the Bank Loan and Investment Committee.

The Bank Loan and Investment Committee shall have general authority with respect to all loans and investments of the Bank other than trust investments. It shall have the authority to appoint other committees which need not necessarily include members of the Bank Loan and Investment Committee, including the Bank Investment Committee, committees pertaining to the operation of the Corporate, Retail, Sales Finance, Mortgage and any other loan functions of the Bank, and loan committees for various branches of the Bank. The Bank Loan and Investment Committee shall have general supervision and control of all such committees which it appoints.

Section 3.4. Audit Committee. The Directors shall annually appoint Audit Committee which shall be composed of not less than three nor more than five Directors who are not active officers or employees of the Bank. A Chairman of the Audit Committee shall be designated by the Directors.

The Audit Committee shall assure that there exist viable auditing processes, both internal and independent, for the Bank and its subsidiary or affiliated companies. The Audit Committee shall cause suitable audits of the Trust Division to be made as set forth in Section 5.6 of Article V hereof. In discharging its duties, the Audit Committee shall: (a) recommend to the Board of Directors the appointment of independent auditors; and (b) maintain open lines of communication with internal auditors, external auditors, and regulatory examiners, for the purpose of satis-

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fyng the Audit Committee that audit scope and programs are not restricted short of need, that management takes appropriate and timely action on recommendations made by the auditors and/or examiners, and that Bank personnel cooperate with auditors and examiners.

The Audit Committee shall meet on call of the Chairman of the Audit Committee as the nature of business warrants and shall review and consider reports of examination of the Comptroller of the Currency, management letters or other comments of the external auditors, reports of the internal auditor, and any other audit-related business it considers appropriate. The Chairman of the Audit Committee shall report to the Board of Directors on any recommendations made by the Audit Committee and on action taken by management on such recommendations.

Section 3.5. Other Committees. The Directors may appoint such other committees from time to time as they may deem proper for the management of the business and affairs of the Bank, and the Directors may delegate to the Executive Committee, or to the Chief Executive Officer, the appointment of other committees which they may deem necessary for the direction of the business and affairs of the Bank.

ARTICLE IV OFFICERS

Section 4.1. Officers to be Elected by Directors. The Board of Directors shall annually elect the following officers: a Chairman of the Board of Directors (Chairman), a President, an executive officer whose principal duty shall be to supervise the affairs of the Trust Department and be primarily responsible for the operation thereof, a Secretary, a Treasurer, a Comptroller, a General Auditor, and a General Counsel.

The Directors may annually elect one or more Vice Chairmen of the Board of Directors, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, one or more Trust Officers, one or more Deputy Auditors, one or more Assistant Auditors, and such other officers as the Directors may think necessary or desirable.

The Chairman, the President and the Vice Chairmen of the Board of Directors shall be Directors. Other officers may, but need not be Directors. Any two offices not inconsistent with each other may be held by the same person.

Section 4.2. Term. Unless otherwise specified, each officer shall be elected for a term of one year but shall continue to hold office thereafter until his successor is elected or until he resigns, retires, or is removed from office.

Section 4.3. Salaries. The salaries and other compensation of officers shall be fixed by the Executive Committee or by such person or persons to whom the power to fix compensation has been delegated.

Section 4.4. Chief Executive Officer. The Chief Executive Officer of the Bank shall be elected annually by the Directors and may hold the title of either Chairman or President, or may hold the titles of both Chairman and President. The Chief Executive Officer shall have overall responsibility for administering the pursuit of the basic mission and objectives of the Bank and shall exercise general supervision and authority over the affairs of the Bank and of all its subsidiary banks and companies. He shall exercise all of the powers customarily exercised by a Chief Executive Officer of a national banking association by whatever name called unless expressly limited by the Directors. All officers of the Bank shall report to him to the extent he may require.

In the interim between meetings of the Directors or meetings of the Executive Committee, the Chief Executive Officer may make appointments pro-tem to any office below the level of Executive Vice President, either for the purpose of filling a vacancy or increasing the number of officers, such appointees pro-tem to hold office until the next succeeding regular or special meeting of the Directors, who may in their discretion approve, confirm or revoke any such appointments. The

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salaries of all agents and employees of the Bank other than officers shall be fixed by the Chief Executive Officer or by a committee appointed by him. The compensation of all committee members shall also be fixed by the Chief Executive Officer. He shall have the power to execute in the name and on behalf of the Bank, or to delegate such power to others, all contracts or instruments of every character relating to real or personal property without express authority of the Directors unless such authority is expressly limited by the Directors.

It shall be the duty of the Chief Executive Officer or his designee to make a report of the Bank's performance and condition to the shareholders at their annual meeting and to the Directors at their regular meetings embracing therein such recommendations as to the policy and conduct of the business of the Bank as he may deem advisable. He shall be ex officio a member of all committees and shall preside at meetings of shareholders.

Section 4.5. Chairman of the Board of Directors. The Chairman of the Board of Directors shall preside at all meetings of the Board of Directors. If not elected Chief Executive Officer, the Chairman shall have such other authority and shall perform such other duties as may from time to time be conferred upon him by the Directors or by the Chief Executive Officer, and in the event of the disability or death of the Chief Executive Officer or President, he shall perform the duties of the Chief Executive Officer or President unless and until the Executive Committee shall appoint an acting Chief Executive Officer or President or until a new Chief Executive Officer or President is elected by the Directors.

Section 4.6. President. If not elected Chief Executive Officer, the President shall have such authority and shall perform such duties as may from time to time be conferred upon him by the Directors or by the Chief Executive Officer, and in the event of disability of the Chief Executive Officer or Chairman, he shall perform the duties of the Chief Executive Officer or Chairman unless and until the Executive Committee shall appoint an acting Chief Executive Officer or Chairman or until a new Chief Executive Officer or Chairman is elected by the Directors.

Section 4.7. Vice Chairmen of the Board of Directors. Vice Chairmen of the Board of Directors shall have such authority and shall perform such duties as may from time to time be conferred upon them by the Directors or by the Chief Executive Officer.

Section 4.8. Chief Financial Officer. The Chief Financial Officer shall have overall responsibility for maintaining the financial condition of the Bank on a sound basis and shall exercise general supervision over the financial affairs of the Bank as prescribed by the Directors or by the Chief Executive Officer. He shall serve as a member of the Bank Loan and Investment Committee and he shall have such other responsibilities and duties as shall be assigned to him by the Directors or by the Chief Executive Officer.

Section 4.9. Chief Loan Administration Officer. The Chief Loan Administration Officer shall have overall responsibility for maintaining the loan account of the Bank on a sound basis and shall exercise general supervision over the lending activities of the Bank as prescribed by the Directors or by the Chief Executive Officer. He shall serve as a member of the Bank Loan and Investment Committee and he shall have such other responsibilities and duties as shall be assigned to him by the Directors or by the Chief Executive Officer.

Section 4.10. Vice Presidents. Vice Presidents shall be designated as Senior Executive Vice Presidents, Executive Vice Presidents, Regional Vice

Presidents, Group Vice Presidents, Senior Vice Presidents, First Vice Presidents, Vice Presidents, and Assistant Vice Presidents. The Board of Directors shall annually elect such number of each designation as it may deem proper. Each category of Vice Presidents shall have such responsibilities and duties as shall be specifically assigned to them by the Directors or, in the absence of such specific assignment of responsibilities and duties by the Directors, they shall have such responsibilities and duties as shall be assigned to them by the Chief Executive Officer.

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Section 4.11. Secretary. The Secretary shall act as secretary at all meetings of the shareholders and at all meetings of the Directors. He shall issue notices for such meetings in accordance with the requirements of the bylaws. He shall have custody of the corporate seal and, upon request of the Chief Executive Officer, shall attest any instrument relating to real or personal property and perform such other duties as from time to time shall be assigned to him by the Directors or by the Chief Executive Officer.

Section 4.12. Assistant Secretaries. Each Assistant Secretary shall perform such duties as shall be assigned to him by the Directors or by the Chief Executive Officer and, in the absence or disability of the Secretary, one or more of the Assistant Secretaries designated by the Chief Executive Officer shall have all of the powers and perform all of the duties of the Secretary.

Section 4.13. Treasurer. The Treasurer shall have such responsibilities and duties as shall be assigned to him by the Directors or by the Chief Executive Officer.

Section 4.14. Assistant Treasurers. An Assistant Treasurer shall have such responsibilities and duties as shall be assigned to him by the Directors or by the Chief Executive Officer.

Section 4.15. Comptroller. The Comptroller shall be the Chief Accounting Officer of the Bank and shall exercise general supervision and control over the accounting and financial records and reports of the Bank. He shall have such other responsibilities and duties as shall be assigned to him by the Directors or by the Chief Executive Officer.

Section 4.16. General Auditor. The General Auditor shall have access to all books and records of the Bank and shall be responsible for auditing all financial records of the Bank. With respect to the scope, manner, extent and result of his audit, he shall be responsible only to the Directors, but in other respects, he shall be under the general supervision and direction of the Chief Executive Officer.

Section 4.17. Deputy Auditors and Assistant Auditors. Each Deputy Auditor and Assistant Auditor shall have such responsibilities and duties as shall be assigned to him by the Directors or by the General Auditor.

Section 4.18. General Counsel. The General Counsel shall exercise general supervision over the legal affairs and risks of the Bank. He shall have such other responsibilities and duties as shall be assigned to him by the Directors or by the Chief Executive Officer.

ARTICLE V TRUST DEPARTMENT

Section 5.1. Separate Department. There shall be a separate and independent department of the Bank, designated the Fiduciary Administration Division but known generally and referred to herein as the Trust Department, which shall perform the fiduciary responsibilities of the Bank.

Section 5.2. Management of Trust Department. An executive officer shall be elected annually who shall supervise the affairs of the Trust Department and be primarily responsible for the operation thereof, but who shall be subject to the superior authority of the Board of Directors and the Chief Executive Officer.

Section 5.3. Other Officers of the Trust Department. Other officers of the Trust Department shall consist of Vice Presidents, Trust Officers and such other officers as the Directors or the Chief Executive Officer may deem necessary or advisable for the proper management of the affairs of the Trust Department or any branch or division of the Trust Department, and such officers shall have such duties as shall be assigned to them by the Directors or by the Chief Executive Officer or by the executive officer in charge of the Trust Department. They shall report to the executive officer in charge of the Trust Department but shall be under the general supervision of the Chief Executive Officer.

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Section 5.4 Trust Committee. There shall be a Trust Committee annually appointed by the directors at their organizational meeting. The Trust Committee shall consist of at least two Directors who are not officers, the executive officer in charge of the Trust Department, and such additional members as the Directors may elect. The Chairman of the Trust Committee shall be designated by the Board of Directors and the Trust Committee may elect its own Secretary who need not be from among its own members.

The Trust Committee shall have the responsibility to determine the general policies for the operation of the Trust Department, review and evaluate marketing plans, revenue and profit goals, fee schedules, and litigation or other legal problems involving the Trust Department.

The Trust Committee shall review and evaluate on an overall basis the investment policies, philosophy and performance of all trust investments but shall not participate in specific investment decisions.

The Trust Committee may delegate authority to such individuals and may appoint such committee as it from time to time deems necessary and proper.

The Trust Committee shall hold regular meetings at least quarterly and at such other times as it may be called to meet by the Board of Directors, the Chief Executive Officer, the Chairman of the Trust Committee, the executive officer in charge of the Trust Department, or by any two of its members.

Section 5.5 Trust Investment Committee. There shall be a Trust Investment Committee annually appointed by the Directors at their organizational meeting. The Trust Investment Committee shall include the executive officer in charge of the Trust Department and such additional members as the Directors may elect. The Chairman of the Trust Investment Committee shall be designated by the Board of Directors and the Trust Investment Committee may elect its own Secretary who need not be from among its own members.

The Trust Investment Committee shall have general authority with respect to the investment and disposition of all property held by the Bank in a fiduciary capacity. The Trust Investment Committee shall establish and supervise the investment policies, philosophy, performance and strategy for all trust investments on an overall basis but need not concern itself with specific investment decisions for individual accounts. The Trust Investment Committee shall authorize the making of such contracts or agreements with investment counsel and secure such other investment advice and materials as it may deem necessary and proper.

The Trust Investment Committee may delegate its authority to such individuals and may appoint such other committees as it deems necessary and proper to deal with any particular activity of the Trust Investment Committee. Such individuals and such other committees shall report periodically and be responsible to the Trust Investment Committee.

The Trust Investment Committee shall hold regular meetings at least once a month and at such other times as it may be called to meet by the Board of Directors, the Chief Executive Officer, the Chairman of the Trust Investment Committee, the executive officer in charge of the Trust Department or by any two of its members.

Section 5.6 Audit of Trust Department. A suitable audit shall be made at least once each calendar year and within fifteen months of the last such audit, by auditors responsible only to the Board of Directors, in order to ascertain that the Trust Department has been administered in accordance with the applicable law, rules and regulations, and sound fiduciary principles. Such audit shall be separate and apart from any examination conducted by any regulatory agency.

Section 5.7. Trust Department Records. There shall be maintained by the Trust Department separate and distinct from the other records of the Bank, all records necessary and sufficient to assure that the fiduciary responsibilities of the Bank have been properly undertaken and discharged.

ARTICLE VI BOARDS OF MANAGERS

Section 6.1. Authority. The regional Boards of Managers shall have general supervision over all the business and affairs of their respective regions subject to the superior authority of the Directors, the Executive Committee and the Chief Executive Officer, and may establish rules and regulations for the conduct of the business of their respective regions not inconsistent with these bylaws. The regional Boards of Managers may, with the approval of the Chief Executive Officer, elect persons to fill vacancies in its (their) membership. Members so elected shall serve until the next regular meeting of the Directors. The regional Boards of Managers shall in turn have authority

to appoint Advisory Boards for such locations of the Bank within their respective regions as they may deem advisable.

Section 6.2. Meetings. The regular meetings of the regional Boards of Managers shall be held each quarter during the months of January, April, July and October before the regular meetings to be held in those months by the Directors. The Chairman of each regional Board of Managers, the officer in charge of the region, or any two members of a Board of Managers may call meetings at such other times as they may deem necessary. Four members of a regional Board of Managers, at least two of whom are not officers of the Bank, shall constitute a quorum. Each regional Board of Managers shall keep minutes and shall appoint a person to act as Secretary of each Board.

Section 6.3. Organization. The regional Boards of Managers shall, before the April meeting of the Directors, select for recommendation by the proper appointing authority members of its own Board, a Chairman of its Board, officers of its region, members of an Examining Committee, and members of such other committees as may from time to time be established by the appointing authority. All such recommendations shall be transmitted to the Secretary of the Bank before the meeting of the Directors in April.

ARTICLE VII STOCK AND STOCK CERTIFICATES

Section 7.1. Certificates. The shares of stock of the Bank shall be represented by certificates signed by the Chief Executive Officer or a Vice President and the Secretary or an Assistant Secretary, manually or by facsimile, and shall bear the seal of the Bank or a printed or engraved facsimile of the seal, shall be in such form as the Directors may prescribe, and shall be issued for one or more full shares only.

Section 7.2. Transfer. Shares of stock shall be transferable only on the books of the Bank by the holder or by an attorney or legal representative thereof duly authorized by a power of attorney filed with the Bank and upon surrender of the stock certificate or certificates for such shares properly endorsed.

Section 7.3. Address of Shareholders. Every shareholder shall keep the Bank advised of his mailing address. The Bank may rely upon its shareholder records as to the mailing address of any shareholder unless and until otherwise advised in writing.

Section 7.4. Lost Certificates. The holder of any shares of stock of this Bank, the certificate or certificates for which shall have been lost or destroyed, shall immediately notify the Bank of such fact. A new certificate or certificates may be issued upon satisfactory proof of the loss or destruction of the old certificate, and the Bank may require a bond which shall be in such sum, contain such terms and provisions, and have such surety or sureties as the Bank may require.

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Section 8.1. Form. The seal of the Bank shall consist of the words "Wachovia Bank and Trust Company, N.A., Winston-Salem, N.C." in concentric circles with the word "Seal" appearing in the inner circle, and shall be in the form impressed hereon.

Section 8.2. Use of Seal. The seal may be affixed to any document by the Secretary, any Assistant Secretary, or other person specifically authorized by the Directors, the Executive Committee, or the Chief Executive Officer.

ARTICLE IX FISCAL YEAR

Section 9.1. Fiscal Year. The fiscal year of the Bank shall be the calendar year.

ARTICLE X BYLAWS

Section 10.1. Amendments. The bylaws may be amended, altered or repealed either by the shareholders at any regular meeting of the shareholders or at any special meeting called for that purpose or by an affirmative vote of a majority of the Directors then holding office at any regular or special meeting, and the authority of the Directors shall include the authority to amend, alter or repeal any bylaw adopted by the shareholders unless the shareholders with respect to any specific bylaw shall limit the power of the Directors to amend or repeal any such specific bylaw.

Section 10.2. Inspection. A copy of the bylaws with all amendments thereto shall be kept in the custody of the Secretary at the principal office of the

Bank and shall be open for inspection to all shareholders during normal banking hours.

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RESOLUTION TO AMEND THE BYLAWS
OF THE WACHOVIA CORPORATION

WHEREAS, the volume and scope of lending activity has created a need for revision of the Company's Loan Committee structure and process to afford a more efficient, uniform, and effective review and focused appraisal of loans and investments; and

WHEREAS, the Company's revision of the Loan and Investment Committee structure and process and the establishment of a Board Credit Committee will provide a more effective review and monitoring process of loans originating in the Company and increase the direct involvement of non-management Directors of the Company in the credit review process;

NOW, THEREFORE, BE IT RESOLVED, that Article III, Section 3.4 of the Bylaws is hereby amended by striking and deleting said Section in its entirety and substituting in lieu thereof the following Article III, Section 3.4:

"Section 3.4. Board Credit Committee. The Board Credit Committee shall consist entirely of non-management Directors, the number of which shall be determined by the Board. The Board Credit Committee shall have general authority for all loans, investments and other credit exposures, except Trust investments. The Board Credit Committee may appoint a Management Credit Committee, and such other credit committees as it deems appropriate, and delegate to them such responsibility and authority as is deemed appropriate for the proper conduct and supervision of loan and investment activities. However, the Board Credit Committee shall maintain supervision and oversight of loan and investment activities through periodic reviews of major credit policies, practices, processes, exposures, and problems as it deems necessary to ensure the overall soundness of loans and investments, the effectiveness of lending activities, and the adequacy of loss reserves."

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RESOLUTION TO AMEND THE BYLAWS OF
WACHOVIA BANK AND TRUST COMPANY, N.A.

WHEREAS, the volume and scope of lending activity has created a need for revision of the Company's Loan Committee structure and process to afford a more efficient, uniform, and effective review and focused appraisal of loans and investments; and

WHEREAS, the Company's revision of the Loan and Investment Committee structure and process and the establishment of a Board Credit Committee will provide a more effective review and monitoring process of loans originating in the Company and increase the direct involvement of non-management Directors of the Company in the credit review process;

NOW, THEREFORE, BE IT RESOLVED, that Article III, Section 3.3 of the Bylaws is hereby amended by striking and deleting said Section in its entirety and substructuring in lieu thereof the following Article III, Section 3.3:

"Section 3.3 Board Credit Committee. The Board Credit Committee shall consist entirely of non-management Directors, the number of which shall be determined by the Board. The Board Credit Committee shall have general authority for all loans, investments and other credit exposures, except Trust investments. The Board Credit Committee may appoint a Management Credit Committee, and such other credit committees as it deems appropriate, and delegate to them such responsibility and authority as is deemed appropriate for the proper conduct and supervision of loan and investment activities. However, the Board Credit Committee shall maintain supervision and oversight of loan and

investment activities through periodic reviews of major credit policies, practices, processes, exposures, and problems as it deems necessary to ensure the overall soundness of loans and investments, the effectiveness of lending activities, and the adequacy of loss reserves.''

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RESOLUTION TO AMEND THE BYLAWS OF
WACHOVIA BANK AND TRUST COMPANY, N.A.

WHEREAS, ultimate responsibility for the proper exercise of its fiduciary powers lies with the Bank's Board of Directors; and

WHEREAS, the Board of Directors may assign the administration of such of the Bank's fiduciary powers as it may consider proper to such Directors, officers, or committees as it may designate; and

WHEREAS, Directors review and evaluate the actions of individuals or committees to assure that the Bank's fiduciary duties and responsibilities are administered efficiently and in full compliance with all applicable laws, regulations and sound fiduciary principles; and

WHEREAS, the organizational structure of the Trust Department should be set forth in the Bylaws of the Bank:

NOW, THEREFORE, BE IT RESOLVED, that Article V, Section 5.4 of the Bylaws is hereby amended by striking and deleting said Section in its entirety and substituting in lieu thereof the following Article V, Section 5.4:

Section 5.4. Board Trust Committee. There shall be a Board Trust Committee annually appointed by the Directors at their organizational meeting. The Board Trust Committee shall consist entirely of non-management Directors, the number of which shall be determined by the Board. The Chairman of the Board Trust Committee shall be designated by the Board of Directors and the Board Trust Committee may elect its own secretary who need not be from among its own members.

The Board Trust Committee shall have the responsibility and authority for supervision and oversight of the general policies and operations of the trust function and to review and evaluate its plans, strategies, goals, fee schedules, legal matters and performance.

The Board Trust Committee shall appoint a Management Trust Committee, and such other trust committees as it from time to time deems necessary and proper, and delegate to them such duties and authority as it deems appropriate for the proper administration of the Bank's fiduciary responsibilities.

The Board Trust Committee shall hold regular meetings at least quarterly and at such other times as it may be called to meet by the Board of Directors, the Chief Executive Officer, the Chairman of the Trust Committee, the executive officer in charge of the Trust Department, or by a majority of its members.

RESOLVED FURTHER, that Article V, Section 5.5 of the Bylaws is hereby amended by striking and deleting said Section in its entirety and the remaining subsequent Sections of Article V are hereby renumbered accordingly.

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RESOLUTION AMENDING BYLAWS - CORPORATION

"WHEREAS, the bylaws presently limit the number of Directors who may be members of the Audit Committee to five (5); and

"WHEREAS, it is deemed desirable not to so limit the number of Directors who may be members of the Audit Committee.

"NOW, THEREFORE, BE IT RESOLVED, that the bylaws of the Company are hereby amended as follows:

"The entire first paragraph of Section 3.3 is deleted and the following substituted therefor:

"Section 3.3. Audit Committee. The Directors shall annually

appoint an Audit Committee, which shall consist entirely of Directors who are not active officers or employees of the Company, the number of which shall be fixed by the Directors. A chairman of the Audit Committee shall be designated by the Directors."

RESOLUTION AMENDING BYLAWS - BANK

"WHEREAS, the bylaws presently limit the number of Directors who may be members of the Audit Committee to five (5); and

"WHEREAS, it is deemed desirable not to so limit the number of Directors who may be members of the Audit Committee.

"NOW, THEREFORE, BE IT RESOLVED, that the bylaws of the Bank are hereby amended as follows:

"The entire first paragraph of Section 3.4 is deleted and the following substituted therefor:

"Section 3.4. Audit Committee. The Directors shall annually appoint an Audit Committee, which shall consist entirely of Directors who are not active officers or employees of the Bank, the number of which shall be fixed by the Directors. A chairman of the Audit Committee shall be designated by the Directors."

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BOARD OF DIRECTORS MEETING
APRIL 19, 1991

RESOLUTIONS RECOMMENDING AMENDING ARTICLES OF ASSOCIATION-
CHANGE OF BANK NAME TO WACHOVIA BANK OF NORTH CAROLINA
NATIONAL ASSOCIATION

RESOLVED, that the Board of Directors of Wachovia Bank and Trust Company, N.A. (the "Bank") does hereby adopt the following resolutions:

"RESOLVED, that the adoption of the following resolution is hereby recommended to the sole shareholder of the Bank:

RESOLVED, that the Articles of Association shall be amended by deleting ARTICLE FIRST thereof in its entirety and substituting therefor the following new ARTICLE FIRST:

' FIRST. The title of this Association shall be "WACHOVIA BANK OF NORTH CAROLINA, NATIONAL ASSOCIATION." '

RESOLVED FURTHER, that the change of the Bank's name, and amendment of the Articles of Association shall be effective on or after April 26, 1991, or as soon thereafter as the proper officers of the Bank, acting for and on behalf of the Bank, shall have filed the proper documents with the Comptroller of the Currency and established an appropriate and effective implementation date for the name change and amendment; and

RESOLVED FURTHER, that effective upon the change of the Bank's name, the seal of the Bank shall be revised to reflect the changed name of the Bank, which seal shall consist of the new name of the Bank in concentric circles with the word "Seal" appearing in the inner circle; and

RESOLVED FURTHER, that effective upon the change of the Bank's name, the form of the Common Stock Certificate of the Bank shall be revised to reflect the changed name of the Bank, and the form and content of said Common Stock Certificate shall otherwise remain unchanged; and

RESOLVED FURTHER, that effective upon the change of the Bank's name, the Bylaws of the Bank shall be amended by deleting the former name of the Bank in all instances in which it appears in said Bylaws, and substituting therefor the new name of the Bank; and

RESOLVED FURTHER, that the proper officers of the Bank, acting for and on behalf of the Bank, shall be and hereby are authorized and directed to take

actions as may be deemed necessary or advisable to carry out the purpose resolutions, including but not limited to the following: filing the proper documents with the Comptroller of the Currency, filing proper documents with other governmental, administrative and regulatory bodies and agencies; amending executory contracts to which the Bank is party or by which it is bound, in order to reflect the changed name of the Bank (which amendments shall not affect the validity or enforceability of such contracts); and amending or giving necessary notices pursuant to any and all other documents, permits, licenses, agreements or other instruments of any type whatsoever affecting the Bank in order to reflect the changed name of the Bank (which amendments and notices shall not affect the validity or enforceability of the instruments with respect to which they are made or given).'

EXHIBIT T-3

CONSENT OF TRUSTEE

Pursuant to the requirements of Section 321(b) of the Trust Indenture Act of 1939, as amended, in conjunction with the proposed issuance of debt securities by CCB Corporation, Wachovia Bank of North Carolina, N.A., hereby consents that reports of examinations by federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon request thereof.

Wachovia Bank of North Carolina, N.A.

By: /s/ Sandra M. Turner
Sandra M. Turner
Vice President

[LETTERHEAD OF BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM]

(LOGO OF BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM APPEARS HERE)

Please refer to page i, Table of Contents, for the required disclosure of estimated burden. 1

Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices--FFIEC 031

Report at the close of business June 30, 1993

(930630)

(RCRI 9999)

This report is required by law: 12 U.S.C. (S)324 (State member banks); 12 U.S.C. (S)1817 (State nonmember banks); and 12 U.S.C. (S)161 (National Banks).

This report form is to be filed by banks with branches and consolidated subsidiaries in U.S. territories and possessions, Edge or Agreement subsidiaries, foreign branches, consolidated foreign subsidiaries, or International Banking Facilities.

NOTE: The Reports of Condition and Income must be signed by an authorized officer and the Report of Condition must be attested to by not less than two directors (trustees) for State nonmember banks and three directors for State

member and National Banks.

I, James A. Tewes, Senior Vice-President

Name and Title of Officer Authorized to Sign Report

of the named bank do hereby declare that these Reports of Condition and Income (including the supporting schedules) have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true to the best of my knowledge and belief.

/s/ James A. Tewes

Signature of Officer Authorized to Sign Report

7/29/93

Date of Signature

The reports of Condition and Income are to be prepared in accordance with Federal regulatory authority instructions. NOTE: These instructions may in some

cases differ from generally accepted accounting principals.

We, the undersigned directors (trustees), attest to the correctness of this Report of Condition (including the supporting schedules) and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

Director (Trustee)

Director (Trustee)

Director (Trustee)

For Banks Submitting Hard Copy Report Forms:

State Member Banks: Return the original and one copy to the appropriate Federal Reserve District Bank.

State Nonmember Banks: Return the original only in the special return address envelope provided. If express mail is used in lieu of the special return address envelope, return the original only to the FDIC, c/o Quality Data Systems, 2139 Espey Court, Crofton, MD 21114.

National Banks: Return the original only in the special return address envelope provided. If express mail is used in lieu of the special return address envelope, return the original only to the FDIC, c/o Quality Data Systems, 2139 Espey Court, Crofton, MD 21114.

FDIC Certificate Number 00817

CALL NO. 184 31 06-30-93

CERT: 00817 09039 STBK 37-2230

WACHOVIA BANK OF NORTH CAROLINA, NAT
P.O. BOX 3099
WINSTON-SALEM, NC 27102

Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency

Consolidated Reports of Condition and Income for
A Bank With Domestic and Foreign Offices

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1. Interest income:	//////////		
a. Interest and fee income on loans:	//////////		
(1) In domestic offices:	//////////		
(a) Loans secured by real estate.....	4011	134,898	1.a. (1) (a)
(b) Loans to depository institutions.....	4019	4,311	1.a. (1) (b)
(c) Loans to finance agricultural production and other loans to farmers.....	4024	2,381	1.a. (1) (c)
(d) Commercial and industrial loans.....	4012	77,694	1.a. (1) (d)
(e) Acceptances of other banks.....	4026	0	1.a. (1) (e)
(f) Loans to individuals for household, family, and other personal expenditures:	//////////		
(1) Credit cards and related plans.....	4054	9,633	1.a. (1) (f) (1)
(2) Other.....	4055	73,001	1.a. (1) (f) (2)
(g) Loans to foreign governments and official institutions.....	4056	25	1.a. (1) (g)
(h) Obligations (other than securities and leases) of states and political subdivisions in the U.S.:	//////////		
(1) Taxable obligations.....	4503	2,009	1.a. (1) (h) (1)
(2) Tax-exempt obligations.....	4504	7,091	1.a. (1) (h) (2)
(i) All other loans in domestic offices.....	4058	46,324	1.a. (1) (i)
(2) In foreign offices, Edge and Agreement subsidiaries, and IBFs.....	4059	0	1.a. (2)
b. Income from lease financing receivables:	//////////		
(1) Taxable leases.....	4505	2,199	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	0	1.c. (1)
(2) In foreign offices, Edge and Agreement subsidiaries, and IBFs.....	4106	1,532	1.c. (2)
d. Interest and dividend income on securities:	//////////		
(1) U.S. Treasury securities and U.S. Government agency and corporation obligations.....	4027	100,056	1.d. (1)
(2) Securities issued by states and political subdivisions in the U.S.:	//////////		
(a) Taxable securities.....	4506	314	1.d. (2) (a)
(b) Tax-exempt securities.....	4507	16,984	1.d. (2) (b)
(3) Other domestic debt securities.....	3657	2,824	1.d. (3)
(4) Foreign debt securities.....	3658	0	1.d. (4)
(5) Equity securities (including investments in mutual funds).....	3659	175	1.d. (5)
e. Interest income from assets held in trading accounts.....	4069	11,671	1.e.

</TABLE>

(1) Includes interest income on time certificates of deposit not held in trading accounts.

Legal Title of Bank: Wachovia Bank of North Carolina, N.A. Call Date: 6/30/93
Address: P.O. Box 3099 ST-BK: 37-2230
City, State Zip: Winston-Salem, NC 27102-3099 FFIEC 031
FDIC Certificate No: 00817 Page RI-2

Schedule RI--Continued

<TABLE>
<CAPTION>

	Dollar Amounts in Thousands		Year-to-date	
<S>	<C>	<C>	<C>	<C>
1. Interest income (continued)	RIAD	Bil Mil Thou		
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	10,605	1.f.	
g. Total interest income (sum of items 1.a through 1.f).....	4107	503,727	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	11,356	2.a. (1) (a)	
(b) Nontransaction accounts:				
(1) Money market deposit accounts (MMDAs).....	4509	21,863	2.a. (1) (b) (1)	
(2) Other savings deposits.....	4511	13,158	2.a. (1) (b) (2)	

(3) Time certificates of deposit of \$100,000 or more.....	4174	22,592	2.a. (1) (b) (3)
(4) All other time deposits.....	4512	56,073	2.a. (1) (b) (4)
(2) Interest on deposits in foreign offices, Edge and Agreement subsidiaries, and IBFs.....	4172	3,983	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 Agreement subsidiaries, and in IBFs.....	4180	45,259	2.b.
c. Interest on demand notes issued to the U.S. Treasury and on other borrowed money.....	4185	32,551	2.c.
d. Interest on mortgage indebtedness and obligations under capitalized leases.....	4072	83	2.d.
e. Interest on subordinated notes and debentures.....	4200	4,562	2.e.
f. Total interest expense (sum of items 2.a through 2.e).....	4073	211,480	2.f.
3. Net interest income (item 1.g minus 2.f).....	RIAD 4074	292,247	3.
4. Provisions:	-----		
a. Provision for loan and lease losses.....	RIAD 4230	5,945	
4.a. b. Provision for allocated transfer risk.....	RIAD 4243	0	
4.b.	-----		
5. Noninterest income:	-----		
a. Income from fiduciary activities.....	4070	37,962	5.a.
b. Service charges on deposit accounts in domestic offices.....	4080	49,097	5.b.
c. Trading gains (losses) and fees from foreign exchange transactions.....	4075	3,464	5.c.
d. Other foreign transaction gains (losses).....	4076	0	5.d.
e. Gains (losses) and fees from assets held in trading accounts.....	4077	5,932	5.e.
f. Other noninterest income:	-----		
(1) Other fee income.....	5407	15,402	5.f. (1)
(2) All other noninterest income*.....	5408	31,980	5.f. (2)
g. Total noninterest income (sum of items 5.a through 5.f).....	RIAD 4079	143,837	
5.g.	-----		
6. Gains (losses) on securities not held in trading accounts.....	RIAD 4091	286	6.
7. Noninterest expense:	-----		
a. Salaries and employee benefits.....	4135	95,565	7.a.
b. Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest).....	4217	26,680	7.b.
c. Other noninterest expense*.....	4092	128,628	7.c.
d. Total noninterest expense (sum of items 7.a through 7.c).....	RIAD 4093	250,873	
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).....	RIAD 4301	179,552	8.
9. Applicable income taxes (on item 8).....	RIAD 4302	49,565	9.
10. Income (loss) before extraordinary items and other adjustments (item 8 minus 9).....	RIAD 4300	129,987	10.

</TABLE>

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*Describe on Schedule RI-E--Explanations.

Schedule RI--Continued
 <TABLE>
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	Year-to-date			
	Dollar Amounts in Thousands	RIAD	Bil	Mil Thou
<S>	<C>	<C>	<C>	<C>
11. Extraordinary items and other adjustments:	//////////			
a. Extraordinary items and other adjustments, gross of income taxes*	4310	0	11.a.	
b. Applicable income taxes (on item 11.a)*	4315	0	11.b.	
c. Extraordinary items and other adjustments, net of income taxes	//////////			
(item 11.a minus 11.b)	//////////	RIAD 4320		0
12. Net income (loss) (sum of items 10 and 11.c)	//////////	RIAD 4340		129,987

</TABLE>
 <TABLE>
 <CAPTION>

Memoranda

	Year-to-date			
	Dollar Amounts in Thousands	RIAD	Bil	Mil Thou
<S>	<C>	<C>		<C>
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		173	M.1.
2. Not applicable	//////////			
3. Estimated foreign tax credit included in applicable income taxes, items 9 and 11.b above	4309		126	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		37,581	M.4.
5. Number of full-time equivalent employees on payroll at end of current period (round to nearest whole number)	4150		5,235	M.5.

</TABLE>

Schedule RI-A--Changes in Equity Capital

<TABLE>
 <CAPTION>
 Indicate decreases and losses in parentheses.

	Year-to-date			
	Dollar Amounts in Thousands	RIAD	Bil	Mil Thou
<S>	<C>	<C>		<C>
1. Total equity capital originally reported in the December 31, 1992, Reports of Condition and Income	3215		1,306,849	1.
2. Equity capital adjustments from amended Reports of Income, net*	3216		0	2.
3. Amended balance end of previous calendar year (sum of items 1 and 2)	3217		1,306,849	3.
4. Net income (loss) (must equal Schedule RI, item 12)	4340		129,987	4.
5. Sale, conversion, acquisition, or retirement of capital stock, net	4346		720	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		60,685	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 items 5, 7, or 8 above)	4415		2,860	13.
14. Total equity capital end of current period (sum of items 3 through 13) (must equal Schedule RC, item 28)	3210		1,379,731	14.

</TABLE>

*Describe on Schedule RI-E--Explanations.

Legal Title of Bank: Wachovia Bank of North Carolina, N.A. Call Date: 6/30/93
 Address: P.O. Box 3099 ST-BK: 37-2230
 City, State Zip: Winston-Salem, NC 27102-3099 FFIEC 031
 FDIC Certificate No.: 00817 Page RI-4

Schedule RI-B--Charge-offs and Recoveries and Changes
 in Allowance for Loan 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.

<TABLE>
 <CAPTION>

	1486						
	(Column A)			(Column B)			
	Charge-offs			Recoveries			

calendar year-to-date							

Dollar Amounts in Thousands	RIAD	Bil Mil	Thou	RIAD	Bil Mil	Thou	
-----	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1. Loans secured by real estate:	//////////	//////////	//////////	//////////	//////////	//////////	
a. To U.S. addressees (domicile).....	4651	2,236	4661	507	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	0	4664	15	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	1,491	4617	1,882	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	619	4666	212	5.a.		
b. Other (includes single payment, installment, and all student loans)..	4657	1,739	4667	505	5.b.		
6. Loans to foreign governments and official institutions.....	4643	0	4627	0	6.		
7. All other loans.....	4644	0	4628	0	7.		
8. Leases financing receivables:	//////////	//////////	//////////	//////////	//////////	//////////	
a. Of U.S. addressees (domicile).....	4658	105	4668	54	8.a.		
b. Of non-U.S. addressees (domicile).....	4659	0	4669	0	8.b.		
9. Total (sum of items 1 through 8).....	4635	6,190	4605	3,175	9.		

</TABLE>

<TABLE>
 <CAPTION>

Memoranda	-----						
	Cumulative Charge-offs			Cumulative Recoveries			
	Jan. 1, 1986 through Dec. 31, 1989			Jan. 1, 1986 through Report Date			
Dollar Amounts in Thousands	RIAD	Bil Mil	Thou	RIAD	Bil Mil	Thou	
-----	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
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	2,481	M.1.		
	(Column A)			(Column B)			

	Charge-offs			Recoveries		
	calendar year-to-date					
	RIAD	Bil Mil	Thou	RIAD	Bil Mil	Thou
Memorandum items 2 and 3 are to be completed by all banks.						
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 1, item 1, above):						
a. Construction and land development.....	3582		0	3583		54 M.3.a.
b. Secured by farmland.....	3584		16	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		19	5412		6 M.3.c. (1)
(2) All other loans secured by 1-4 family residential properties.....	5413		158	5414		21 M.3.c. (2)
d. Secured by multifamily (5 or more) residential properties.....	3588		32	3589		0 M.3.d.
e. Secured by nonfarm nonresidential properties.....	3590		2,011	3591		426 M.3.e.

</TABLE>

Schedule RI-B--Continued

Part II. Changes in Allowance for Loan and Lease Losses and in Allocated Transfer Risk Reserve

<TABLE>
<CAPTION>

	(Column A) Allowance for Loan and Lease Losses			(Column B) Allocated Transfer Risk Reserve		
	Dollar Amounts in Thousands					
	RIAD	Bil Mil	Thou	RIAD	Bil Mil	Thou
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1. Balance originally reported in the December 31, 1992, Reports of Condition and Income.....	3124		114,078	3131		0 1.
2. Recoveries (column A must equal part I, item 9, column B above).....	4605		3,175	3132		0 2.
3. LESS: Charge-offs (column A must equal part I, item 9, column A above).....	4635		6,190	3133		0 3.
4. Provision (column A must equal Schedule RI, item 4.a; column B must equal Schedule RI, item 4.b).....	4230		5,945	4243		0 4.
5. Adjustments* (see instructions for this schedule).....	4815		0	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		117,008	3128		0 6.

</TABLE>

*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.

<TABLE>
<CAPTION>

	----- 1489 -----		
	Dollar Amounts in Thousands		
	RIAD	Bil Mil	Thou
<S>	<C>	<C>	<C>
1. Federal.....	4780		N/A 1.
2. State and local.....	4790		N/A 2.
3. Foreign.....	4795		N/A 3.
4. Total (sum of items 1 through 3) (must equal sum of Schedule RI, items 9 and 11.b).....	4770		N/A 4.
5. Deferred portion of item 4.....	RIAD 4772	N/A	5.

</TABLE>

Legal Title of Bank: Wachovia Bank of North Carolina, N.A. Call Date: 6/30/93
 Address: P.O. Box 3099 ST-BK: 37-2230 FFIEC 031
 City, State Zip: Winston-Salem, NC 27102-3099 Page RI-6
 FDIC Certificate No.: 0 0 8 1 7

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

<TABLE>
<CAPTION>

	Year-to-date		
	RIAD	Bil	Mil Thou
Dollar Amounts in Thousands			
<S>	<C>	<C>	<C>
1. Interest income and expense booked at foreign offices, Edge and Agreement subsidiaries, and IBFs:	//////////	//////////	
a. Interest income booked.....	4837	N/A	1.a.
b. Interest expense booked.....	4838	N/A	1.b.
c. Net interest income booked at foreign offices, Edge and Agreement subsidiaries, and IBFs (item 1.a minus 1.b).....	4839	N/A	1.c.
2. Adjustments for booking location of international operations:	//////////	//////////	
a. Net interest income attributable to international operations booked at domestic offices.....	4840	N/A	2.a.
b. Net interest income attributable to domestic business booked at foreign offices.....	4841	N/A	2.b.
c. Net booking location adjustment (item 2.a minus 2.b).....	4842	N/A	2.c.
3. Noninterest income and expense attributable to international operations:	//////////	//////////	
a. Noninterest income attributable to international operations.....	4097	N/A	3.a.
b. Provision for loan and lease losses attributable to international operations.....	4235	N/A	3.b.
c. Other noninterest expense attributable to international operations.....	4239	N/A	3.c.
d. Net noninterest income (expense) attributable to international operations (item 3.a minus 3.b and 3.c).....	4843	N/A	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	N/A	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	N/A	5.
6. Estimated pretax income attributable to international operations after capital allocation adjustment (sum of items 4 and 5).....	4846	N/A	6.
7. Income taxes attributable to income from international operations as estimated in item 6.....	4797	N/A	7.
8. Estimated net income attributable to international operations (item 6 minus 7).....	4341	N/A	8.

</TABLE>
 <TABLE>
 <CAPTION>

Memoranda

	Dollar Amounts in Thousands		RIAD Bil Mil Thou	
<S>	<C>	<C>	<C>	<C>
1. Intracompany interest income included in item 1.a above.....	4847	N/A	M.1.	
2. Intracompany interest expense included in item 1.b above.....	4848	N/A	M.2.	

</TABLE>

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

<TABLE>
 <CAPTION>

	Dollar Amounts in Thousands		Year-to-date RIAD Bil Mil Thou	
<S>	<C>	<C>	<C>	<C>
1. Interest income booked at IBFs.....	4849	N/A	1.	
2. Interest expense booked at IBFs.....	4850	N/A	2.	
3. Noninterest income attributable to international operations booked at domestic offices (excluding IBFs):	//////////	//////////		
a. Gains (losses) and extraordinary items.....	5491	N/A	3.a.	
b. Fees and other noninterest income.....	5492	N/A	3.b.	
4. Provision for loan and lease losses attributable to international operations booked at domestic offices (excluding IBFs).....	4852	N/A	4.	
5. Other noninterest expense attributable to international operations booked at domestic offices (excluding IBFs).....	4853	N/A	5.	

</TABLE>

Legal Title of Bank: Wachovia Bank of North Carolina, N.A. Call Date: 6/30/93
 Address: P.O. Box 3099 ST-BK: 37-2230 FFIEC 031
 City, State Zip: Winston-Salem, NC 27102-3099 Page RI-7
 FDIC Certificate No.: 0 0 8 1 7

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.)

<TABLE>
 <CAPTION>

	Dollar Amounts in Thousands		Year-to-date RIAD Bil Mil Thou	
<S>	<C>	<C>	<C>	<C>
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 other amounts that exceed 10% of Schedule RI, item 5.f.(2):	//////////	//////////	
d. TEXT 4461 Service Fees charged to affiliates	4461	28,631	1.d.
e. TEXT 4462	4462		1.e.
f. TEXT 4463	4463		1.f.
2. Other noninterest expense (from Schedule RI, item 7.c):	//////////	//////////	
a. Amortization expense of intangible assets....	4531	64	2.a.
Report amounts that exceed 10% of Schedule RI, item 7.c:	//////////	//////////	
b. Net losses on other real estate owned.....	5418	0	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. TEXT 4464 Service Fees Paid to Affiliates	4464	78,130	2.e.
f. TEXT 4467 FDIC Insurance and OCC Examination Fees	4467	13,338	2.f.
g. TEXT 4468	4468		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) TEXT 4469	4469		3.a.(1)
(2) Applicable income tax effect RIAD 4486			3.a.(2)
b. (1) TEXT 4487	4487		3.b.(1)
(2) Applicable income tax effect RIAD 4488			3.b.(2)
c. (1) TEXT 4489	4489		3.c.(1)
(2) Applicable income tax effect RIAD 4491			3.c.(2)
4. Equity capital adjustments from amended Reports of Income (from Schedule RI-A, item 2) (itemize and describe all adjustments):	//////////	//////////	
a. TEXT 4492	4492		4.a.
b. TEXT 4493	4493		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. TEXT 4494	4494		5.a.
b. TEXT 4495	4495		5.b.
6. Corrections of material accounting errors from prior years (from Schedule RI-A, item 10) (itemize and describe all corrections):	//////////	//////////	
a. TEXT 4496	4496		6.a.
b. TEXT 4497	4497		6.b.

</TABLE>

Legal Title of Bank: Wachovia Bank
of North Carolina, N.A.
Address: P.O. Box 3099
City, State Zip: Winston-Salem, NC 27102-3099
FDIC Certificate No.: 0 0 8 1 7

Call Date: 6/30/93
ST-BK: 37-2230 FFIEC 031
Page RI-8

Schedule RI-E--Continued
<TABLE>
<CAPTION>

	Year-to-date		
	Dollar Amounts in Thousands	RIAD	Bil Mil Thou
<S>		<C>	<C> <C>
7. Other transactions with parent holding company (from Schedule RI-A, item 13) (itemize and describe all such transactions):	////////////////////////////////////		
a. TEXT 4498 Capital Contribution from parent company	4498		2,860 7.a.
b. TEXT 4499	4499		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. TEXT 4521	4521		8.a.
b. TEXT 4522	4522		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):	1489		1499 -
No comment (RIAD 4769)			
Other explanations (please type or print clearly): (TEXT 4769)			

Legal Title of Bank: Wachovia Bank
of North Carolina, N.A.
Address: P.O. Box 3099
City, State Zip: Winston-Salem, NC 27102-3099
FDIC Certificate No.: 0 0 8 1 7

Call Date: 6/30/93
ST-BK: 37-2230 FFIEC 031
Page RC-1

Consolidated Report of Condition for Insured Commercial and State-Chartered
Savings Banks for June 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

<TABLE>
<CAPTION>

	Dollar Amounts in Thousands		
	RCFD	Bil Mil Thou	C400
<S>		<C>	<C> <C>
ASSETS	////////////////////////////////////		
1. Cash and balances due from depository institutions (from Schedule RC-A):	////////////////////////////////////		

a. Noninterest-bearing balances and currency and coin(1).....			//////////	0081	1,226,903	
1.a. b. Interest-bearing balances(2).....				0071	95,000	
1.b. 2. Securities (from Schedule RC-B).....				0390	3,996,501	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	1,000,825	
3.a. b. Securities purchased under agreements to resell.....				0277	0	
3.b. 4. Loans and lease financing receivables:			//////////			
a. Loans and leases, net of unearned income (from Schedule RC-C)		-----		RCFD 2122	10,741,823	
4.a. b. LESS: Allowance for loan and lease losses.....		RCFD 3123			117,008	
4.b. c. LESS: Allocated transfer risk reserve.....		RCFD 3128			0	
4.c. d. Loans and leases, net of unearned income, allowance, and reserve (item 4.a minus 4.b and 4.c).....		-----				
4.d. 5. Assets held in trading accounts.....				2146	783,177	5.
6. Premises and fixed assets (including capitalized leases).....				2145	183,037	6.
7. Other real estate owned (from Schedule RC-M).....				2150	7,820	7.
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M).....				2130	0	8.
9. Customers' liability to this bank on acceptance outstanding.....				2155	222,700	9.
10. Intangible assets (from Schedule RC-M).....				2143	1.622	10.
11. Other assets (from Schedule RC-F).....				2160	482,951	11.
12. Total assets (sum of items 1 through 11).....				2170	18,625,351	12.

</TABLE>

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

Legal Title of Bank: Wachovia Bank of North Carolina, N.A. Call Date: 6/30/93
Address: P.O. Box 3099 ST-BK: 37-2230 FFIEC 031
City, State Zip: Winston-Salem, NC 27102-3099 Page RC-2
FDIC Certificate No.: 0 0 8 1 7

Schedule RC -- Continued

<TABLE>
<CAPTION>

		Dollar Amounts in Thousands	//////////	Bil Mil Thou	
<S>					
LIABILITIES			<C>	<C>	<C>
13. Deposits			//////////		
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part I)..			RCFN 2200	10,694,289	13.a
(1) Noninterest-bearing(1).....		RCFN 6631			
13.a.(1) (2) Interest-bearing.....		RCFN 6636			
13.a.(2) b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II).....			RCFN 2200	223,036	13.b

13.b.(1)	(1) Noninterest-bearing.....	RCFN 6631	5,404	////////////////////
13.b.(2)	(2) Interest-bearing.....	RCFN 6636	217,632	////////////////////
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	3,157,639	14.a.
b.	Securities sold under agreements to repurchase.....	RCFD 0279	774,304	14.b.
15.	Demand notes issued to the U.S. Treasury.....	RCFN 2840	110,000	15.
16.	Other borrowed money.....	RCFD 2850	1,828,361	16.
17.	Mortgage indebtedness and obligations under capitalized leases.....	RCFD 2910	1,450	17.
18.	Bank's liability on acceptances executed and outstanding.....	RCFD 2920	222,700	18.
19.	Subordinated notes and debentures.....	RCFD 3200	125,000	19.
20.	Other liabilities (from Schedule RC-G).....	RCFD 2930	108,841	20.
21.	Total liabilities (sum of items 13 through 20).....	RCFD 2948	17,245,620	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	51,360	24.
25.	Surplus (exclude all surplus related to preferred stock).....	RCFD 3839	98,585	25.
26.	a. Undivided profits and capital reserves.....	RCFD 3632	1,229,786	26.a.
	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	1,379,731	28.
29.	Total liabilities, limited-life preferred stock, and equity capital (sum of items 21, 22, and 28).....	RCFD 3300	18,625,351	29.

</TABLE>

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.....

Number

RCFD 6724 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.

Legal Title of Bank: Wachovia Bank Call Date: 6/30/93
of North Carolina, N.A. ST-BK: 37-2230 FFIEC 031
Address: P.O. Box 3099 Page RC-3
City, State Zip: Winston-Salem, NC 27102-3099
FDIC Certificate No.: 0 0 8 1 7

Schedule RC-A--Cash and Balances Due From Depository Institutions

Exclude assets held in trading accounts.

<TABLE>

	(Column A) Consolidated Bank			(Column B) Domestic Offices		
	RCFD	Bil	Mil Thou	RCON	Bil	Mil Thou
Dollar Amounts in Thousands						
<S>	<C>	<C>		<C>	<C>	
1. Cash items in process of collection, unposted debits, and currency and coin.....	0022	1,156,880		0020	1,015,623 1.a.	
a. Cash items in process of collection and unposted debits.....				0080	141,257 1.b.	
b. Currency and coin.....				0082	20,935 2.	
2. Balances due from depository institutions in the U.S.....						
a. U.S. branches and agencies of foreign banks (including their IBFs).....	0083	0			2.a.	
b. Other commercial banks in the U.S. and other depository institutions in the U.S. (including their IBFs).....	0085	20,935			2.b.	
3. Balances due from banks in foreign countries and foreign central banks...				0070	8,724 3.	
a. Foreign branches of other U.S. banks.....	0073	10,000			3.a.	
b. Other banks in foreign countries and foreign central banks.....	0074	93,724			3.b.	
4. Balances due from Federal Reserve Banks.....	0090	40,364		0090	40,362 4.	
5. Total (sum of items 1 through 4) (total of column A must equal Schedule RC, item 1).....	0010	1,321,903		0010	1,226,901 5.	

</TABLE>

<TABLE>

<CAPTION>

Memorandum	Dollar Amounts in Thousands			RCON	Bil	Mil	Thou
1. Noninterest-bearing balances due from commercial banks in the U.S. (included in item 2, column B above).....				0050		20,935	M.1

</TABLE>

Legal Title of Bank: Wachovia Bank of North Carolina, N.A. Call Date: 6/30/93
Address: P.O. Box 3099 ST-BK: 37-2230 FFIEC 031
City, State Zip: Winston-Salem, NC 27102-3099 Page RC-4
FDIC Certificate No.: 0 0 8 1 7
Schedule RC-B--Securities

Exclude assets held in trading accounts.

<TABLE>

<CAPTION>

	Consolidated Bank					
	(Column A) Book Value			(Column B) Market Value(1)		
	RCFD	Bil	Mil Thou	RCFD	Bil	Mil Tho
Dollar Amounts in Thousands						
<S>	<C>	<C>		<C>	<C>	
1. U.S. Treasury securities.....	0400	2,929,728		0401	3,067,974	
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	4,289		3761	5,020	
(2) Guaranteed by GNMA (exclude FNMA and FHLMC issues).....	3762	267,786		3763	289,743	
b. All other.....	0604	229,060		0605	230,314	
(1) Collateralized mortgage obligations issued by FNMA and FHLMC (include REMICs).....						
(2) All other U.S. Government-sponsored agency obligations(2).....						

3. Securities issued by states and political subdivisions in the U.S.	0402	354,602	0403	402,204
a. General obligations.....	//////////		//////////	
b. Revenue obligations.....	//////////		//////////	
c. Industrial development and similar obligations.....	//////////		//////////	
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
b. All other domestic debt securities:	//////////		//////////	
(1) Privately-issued collateralized mortgage obligations (include REMICs).....	5361	0	5362	0
(2) All other.....	5363	206,344	5364	206,344
5. Foreign debt securities.....	3635	0	3636	0
6. Equity securities:	//////////		//////////	
a. Marketable equity securities:	//////////		//////////	
(1) Investments in mutual funds.....	3637	0	3638	0
(2) Other marketable equity securities.....	3639	194	3640	2,956
(3) LESS: Net unrealized loss on marketable equity securities.....	3641	0	//////////	
b. Other equity securities (includes Federal Reserve stock).....	3642	4,498	3643	4,498
7. Total (sum of items 1 through 6) (total of column A must equal Schedule RC, item 2).....	0390	3,996,501	0391	4,209,053

</TABLE>

<TABLE>

<CAPTION>

C410

Domestic Offices

(Column C)
Book value

RCON Bil Mil Thou

<S>	<C>	<C>	<C>
1. U.S. Treasury securities.....	0400	2,929,728	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	4,289	2.a. (1)
(2) Guaranteed by GNMA (exclude FNMA and FHLMC issues).....	3762	267,786	2.a. (2)
b. All other.....	//////////		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	229,060	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.	//////////		3.
a. General obligations.....	3767	336,809	3.a.
b. Revenue obligations.....	3768	17,793	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	4.a.
b. All other domestic debt securities:	//////////		
(1) Privately-issued collateralized mortgage obligations (include REMICs).....	5361	0	4.b. (1)
(2) All other.....	5363	206,344	4.b. (2)
5. Foreign debt securities.....	3635	0	5.
6. Equity securities:	//////////		
a. Marketable equity securities:	//////////		
(1) Investments in mutual funds.....	3637	0	6.a. (1)
(2) Other marketable equity securities.....	3639	194	6.a. (2)
(3) LESS: Net unrealized loss on marketable equity securities.....	3641	0	6.a. (3)

b. Other equity securities (includes Federal Reserve stock).....	3642	4,498	6.b.
7. Total (sum of items 1 through 6) (total of column A must equal Schedule RC, item 2).....	0390	3,996,501	7.

</TABLE>

- (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.

Legal Title of Bank: Wachovia Bank of North Carolina, N.A.
Address: P.O. Box 3099
City, State Zip: Winston-Salem, NC 27102-3099
FDIC Certificate No.: 0 0 8 1 7

Call Date: 6/30/93
ST-BK: 37-2230 FFIEC 031
Page RC-5

Schedule RC-B--Continued

<TABLE>
<CAPTION>

Memoranda	Dollar Amounts in Thousands	Consolidated Bank		
		Book Value		
		RCFD	Bil	Mil Thou
<S>		<C>	<C>	<C>
1. Pledged securities.....		0416	1,613,844	M.1.
2. Maturity and repricing data for debt securities(1),(2) (excluding those in nonaccrual status):		//////////		
a. Fixed rate debt securities with a remaining maturity of:		//////////		
(1) Three months or less.....		0343	22,792	M.2.a.(1)
(2) Over three months through 12 months.....		0344	322,911	M.2.a.(2)
(3) Over one year through five years.....		0345	2,672,635	M.2.a.(3)
(4) Over five years.....		0346	680,901	M.2.a.(4)
(5) Total fixed rate debt securities (sum of Memorandum items 2.a.(1) through 2.a.(4)).....		0347	3,699,239	M.2.a.(5)
b. Floating rate debt securities with a repricing frequency of:		//////////		
(1) Quarterly or more frequently.....		4544	258,615	M.2.b.(1)
(2) Annually or more frequently, but less frequently than quarterly.....		4545	33,955	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	292,570	M.2.b.(5)
c. Total debt securities (sum of Memorandum items 2.a.(5) and 2.b.(5)) (must equal total debt securities from Schedule RC-B, sum of items 1 through 5, column A, minus nonaccrual debt securities included in Schedule RC-N, item 9, column C).....		0393	3,991,809	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	1,980	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	0	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	40,100	M.6.

</TABLE>

- (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.

Legal Title of Bank: Wachovia Bank
of North Carolina, N.A.
Address: P.O. Box 3099
City, State Zip: Winston-Salem, NC 27102-3099
FDIC Certificate No.: 0 0 8 1 7
Schedule RC-C--Loans and Lease Financing Receivables

Call Date: 6/30/93
ST-BK: 37-2230 FFIEC 031
Page RC-6

Part I. Loans and Leases

Do not deduct the allowance for loan and lease losses from amounts reported in this schedule. Report total loans and leases, net of unearned income. Exclude assets held in trading accounts.

<TABLE>
<CAPTION>

	----- C415					
	(Column A) Consolidated Bank			(Column B) Domestic Offices		
	Dollar Amounts in Thousands			Dollar Amounts in Thousands		
<S>	RCFD Bil Mil Thou		RCON Bil Mil Thou		<C>	
1. Loans secured by real estate.....	1410	3,478,890	1415	178,253	1.	
a. Construction and land development.....	1415		1415	178,253	1.a.	
b. Secured by farmland (including farm residential and other improvements).....	1420		1420	62,792	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		1797	312,839	1.c. (1)	
(2) All other loans secured by 1-4 family residential properties:						
(a) Secured by first liens.....	5367		5367	1,381,761		
1.c. (2) (a)						
(b) Secured by junior liens.....	5368		5368	32,379		
1.c. (2) (b)						
d. Secured by multifamily (5 or more) residential properties.....	1460		1460	186,346	1.d.	
e. Secured by nonfarm nonresidential properties.....	1480		1480	1,324,520	1.e.	
2. Loans to depository institutions:						
a. To commercial banks in the U.S.	1506	0	1505	219,596	2.a.	
(1) To U.S. branches and agencies of foreign banks.....	1506	0			2.a. (1)	
(2) To other commercial banks in the U.S.	1507	228,542			2.a. (2)	
b. To other depository institutions in the U.S.	1517	2,450	1517	2,450	2.b.	
c. To banks in foreign countries.....	1513	428	1510	428	2.c.	
(1) To foreign branches of other U.S. banks.....	1513	428			2.c. (1)	
(2) To other banks in foreign countries.....	1516	0			2.c. (2)	
3. Loans to finance agricultural production and other loans to farmers.....	1590	92,755	1590	92,755	3.	
4. Commercial and industrial loans:						
a. To U.S. addressees (domicile).....	1763	3,077,624	1763	3,077,624	4.a.	
b. To non-U.S. addressees (domicile).....	1764	49,486	1764	49,486	4.b.	
5. Acceptances of other banks:						
a. Of U.S. banks.....	1756	0	1756	0	5.a.	
b. Of foreign banks.....	1757	0	1757	0	5.b.	
6. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper).....	1975		1975	1,961,620	6.	
a. Credit cards and related plans (includes check credit and other revolving credit plans).....	2008	197,473			6.a.	
b. Other (includes single payment, installment, and all student loans)...	2011	1,764,147			6.b.	
7. Loans to foreign governments and official institutions (including foreign central banks).....	2081	0	2081	0	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	40,938	2033	40,938	8.a.	
b. Tax-exempt obligations.....	2079	217,953	2079	217,953	8.b.	
9. Other loans.....	1563	1,536,249			9.	
a. Loans for purchasing or carrying securities (secured and unsecured)....	1545		1545	2,705	9.a.	
b. All other loans (exclude consumer loans).....	1564	1,533,544			9.b.	
10. Lease financing receivables (net of unearned income).....	2165		2165	54,888	10.	
a. Of U.S. addressees (domicile).....	2182	54,888			10.a.	

b. Of non-U.S. addressees (domicile).....	2183	0	//////////	10.b.
11. LESS: Any unearned income on loans reflected in items 1-9 above.....	2123	0	//////////	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	10,741,823	2122 10,732,877	12.

</TABLE>

Legal Title of Bank: Wachovia Bank of North Carolina, N.A. Call Date: 6/30/93 ST-BK: 37-2230
 Address: P.O. Box 3099 FFIEC 031
 City, State Zip: Winston-Salem, NC 27102-3099 Page RC-7
 FDIC Certificate No.: 0 0 8 1 7

Schedule RC-C--Continued

Part I. Continued

<TABLE>
 <CAPTION>

Memoranda	Dollar Amounts in Thousands			RCFD			RCON		
		Bil	Mil	Thou		Bil	Mil	Thou	
<S>	<C>	<C>			<C>	<C>		<C>	
1. Commercial paper included in Schedule RC-C, part I, above.....	1496		75,000		1496		75,000		
M.1.									
2. Loans and Leases restructured and in compliance with modified terms (included) in Schedule RC-C, part I, above):	//////////				//////////				
a. Loans secured by real estate:	//////////				//////////				
(1) To U.S. addressees (domicile).....	1687		105		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				
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		0		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		105		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		1,675,408		M.3.a.(1)				
(2) Over three months through 12 months.....	0349		483,642		M.3.a.(2)				
(3) Over one year through five years.....	0356		2,100,183		M.3.a.(3)				
(4) Over five years.....	0357		1,522,720		M.3.a.(4)				
(5) Total fixed rate loans and leases (sum of Memorandum items 3.a.(1) through 3.a.(4)).....	0358		5,781,953		M.3.a.(5)				
b. Floating rate loans with a repricing frequency of:	//////////								
(1) Quarterly or more frequently.....	4554		4,647,039		M.3.b.(1)				
(2) Annually or more frequently, but less frequently than quarterly.....	4555		95,026		M.3.b.(2)				
(3) Every five years or more frequently, but less frequently than annually.....	4561		72,446		M.3.b.(3)				
(4) Less frequently than every five years.....	4564		62,122		M.3.b.(4)				
(5) Total floating rate loans (sum of Memorandum items 3.b.(1) through 3.b.(4)).....	//////////								

through 3.b.(4)).....	4567	4,876,633	M.3.b.(5)
c. Total loans and leases (sum of Memorandum items 3.a.(5) and 3.b.(5)) (must equal the sum of total loans and leases, net from Schedule RC-C, part I, item 12, plus unearned income from Schedule RC-C, part I, item 11, minus total nonaccrual loans and leases from Schedule RC-N, sum of items 1 through 8, column C).....	1479	10,658,586	M.3.c.
4. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-C, part I, items 4 and 9, column A, page RC-6(2).....	2746	5,814	M.4.
5. Loans and leases held for sale (included in Schedule RC-C, part I, above)....	5369	219,965	M.5.
6. Adjustable rate closed-end loans secured by first liens on 1-4 family residential properties (included in Schedule RC-C, part I, item 1.c.(2)(a), column B, page RC-6).....			RCON Bil Mil Thou
M.6.			5370 163,651

- (1) Memorandum item 3 is not applicable to savings banks that must complete supplemental Schedule RC-J.
- (2) Exclude loans secured by real estate that are included in Schedule RC-C, part I, item 1, column A.

Schedule RC-C--Continued

Part II. Loans to Small Business and Small Farms

Schedule RC-C, Part II is to be reported only with the June report of Condition.

Report the number and amount currently outstanding as of June 30 of business loans with "original amounts" of \$1,000,000 or less and farm loans with "original amounts" of \$500,000 or less. The following guidelines should be used to determine the "original amount" of a loan: (1) For loans drawn down under lines of credit or loan commitments, the "original amount" of the loan is the size of the line of credit or loan commitment when the line of credit or loan commitment was granted. (2) For loan participations and syndications, the "original amount" of the loan participation or syndication is the entire amount of the credit originated by the lead lender. (3) For all other loans, the "original amount" is the total amount of the loan at origination.

<TABLE> <CAPTION> Loans to Small Businesses <S>	<C>	<C>	<C>
1. Indicate in the appropriate box at the right whether all or substantially all of the all "loans secured by nonfarm nonresidential properties" in domestic offices reported in Schedule RC-C, part 1, item 1.e, column B, and "Commercial and industrial loans to U.S. addresses" in domestic offices reported in Schedule RC-C, part 1, item 4.a, column B, have original amounts of \$100,000 or less.....	6999	///	X 1.

</TABLE>
If YES, complete items 2.a and 2.b below, skip items 3 and 4, and go to item 5.
If NO, skip items 2.a and 2.b, complete items 3 and 4 below, and go to item 5.

<TABLE> <CAPTION>	Number of Loans		
2. Report the total number of loans currently outstanding for each of the following Schedule RC-C, part I, loan categories:	RCON//////////		
<S>	<C>	<C>	<C>
a. "Loans secured by nonfarm nonresidential properties" in domestic offices reported in Schedule RC-C, part I, item 1.e, column B.....	5562	N/A	2.a.
b. "Commercial and industrial loans to U.S. addresses" in domestic offices			

</TABLE>

<TABLE>
<CAPTION>

	(Column A)		(Column B)		
	Number of Loans		Amount Currently Outstanding		
Dollar Amounts in Thousands	RCN	RCN	Bil	Mil	Thou
<S>	<C>	<C>	<C>	<C>	<C>
3. Number and amount currently outstanding of "Loans secured by nonfarm nonresidential properties" (in domestic offices reported in Schedule RC-C, part I, item 1.e, column B (sum of items 3.a through 3.c must be less than or equal to Schedule RC-C, part I, item 1.e, column B):	//////////	//////////	//////////	//////////	
a. With original amounts of \$100,000 or less.....	5564	1,425	5565	116,031	3.a.
b. With original amounts of more than \$100,000 through \$250,000.....	5566	1,053	5567	192,870	3.b.
c. With original amounts of more than \$250,000 through \$1,000,000.....	5568	837	5569	421,228	3.c.
4. Number and amount currently outstanding of "Commercial and industrial loans to U.S. addresses" in domestic offices reported in Schedule RC-C, part I, item 4.a, column B (sum of item 4.a through 4.c must be less than or equal to Schedule RC-C, part I, item 4.a, column B):	//////////	//////////	//////////	//////////	
a. With original amounts of \$100,000 or less.....	5570	8,097	5571	242,508	4.a.
b. With original amounts of more than \$100,000 through \$250,000.....	5572	606	5573	142,350	4.b.
c. With original amounts of more than \$250,000 through \$1,000,000.....	5574	370	5575	288,543	4.c.

</TABLE>

17a

Legal Title of Bank: Wachovia Bank Call Date: 6/30/93

Address: of North Carolina, N.A. ST-BK: 37-2230 FFIEC 031
P.O. Box 3099 Page RC-7b
City, State Zip: Winston-Salem, NC 27102-3099
FDIC Certificate No.: 0 0 8 1 7

Schedule RC-C--Continued

Part II. Continued

<TABLE>
<CAPTION>

Agricultural Loans to Small Farms

	YES	NO	
<S>	<C>	<C>	<C>
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)" in domestic offices reported in Schedule RC-C, part I, item 1.b, column B, and "Loans to finance agricultural production and other loans to farmers" in domestic offices reported in Schedule RC-C, part I, item 3, column B, have original amounts of \$100,000 or less.....	6860	/// x	5.

</TABLE>

If YES, complete 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.

<TABLE>
<S>

	RCN		
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)" in domestic offices reported in Schedule RC-C, part I, item 1.b, column B.....	5576	N/A	6.a.
b. "Loans to finance agricultural production and other loans to farmers" in domestic offices reported in Schedule RC-C, part I, item 3, column B.....	5577	N/A	6.b.

</TABLE>

<TABLE>
<CAPTION>

	Number of Loans		Amount Currently Outstanding		
	RCON	//////////	RCON	Bil Mil Thou	
Dollar Amounts in Thousands					
<S>	<C>	<C>	<C>	<C>	<C>
7. Number and amount currently outstanding of "Loans secured by farmland (including farm residential and other improvements)" in domestic offices reported in Schedule RC-C, part I, item 1.b, column B (sum of items 7.a through 7.c must be less than or equal to Schedule RC-C, part I, item 1.b, column B):					
a. With original amounts of \$100,000 or less.....	5578	315	5579	12,235	7.a.
b. With original amounts of more than \$100,000 through \$250,000.....	5580	119	5581	14,516	7.b.
c. With original amounts of more than \$250,000 through \$500,000.....	5582	40	5583	12,783	7.c.
8. Number and amount currently outstanding of "Loans to finance agricultural production and other loans to farmers" in domestic offices reported in Schedule RC-C, part I, item 3, column B (sum of items 8.a through 8.c must be less than or equal to Schedule RC-C, part I, item 3, column B):					
a. With original amounts of \$100,000 or less.....	5584	1,610	5585	58,358	8.a.
b. With original amounts of more than \$100,000 through \$250,000.....	5586	67	5587	15,158	8.b.
c. With original amounts of more than \$250,000 through \$500,000.....	5588	10	5589	7,508	8.c.

</TABLE>

17b

Legal Title of Bank: Wachovia Bank of North Carolina, N.A.
 Address: P.O. Box 3099
 City, State Zip: Winston-Salem, NC 27102-3099
 FDIC Certificate No.: 0 0 8 1 7

Call Date: 6/30/93
 ST-BK: 37-2230 FFIEC 031
 Page RC-8

Schedule RC-D is to be completed only by banks with \$1 billion or more in total assets.

Schedule RC-D--Assets Held in Trading Accounts in Domestic Offices Only

<TABLE>
<CAPTION>

	Domestic Offices		
	RCON	Bil Mil Thou	
Dollar Amounts in Thousands			
<S>	<C>	<C>	<C>
1. U.S. Treasury securities.....	1010	735	1.
2. U.S. Government agency and corporation obligations.....	1020	146,348	2.
3. Securities issued by states and political subdivisions in the U.S.	1025	16,648	3.
4. Other bonds, notes, and debentures.....	1045	0	4.
5. Certificates of deposit.....	1026	0	5.
6. Commercial paper.....	1027	900	6.
7. Banker's acceptances.....	1028	86,960	7.
8. Other.....	1029	531,586	8.
9. Total (sum of items 1 through 8).....	2146	783,177	9.

</TABLE>

18

Legal Title of Bank: Wachovia Bank of North Carolina, N.A.
 Address: P.O. Box 3099
 City, State Zip: Winston-Salem, NC 27102-3099

Call Date: 6/30/93
 ST-BK: 37-2230 FFIEC 031
 Page RC-9

FDIC Certificate No.: 0 0 8 1 7

Schedule RC-E--Deposit Liabilities

Part I. Deposits in Domestic Offices

<TABLE>
<CAPTION>

	Transaction Accounts														
	(Column A)				(Column B)										
	Total transaction accounts (including total demand deposits)				Memo: Total demand deposits (included in column A)										
Dollar Amounts in Thousands								RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>						
Deposits of:	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////						
1. Individuals, partnerships, and corporations.....	2201	3,701,655			2240	2,497,503									
2. U.S. Government.....	2202	18,649			2280	18,649									
3. States and political subdivisions in the U.S.	2203	129,622			2290	71,535									
4. Commercial banks in the U.S.	2206	87,858			2310	87,858									
a. U.S. branches and agencies of foreign banks.....	//////////	//////////			//////////	//////////									
b. Other commercial banks in the U.S.	//////////	//////////			//////////	//////////									
5. Other depository institutions in the U.S.	2207	99,459			2312	99,459									
6. Banks in foreign countries.....	2213	7,921			2320	7,921									
a. Foreign branches of other U.S. banks.....	//////////	//////////			//////////	//////////									
b. Other banks in foreign countries.....	//////////	//////////			//////////	//////////									
7. Foreign governments and official institutions (including foreign central banks).....	2216	0			2300	0									
8. Certified and official checks.....	2330	64,575			2330	64,575									
9. Total (sum of items 1 through 8) (sum of columns A and C must equal Schedule RC, item 13.a).....	2215	4,109,739			2210	2,847,500									

</TABLE>

<TABLE>
<CAPTION>

	C425		
	Nontransaction Accounts		
	(Column C)		
Total nontransaction accounts (including MMDAs)			
<S>	<C>	<C>	<C>
Deposits of:	//////////	//////////	//////////
1. Individuals, partnerships, and corporations.....	2346	6,459,725	1.
2. U.S. Government.....	2520	68	2.
3. States and political subdivisions in the U.S.	2530	124,126	3.
4. Commercial banks in the U.S.	//////////	//////////	4.
a. U.S. branches and agencies of foreign banks.....	2347	0	4.a.
b. Other commercial banks in the U.S.	2348	0	4.b.
5. Other depository institutions in the U.S.	2349	631	5.
6. Banks in foreign countries.....	//////////	//////////	6.
a. Foreign branches of other U.S. banks.....	2367	0	6.a.

b. Other banks in foreign countries.....	2373	0	6.b.
7. Foreign governments and official institutions (including foreign central banks).....	2377	0	7.
8. Certified and official checks.....	//////////		8.
9. Total (sum of items 1 through 8) (sum of columns A and C must equal Schedule RC, item 13.a).....	2385	6,584,550	9.

<TABLE>
<CAPTION>

Memoranda	Dollar Amounts in Thousands		RCON	Bil	Mil	Thou
<S>	<C>	<C>	<C>			
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	818,183	M.1.a.			
b. Total brokered deposits.....	2365	110,051	M.1.b.			
c. Fully insured brokered 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	21,269	M.1.d.			
e. Preferred deposits.....	5590	250,663	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	1,873,393	M.2.a.(1)			
(2) Other savings deposits (excludes MMDAs).....	0352	1,052,346	M.2.a.(2)			
b. Total time deposits of less than \$100,000.....	6648	2,550,733	M.2.b.			
c. Time certificates of deposit of \$100,000 or more.....	6645	1,027,878	M.2.c.			
d. Open-account time deposits of \$100,000 or more.....	6646	80,200	M.2.d.			
3. All NOW accounts (included in column A above).....	2398	1,262,239	M.3.			

Legal Title of Bank: Wachovia Bank
of North Carolina, N.A.
Address: P.O. Box 3099
City, State Zip: Winston-Salem, NC 27102-3099
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ST-BK: 37-2230 FFIEC 031
Page RC-10

Schedule RC-E -- Continued

Part I. Continued

Memoranda (continued)

<TABLE>
<CAPTION>

	Dollar Amounts in Thousands		RCON	Bil	Mil	Thou
<S>	<C>	<C>	<C>			
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	10,694,289	M.4.			
a. Total demand deposits (must equal item 9, column B).....	2210	2,847,500	M.4.a.			
b. Total time and savings deposits(2) (must equal item 9, column A plus item 9, column C minus item 9, column B).....	2350	7,846,789	M.4.b.			

</TABLE>

(1) An amended Certified Statement should be submitted to the FDIC if the deposit totals reported in this item are amended after the semiannual 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.

<TABLE>
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	Dollar Amounts in Thousands			
	RCON	Bil	Mil	Thou
<S>	<C>		<C>	<C>
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		1,288,767	M.5.a.
b. Over three months through 12 months (but not over 12 months).....	3644		990,730	M.5.b.
6. Maturity and repricing data for time certificates of deposit 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		635,574	M.6.a.(1)
(2) Over three months through 12 months.....	2762		269,013	M.6.a.(2)
(3) Over one year through five years.....	2763		85,919	M.6.a.(3)
(4) Over five years.....	2765		37,372	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		1,027,878	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		0	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 deposit of \$100,000 or more (sum of Memorandum items 6.b.(1) through 6.b.(4)).....	4573		0	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		1,027,878	M.6.c.

</TABLE>

(1) Memorandum item 5 and 6 are not applicable to savings banks that must complete supplemental Schedule RC-J.

Legal Title of Bank: Wachovia Bank of North Carolina, N.A. Call Date: 6/30/93
 Address: P.O. Box 3099 ST-BK: 37-2230 FFIEC 031
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 FDIC Certificate No.: 0 0 8 1 7

Schedule RC-E--Continued

Part II. Deposits in Foreign Offices (including Edge and Agreement subsidiaries and IBFs)

<TABLE>
<CAPTION>

	Dollar Amounts in Thousands			
	RCFN	Bil	Mil	Thou
<S>	<C>		<C>	<C>
Deposits of:	//////////			
1. Individuals, partnerships, and corporations.....	2621		198,868	1.
2. U.S. banks (including IBFs and foreign branches of U.S. banks).....	2623		24,116	2.
3. Foreign banks (including U.S. branches and agencies of foreign banks, including their IBFs).....	2625		52	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 through 6) (must equal Schedule RC, item 13.b).....	2200		223,036	7.

</TABLE>

Schedule RC-F--Other Assets

<TABLE>
<CAPTION>

C430

Dollar Amounts in Thousands				////////// Bil Mil Thou		
<S>				<C>	<C>	<C>
1.		Income earned, not collected on loans.....		RCFD 2164	98,148	1.
2.		Net deferred tax assets(1).....		RCFD 2148	29,823	2.
3.		Excess residential mortgage servicing fees receivable.....		RCFD 5371	0	3.
4.		Other (itemize amounts that exceed 25% of this item).....		RCFD 2168	354,980	4.
	a.	TEXT 3549 Corporate Owned Life Insurance	RCFD 3549	125,319	//////////	4.a.
	b.	TEXT 3550 Accounts Receivable	RCFD 3550	96,292	//////////	4.b.
	c.	TEXT 3551	RCFD 3551		//////////	4.c.
5.		Total (sum of items 1 through 4) (must equal Schedule RC, item 11).....		RCFD 2160	482,951	5.

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Memorandum

<TABLE>
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Dollar Amounts in Thousands				////////// Bil Mil Thou		
<S>				<C>	<C>	<C>
1.		Deferred tax assets disallowed for regulatory capital purposes.....		RCFD 5610	0	M.1.

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Schedule RC-G--Other Liabilities

<TABLE>
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C435

Dollar Amounts in Thousands				////////// Bil Mil Thou		
<S>				<C>	<C>	<C>
1.	a.	Interest accrued and unpaid on deposits in domestic offices(2).....		RCON 3645	13,192	1.a.
	b.	Other expenses accrued and unpaid (includes accrued income taxes payable)		RCFD 3646	65,719	1.b.
2.		Net deferred tax liabilities(1).....		RCFD 3049	0	2.
3.		Minority interest in consolidated subsidiaries.....		RCFD 3000	0	3.
4.		Other (itemize amounts that exceed 25% of this item).....		RCFD 2938	29,930	4.
	a.	TEXT 3552 Deferred Income	RCFD 3552	11,820	//////////	4.a.
	b.	TEXT 3553 Unearned Dealer Interest Contingency	RCFD 3553	12,350	//////////	4.b.
	c.	TEXT 3554	RCFD 3554		//////////	4.c.
5.		Total (sum of items 1 through 4) (must equal Schedule RC, item 20).....		RCFD 2930	108,841	5.

</TABLE>

- (1) See discussion of deferred income taxes in Glossary entry on "income taxes."
- (2) For savings banks, include "dividends" accrued and unpaid on deposits.

Legal Title of Bank: Wachovia Bank of North Carolina, N.A. Call Date: 6/30/93
 Address: P.O. Box 3099 ST-BK: 37-2230 FFIEC 031
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 FDIC Certificate No.: 0 0 8 1 7

Schedule RC-H--Selected Balance Sheet Items for Domestic Offices

<TABLE>
<CAPTION>

		C440			

		Domestic Offices			

Dollar Amounts in Thousands		RCON	Bil	Mil	Thou
<S>		<C>		<C>	<C>
1.	Customers' liability to this bank on acceptances outstanding.....	2155		222,700	1.
2.	Bank's liability on acceptances executed and outstanding.....	2920		222,700	2.
3.	Federal funds sold and securities purchased under agreements to resell.....	1350		1,000,825	3.
4.	Federal funds purchased and securities sold under agreements to repurchase..	2800		3,931,943	4.
5.	Other borrowed money.....	2850		1,828,361	5.
	EITHER	////////////////////////////////////			
6.	Net due from own foreign offices, Edge and Agreement subsidiaries, and IBFs..	2163		N/A	6.
	OR	////////////////////////////////////			
7.	Net due to own foreign offices, Edge and Agreement subsidiaries, and IBFs...	2941		118,198	7.
8.	Total assets (excludes net due from foreign offices, Edge and Agreement subsidiaries, and IBFs).....	2192		18,519,945	8.
9.	Total liabilities (excludes net due to foreign offices, Edge and Agreement subsidiaries, and IBFs).....	3129		17,022,015	9.

Memorandum (to be completed only by banks with IBFs and other "foreign" offices)

<TABLE>
<CAPTION>

		RCON	Bil	Mil	Thou
<S>		<C>		<C>	<C>
	EITHER	////////////////////////////////////			
1.	Net due from the IBF of the domestic offices of the reporting bank.....	3051		N/A	M.1.
	OR	////////////////////////////////////			
2.	Net due to the IBF of the domestic offices of the reporting bank.....	3059		N/A	M.2.

Schedule RC-I--Selected Assets and Liabilities of IBFs

To be completed only by banks with IBFs and other "foreign" offices.

<TABLE>
<CAPTION>

		C445			

		RCFN			

Dollar Amounts in Thousands		RCFN	Bil	Mil	Thou
<S>		<C>		<C>	<C>
1.	Total IBF assets of the consolidated bank (component of Schedule RC, item 12).....	2133		N/A	1.
2.	Total IBF loans and lease financing receivables (component of Schedule RC-C, part I, item 12, column A).....	2076		N/A	2.
3.	IBF commercial and industrial loans (component of Schedule RC-C, part I, item 4, column A).....	2077		N/A	3.
4.	Total IBF liabilities (component of Schedule RC, item 21).....	2898		N/A	4.
5.	IBF deposit liabilities due to banks, including other IBFs (component of	////////////////////////////////////			

Schedule RC-E, part II, items 2 and 3).....	2379	N/A	5.
6. Other IBF deposit liabilities (component of Schedule RC-E, part II, items 1, 4, 5, and 6).....	2381	N/A	6.

</TABLE>

Legal Title of Bank: Wachovia Bank of North Carolina, N.A. Call Date: 6/30/93 ST-BK: 37-2230
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 FDIC Certificate No.: 0 0 8 1 7

Schedule RC-K--Quarterly Average (1)

<TABLE>
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Dollar Amounts in Thousands	C455		<C>
	////////	Bil Mil Thou	
<S>	<C>	<C>	<C>
ASSETS	////////	////////	////////
1. Interest-bearing balances due from depository institutions.....	RCFD 3381	86,817	1.
2. U.S. Treasury securities and U.S. Government agency and corporation obligations.....	RCFD 3382	3,239,918	2.
3. Securities issued by states and political subdivisions in the U.S.....	RCFD 3382	375,959	3.
4. a. Other debt securities.....	RCFD 3647	206,195	4.a.
b. Equity securities (includes investments in mutual funds and Federal Reserve stock).....	RCFD 3648	4,658	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	750,226	5.
6. Loans:	////////	////////	////////
a. Loans in domestic offices:	////////	////////	////////
(1) Total loans.....	RCON 3360	10,384,930	6.a. (1)
(2) Loans secured by real estate.....	RCON 3385	3,469,271	6.a. (2)
(3) Loans to finance agricultural production and other loans to farmers.....	RCON 3386	81,695	6.a. (3)
(4) Commercial and industrial loans.....	RCON 3387	2,952,689	6.a. (4)
(5) Loans to individuals for household, family, and other personal expenditures.....	RCON 3388	1,924,015	6.a. (5)
(6) Obligations (other than securities and leases) of states and political subdivisions in the U.S.	RCON 3389	266,916	6.a. (6)
b. Total loans in foreign offices, Edge and Agreement subsidiaries, and IBFs.....	RCFN 3360	149	6.b.
7. Assets held in trading accounts.....	RCFD 3401	657,208	7.
8. Lease financing receivables (net of unearned income).....	RCFD 3484	53,621	8.
9. Total assets.....	RCFD 3368	17,777,262	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	1,247,394	10.
11. Nontransaction accounts in domestic offices:	////////	////////	////////
a. Money market deposit accounts (MMDAs).....	RCON 3486	1,714,451	11.a.
b. Other savings deposits.....	RCON 3487	1,035,821	11.b.
c. Time certificates of deposit of \$100,000 or more.....	RCON 3345	1,029,843	11.c.
d. All other time deposits.....	RCON 3469	2,906,613	11.d.
12. Interest-bearing deposits in foreign offices, Edge and Agreement subsidiaries, and IBFs.....	RCFN 3404	224,885	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	3,113,360	13.
14. Other borrowed money.....	RCFD 3355	1,666,482	14.

</TABLE>

(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).

Legal Title of Bank: Wachovia Bank
of North Carolina, N.A.
Address: P.O. Box 3099
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ST-BK: 37-2230 FFIEC 031
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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.

<TABLE>
<CAPTION>

C460

	Dollar Amounts in Thousands			RCFD	Bil	Mil	Thou	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1. Unused commitments:	//////////							
a. Revolving, open-end lines secured by 1-4 family residential properties, e.g., home equity lines.....	3814	524,668						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	175,819						
1.c.(1)								
(2) Commitments to fund loans not secured by real-estate.....	6550	479						
1.c.(2)								
d. Securities underwriting.....	3817	0						1.d.
e. Other unused commitments.....	3818	4,870,277						1.e.
2. Financial standby letters of credit and foreign office guarantees.....	3819	736,894						2.
a. Amount of financial standby letters of credit conveyed to others	RCFD 3820	6,232	//////////					2.a.
3. Performance standby letters of credit and foreign office guarantees.....	3821	895,665						3.
a. Amount of performance standby letters of credit conveyed to others.....	RCFD 3822	0	//////////					3.a.
4. Commercial and similar letters of credit.....	3411	113,840						4.
5. Participations in acceptances (as described in the instructions) conveyed to others by the reporting bank.....	3428	0						5.
6. Participants 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	0						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	8,135						10.a.
b. Gross commitments to sell.....	3435	5,145						10.b.
11. Interest rate contracts (exclude when-issued securities):	//////////							
a. Notional value of interest rate swaps.....	3450	720,546						11.a.
b. Futures and forward contracts.....	3823	2,126,835						11.b.
c. Option contracts (e.g., options on Treasuries):	//////////							
(1) Written option contracts.....	3824	454,412						

11.c.(1)			
(2) Purchased option contracts.....	3825	321,912	
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	1,095,186	12.b.
c. Option contracts (e.g., options on foreign currency):		//////////	
(1) Written option contracts.....	3827	0	
12.c.(1)			
(2) Purchased option contracts.....	3828	0	
12.c.(2)			

</TABLE>

Legal Title of Bank: Wachovia Bank Call Date: 6/30/93
of North Carolina, N.A. ST-BK: 37-2230 FFIEC 031
Address: P.O. Box 3099 Page RC-15
City, State Zip: Winston-Salem, NC 27102-3099
FDIC Certificate No.: 0 0 8 1 7

Schedule RC-L--Continued

<TABLE>

<CAPTION>

	Dollar Amounts in Thousands	RCFD	Bil	Mil	Thou	
						C461
<S>		<C>				<C> <C>
13. Contracts on other commodities and equities:		//////////				
a. Notional value of other swaps (e.g., oil swaps).....		3829	0			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 capital").....		3430	0			14.
		//////////				
a. TEXT 3555	RCFD 3555	//////////				14.a.
b. TEXT 3556	RCFD 3556	//////////				14.b.
c. TEXT 3557	RCFD 3557	//////////				14.c.
d. TEXT 3558	RCFD 3558	//////////				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 capital").....		5591	0			15.
		//////////				
a. TEXT 5592	RCFD 5592	//////////				15.a.
b. TEXT 5593	RCFD 5593	//////////				15.b.

c. TEXT 5594	RCFD 5594	////////////////////	15.c.
d. TEXT 5595	RCFD 5595	////////////////////	15.d.

</TABLE>

Memoranda

<TABLE>
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	Dollar Amounts in Thousands		RCFD	Bil	Mil	Thou	
<S>	<C>	<C>					<C>
1. Loans originated by the reporting bank that have been sold or participated to other 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	1,263,613					M.1.
2. Loans purchased by the reporting bank during the calendar quarter ending with the report date (see instructions for exclusions).....	3488	0					M.2.
3. Unused commitments with an original maturity 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	3,202,397					M.3.
a. Participations in commitments with an original maturity exceeding one year conveyed to others.....	RCFD 3834	5,000					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. addresses (domicile) included in Schedule RC-L, items 2 and 3, above.....	3377	2,323					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	N/A					M.5.a.
b. Credit cards and related plans.....	2742	N/A					M.5.b.
c. All other consumer installment credit (including mobile home loans).....	2743	N/A					M.5.c.

</TABLE>

Legal Title of Bank: Wachovia Bank of North Carolina, N.A.
Address: P.O. Box 3099
City, State Zip: Winston-Salem, NC 27102-3099
FDIC Certificate No.: 0 0 8 1 7

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ST-BK: 37-2230 FFIEC 031
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Schedule RC-M--Memoranda

<TABLE>
<CAPTION>

	Dollar Amounts in Thousands		RCFD	Bil	Mil	Thou	
<S>	<C>	<C>					<C>
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	120,645					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.							
	RCFD 6165	8					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 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	
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	
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. addresses (domicile).....	2103	220,730		5.a.
b. Non-U.S. addresses (domicile).....	2104	1,970		5.b.
6. Intangible assets:	//////////			
a. Mortgage servicing rights.....	3164		0	6.a.
b. Other identifiable intangible assets:	//////////			
(1) Purchased credit card relationships.....	5506		0	
6.b.(1)				
(2) All other identifiable assets.....	5507		0	
6.b.(2)				
c. Goodwill.....	3163	1,622		6.c.
d. Total (sum of items 6.a through 6.c) (must equal Schedule RC, item 10).....	2143	1,622		6.d.
e. Intangible assets that have been grandfathered for regulatory capital purposes.....	6442		0	6.e.

</TABLE>

<TABLE>
<S>

7. Does your bank have any mandatory convertible debt that is part of your primary or secondary capital?.....	<C>	YES	<C>	<C>
	6167	///	X	7.
If yes, complete items 7.a through 7.e:	RCFD	Bil	Mil	Thou
a. Total equity contract notes, gross.....	3290		N/A	7.a.
b. Common or perpetual preferred stock dedicated to redeem the above notes.....	3291		N/A	7.b.
c. Total equity commitment notes, gross.....	3293		N/A	7.c.
d. Common or perpetual preferred stock dedicated to redeem the above notes.....	3294		N/A	7.d.
e. Total (item 7.a minus 7.b plus 7.c minus 7.d).....	3295		N/A	7.e.

</TABLE>

(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.

Legal Title of Bank: Wachovia Bank
of North Carolina, N.A. Call Date: 6/30/93
Address: P.O. Box 3099 ST-BK: 37-2230 FFIEC 031
City, State Zip: Winston-Salem, NC 27102-3099 Page RC-17
FDIC Certificate No.: 0 0 8 1 7

Schedule RC-M--Continued

<TABLE>
<CAPTION>

	Dollar Amounts in Thousands			//////////	Bil	Mil	Thou
<S>	<C>	<C>	<C>				
8. a. Other real estate owned:	//////////						
(1) Direct and indirect investments in real estate ventures.....	RCFD 5372	0					8.a.(1)
(2) All other real estate owned:	//////////						

(a) Construction and land development in domestic offices.....	RCON 5508	4	8.a.(2) (a)
(b) Farmland in domestic offices.....	RCON 5509	0	8.a.(2) (b)
(c) 1-4 family residential properties in domestic offices.....	RCON 5510	750	8.a.(2) (c)
(d) Multifamily (5 or more) residential properties in domestic offices.....	////////////////////////////////////		
	RCON 5511	0	8.a.(2) (d)
(e) Nonfarm nonresidential properties in domestic offices.....	RCON 5512	7,066	8.a.(2) (e)
(f) In foreign offices.....	RCFN 5513	0	8.a.(2) (f)

(3) Total (sum of items 8.a.(1) and 8.a.(2)) (must equal Schedule RC, item 7).....	////////////////////////////////////		
	RCFD 2150	7,820	8.b.(1)
b. Investments in unconsolidated subsidiaries and associated companies:	////////////////////////////////////		
(1) Direct and indirect investments in real estate ventures.....	RCFD 5374	0	8.b.(1)
(2) All other investments in unconsolidated subsidiaries and associated companies.....	////////////////////////////////////		
	RCFD 5375	0	8.b.(2)
(3) Total (sum of items 8.b.(1) and 8.b.(2)) (must equal Schedule RC, item 8).....	////////////////////////////////////		
	RCFD 2130	0	8.b.(3)
c. Total assets of unconsolidated subsidiaries and associated companies.....	RCFD 5376	0	8.c.
9. Noncumulative perpetual preferred stock and related surplus included in Schedule RC, item 23, "Perpetual preferred stock and related surplus".....	////////////////////////////////////		
	RCFD 3778	0	9.

</TABLE>

<TABLE>
<CAPTION>

Memorandum	Dollar Amounts in Thousands	RCFD	Bil	Mil	Thou
<S>		<C>		<C>	<C>
1. Interbank holdings of capital instruments (to be completed for the December report only):		////////////////////////////////////			
a. Reciprocal holdings of banking organizations' capital instruments.....		3836		N/A	M.1.a.
b. Nonreciprocal holdings of banking organizations' capital instruments.....		3837		N/A	M.1.b.

</TABLE>

Legal Title of Bank: Wachovia Bank of North Carolina, N.A.
Address: P.O. Box 3099
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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.

<TABLE>
<CAPTION>

			----- C470
(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	

	Dollar Amounts in Thousands			RCFD Bil Mil Thou			RCFD Bil Mil Thou			RCFD Bil Mil Thou		
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	
1. Loans secured by real estate:	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////	
a. To U.S. addresses (domicile).....	1245	57,482	1246	11,688	1247	68,278						
1.a.												
b. To non-U.S. addresses (domicile).....	1248	0	1249	0	1250	0						
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	8	1597	0	1583	5					3.	
4. Commercial and industrial loans:	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////	
a. To U.S. addresses (domicile).....	1251	19,728	1252	1,521	1253	13,543						
4.a.												
b. To non-U.S. addresses (domicile).....	1254	0	1255	0	1256	0						
4.b.												
5. Loans to individuals for household, family, and other personal expenditures:	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////	
a. Credit cards and related plans.....	5383	1,043	5384	1,421	5385	5						
5.a.												
b. Other (includes single payment, installment, and all student loans).....	5386	20,423	5387	2,226	5388	1,227						
5.b.												
6. Loans to foreign governments and official institutions.....	5389	0	5390	0	5391	0					6.	
7. All other loans.....	5459	486	5460	55	5461	179					7.	
8. Lease financing receivables:	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////	//////////	
a. Of U.S. addresses (domicile).....	1257	161	1258	0	1259	0						
8.a.												
b. Of non-U.S. addresses (domicile).....	1271	0	1272	0	1791	0						
8.b.												
9. Debt securities and other assets (exclude other real estate owned and other repossessed assets).....	3505	0	3506	0	3507	0					9.	

</TABLE>

Amounts reported in items 1 through 8 above include guaranteed and unguaranteed portions of past due and nonaccrual loans and leases. Report in item 10 below certain guaranteed loans and leases that have already been included in the amounts reported in items 1 through 8.

<TABLE>
<CAPTION>

RCFD Bil Mil Thou	RCFD Bil Mil Thou	RCFD Bil Mil Thou
-------------------	-------------------	-------------------

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
10. Loans and leases reported in items 1 through 8 above which are wholly or partially guaranteed by the U.S. Government.....	5612	9,597	5613	5,382	5614	0	10.
a. Guaranteed portion of loans and leases included in item 10 above.....	5615	9,594	5616	5,246	5617	0	

</TABLE>

Legal Title of Bank: Wachovia Bank of North Carolina, N.A.	Call Date: 6/30/93
Address: P.O. Box 3099	ST-BK: 37-2230
City, State Zip: Winston-Salem, NC 27102-3099	FFIEC 031
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Schedule RC-N--Continued

<TABLE>
<CAPTION>

Memoranda

C473

Dollar Amounts in Thousands	RCFD		RCFD		RCFD		<C>
	Bil	Mil Thou	Bil	Mil Thou	Bil	Mil Thou	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1. Restructured loans and leases included in Schedule RC-N, items 1 through 8, above.....	1658	0	1659	0	1661	15,306	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	0	6559	0	6560	4,500	M.2.
3. Loans secured by real estate in domestic offices (included in Schedule RC-N, item 1, above):	RCON	Bil Mil Thou	RCON	Bil Mil Thou	RCON	Bil Mil Thou	
a. Construction and land development.....	2759	12,989	2769	0	3492	121	M.3.a.
b. Secured by farmland.....	3493	118	3494	135	3495	91	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.....	5398	431	5399	144	5400	0	M.3.c.(1)
(2) All other loans secured by 1-4 family residential properties.....	5401	20,394	5402	5,274	5403	4,102	M.3.c.(2)
d. Secured by multifamily (5 or more) residential properties.....	3499	40	3500	0	3501	336	M.3.d.
e. Secured by nonfarm nonresidential properties..	3502	23,510	3503	6,135	3504	63,628	M.3.e.

</TABLE>

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 9 of this schedule are amended after the semiannual Certified Statement originally covering this report date has been filed with the FDIC.

<TABLE>
<CAPTION>

C475

Dollar Amounts in Thousands	RCON		<C>
	Bil	Mil Thou	
<S>	<C>	<C>	<C>
1. Unposted debits (see instructions):			
a. Actual amount of all unposted debits.....	0030	N/A	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	N/A	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	29	4.a.
b. Time and savings deposits(1) of consolidated subsidiaries.....	2351	520	4.b.
c. Interest accrued and unpaid on deposits of consolidated subsidiaries.....	5514	1	4.c.
5. Deposits in insured branches in Puerto Rico and U.S. territories and possessions:			
a. Demand deposits in insured branches (included in Schedule RC-E, Part II).....	2229	0	5.a.
b. Time and savings deposits(1) in insured branches (included in Schedule RC-E, Part II)....	2383	0	5.b.
c. Interest accrued and unpaid on deposits in insured branches (included in Schedule RC-G, item 1.b).....	5515	0	5.c.

</TABLE>

(1) For FDIC insurance assessment purposes, "time and savings deposits" consists of nontransaction accounts and all transaction accounts other than demand deposits.

Legal Title of Bank: Wachovia Bank of North Carolina, N.A. Call Date: 6/30/93
 Address: P.O. Box 3099 ST-BK: 37-2230
 City, State Zip: Winston-Salem, NC 27102-3099 FFIEC 031
 FDIC Certificate No.: 0 0 8 1 7 Page RC-20

Schedule RC-0 -- Continued

<TABLE>
<CAPTION>

	Dollar Amounts in Thousands			
	RCON	Bil	Mil	Thou
<S>	<C>		<C>	<C>
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 I, Memorandum item 4.a).....	2314		0	6.a.
b. Amount reflected in time and savings deposits(1) (included in Schedule RC-E, Part I, Memorandum item 4.b).....	2315		0	6.b.
7. Unamortized premiums and discounts on time and savings deposits:(1)	//////////			
a. Unamortized premiums.....	5516		0	7.a.
b. Unamortized discounts.....	5517		0	7.b.
8. To be completed by banks with "Oaker deposits." Total "Adjusted Attributable Deposits" of all institutions acquired under Section 5(d)93 of the Federal Deposit Insurance Act (from most recent FDIC Oaker Transaction Worksheet(s)).....	5518		N/A	8.
9. Deposits in lifeline accounts.....	5596	//////////		9.

</TABLE>

(1) For FDIC insurance assessment purposes, "time and savings deposits" consists of nontransaction accounts and all transaction accounts other than demand deposits.

Memoranda (to be completed each quarter except as noted)

<TABLE>
<CAPTION>

	Dollar Amounts in Thousands			
	RCON	Bil	Mil	Thou
<S>	<C>		<C>	<C>
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		6,315,408	M.1.a.(1)
(2) Number of deposit accounts of \$100,000 or less (to be completed for the June report only).....	RCON 3779		1,094,123	M.1.a.(2)
b. Deposit accounts of more than \$100,000:	//////////			
(1) Amount of deposit accounts of more than \$100,000.....	2710		4,378,881	M.1.b.(1)

(2) Number of deposit accounts of more than \$100,000..... RCON 2722 11,391 //////////////// 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 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.....	YES	NO	
	6861	///	X M.2.a.

RCON Bil Mil Thou

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	N/A	M.2.b.
---	------	-----	--------

</TABLE>

Person to whom questions about the Reports of Condition and Income should be directed: C477

Patrick G. Parnin, Vice President (919) 770-5970

Name and Title (TEXT 8901) Area code and phone number (TEXT 8902)

30

Legal Title of Bank: Wachovia Bank of North Carolina, N.A. Call Date: 6/30/93
Address: P.O. Box 3099 ST-BK: 37-2230 FFIEC 031
City, State Zip: Winston-Salem, NC 27102-3099 Page RC-21
FDIC Certificate No.: 0 0 8 1 7

Schedule RC-R--Risk-Based Capital

This schedule must be completed by all banks as follows: Banks that reported total assets of \$1 billion or more in Schedule RC, item 12, for June 30, 1992, must complete items 2 through 9 and Memorandum item 1. Banks with assets of less than \$1 billion must complete items 1 through 3 below or Schedule RC-R in its entirety, depending on their response to item 1 below.

<TABLE>

<S>	<C>	<C>	<C>	
1. Test for determining the extent to which Schedule RC-R must be completed. To be completed only by banks with total assets of less than \$1 billion. Indicate in the appropriate box at the right whether the bank has total capital greater than or equal to eight percent of adjusted total assets.....	RCFD 6056	YES	NO	1.
		///	C480	

</TABLE>

For purposes of this test, adjusted total assets equals total assets less cash, U.S. Treasuries, U.S. Government agency obligations, and 80 percent of U.S. Government-sponsored agency obligations plus the allowance for loan and lease losses and selected off-balance sheet items as reported on Schedule RC-L (see instructions).

If the box marked YES has been checked, then the bank only has to complete items 2 and 3 below. If the box marked NO has been checked, the bank must complete the remainder of this schedule.

A NO response to item 1 does not necessarily mean that the bank's actual risk-based capital ratio is less than eight percent or that the bank is not in compliance with the risk-based capital guidelines.

<TABLE>
<CAPTION>

Items 2 and 3 are to be completed by all banks.

	(Column A) Subordinated Debt(1) and Intermediate Term Preferred Stock		(Column B) Other Limited- Life Capital Instruments		
	RCFD	Bil Mil Thou	RCFD	Bil Mil Thou	
Dollar Amounts in Thousands					
<S>	<C>	<C>	<C>	<C>	<C>
2. Subordinated debt(1) and other limited-life capital instruments (original weighted average maturity of at least five years) with a remaining maturity of:	//////////	//////////	//////////	//////////	
a. One year or less.....	3780	0	3786	0	2.a.
b. Over one year through two years.....	3781	0	3787	0	2.b.
c. Over two years through three years.....	3782	0	3788	0	2.c.
d. Over three years through four years.....	3783	0	3789	0	2.d.
e. Over four years through five years.....	3784	0	3790	0	2.e.
f. Over five years.....	3785	125,000	3791	0	2.f.

</TABLE>

<TABLE>
<CAPTION>

	RCFD	Bil Mil Thou	
<S>	<C>	<C>	<C>
3. Total qualifying capital (i.e., Tier 1 and Tier 2 capital) allowable under the risk-based capital guidelines.....	3792	1,545,117	3.

</TABLE>

<TABLE>
<CAPTION>

Items 4-9 and Memorandum item 1 are to be completed by banks that answered NO to item 1 above and by banks with total assets of \$1 billion or more.

	(Column A) Assets Recorded on the Balance Sheet		(Column B) Credit Equiv- alent Amount of Off-Balance Sheet Items(2)		
	RCFD	Bil Mil Thou	RCFD	Bil Mil Thou	
<S>	<C>	<C>	<C>	<C>	<C>
4. Assets and credit equivalent amounts of off-balance sheet items assigned to the Zero percent risk category:	//////////	//////////	//////////	//////////	
a. Assets recorded on the balance sheet:	//////////	//////////	//////////	//////////	
(1) Securities issued by, other claims on, and claims unconditionally guaranteed by, the U.S. Government and its agencies and other OECD central governments.....	3794	3,324,856	//////////	//////////	
4.a.(1)					
(2) All other.....	3795	186,163	//////////	//////////	
4.a.(2)					
b. Credit equivalent amount of off-balance sheet items.....	//////////	//////////	3796	0	4.b.

</TABLE>

- (1) Exclude mandatory convertible debt reported in Schedule RC-M, item 7.e, "Total."
- (2) Do not report in column B the risk-weighted amount of assets reported in column A.

Legal Title of Bank: Wachovia Bank
of North Carolina, N.A.
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<TABLE>
<CAPTION>

	(Column A) Assets Recorded on the Balance Sheet		(Column B) Credit Equiv- alent Amount of Off-Balance Sheet Items(1)		
	Dollar Amounts in Thousands		RCFD	Bil Mil Thou	RCFD Bil Mil Thou
	<C>	<C>	<C>	<C>	<C>
<S>					
5. Assets and credit equivalent amounts of off-balance sheet items assigned to the 20 percent risk category:					
a. Assets recorded on the balance sheet:					
(1) Claims conditionally guaranteed by the U.S. Government and its agencies and other DECD central governments.....	3798	300,470			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	269,045			5.a.(2)
(3) All other.....	3800	3,286,933			5.a.(3)
b. Credit equivalent amount of off-balance sheet items.....			3801	17,373	5.b.
7. Assets and credit equivalent amounts of off-balance sheet items assigned to the 50 percent risk category:					
a. Assets recorded on the balance sheet.....	3802	1,395,757			6.a.
b. Credit equivalent amount of off-balance sheet items.....			3803	48,207	6.b.
9. Assets and credit equivalent amounts of off-balance sheet items assigned to the 100 percent risk category:					
a. Assets recorded on the balance sheet.....	3804	9,979,135			7.a.
b. Credit equivalent amount of off-balance sheet items.....			3805	2,794,608	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	18,742,359			9.

</TABLE>

<TABLE>
<CAPTION>

Memorandum	(Column A) Notional Principal Value		(Column B) Replacement Cost (Market Value)		
	Dollar Amounts in Thousands		RCFD	Bil Mil Thou	RCFD Bil Mil Thou
	<C>	<C>	<C>	<C>	<C>
<S>					
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	24,534	M.1.a.
(1) With a remaining maturity of one year or less.....	3809	2,251,050			M.1.a.(1)
(2) With a remaining maturity of over one year.....	3810	902,023			M.1.a.(2)
b. Foreign exchange rate contracts (exclude contracts with an original maturity of 14 days or less and futures contracts).....			3811	14,293	M.1.b.
(1) With a remaining maturity of one year or less.....	3812	807,770			M.1.b.(1)
(2) With a remaining maturity of over one year.....	3813	1,601			M.1.b.(2)

</TABLE>

(1) Do not report in column B the risk-weighted amount of assets reported in column A.

Legal Title of Bank: Wachovia Bank
of North Carolina, N.A.

Call Date: 6/30/93
ST-BK: 37-2230 FFIEC 031

Address: P.O. Box 3099
City, State Zip: Winston-Salem, NC 27102-3099
FDIC Certificate No.: 0 0 8 1 7

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Optional Narrative Statement Concerning the Amounts
Reported in the Reports of Condition and Income

at close of business on June 30, 1993

Wachovia Bank of North Carolina, N.A.	Winston-Salem	,	North Carolina
-----	-----		-----
Legal Title of Bank	City		State

The management of the reporting bank may, if it wishes, submit a brief narrative statement on the amounts reported in the Reports of Condition and Income. This optional statement will be made available to the public, along with the publicity available data in the Reports of Condition and Income, in response to any request for individual bank report data. However, the information reported in column A and in all of Memorandum item 1 of Schedule RC-N is regarded as confidential and will not be released to the public. BANKS CHOOSING TO SUBMIT THE NARRATIVE STATEMENT SHOULD ENSURE THAT THE STATEMENT DOES NOT CONTAIN THE NAMES OR OTHER IDENTIFICATIONS OF INDIVIDUAL BANK CUSTOMERS, REFERENCES TO THE AMOUNTS REPORTED IN THE CONFIDENTIAL ITEMS IN SCHEDULE RC-N, OR ANY OTHER INFORMATION THAT THEY ARE NOT WILLING TO HAVE MADE PUBLIC OR THAT WOULD COMPROMISE THE PRIVACY OF THEIR CUSTOMERS. Banks choosing not to make a statement may check the "No comment" box below and should make no entries of any kind in the space provided for the narrative statement; i.e., DO NOT enter in this space such phrases as "No statement," "Not applicable," "N/A," "No comment," and "None."

The optional statement must be entered on this sheet. The statement should not exceed 100 words. Further, regardless of the number of words, the statement must not exceed 750 characters, including punctuation, indentation, and standard spacing between words and sentences. If any submission should exceed 750 characters, as defined, it will be truncated at 750 characters with no notice to the submitting bank and the truncated statement will appear as the bank's statement both on agency computerized records and in computer-file releases to the public.

All information furnished by the bank in the narrative statement must be accurate and not misleading. Appropriate efforts shall be taken by the submitting bank to ensure the statement's accuracy. The statement must be signed, in the space provided below, by a senior officer of the bank who thereby attests to its accuracy.

If, subsequent to the original submission, material changes are submitted for the data reported in the Reports of Condition and Income, the existing narrative statement will be deleted from the files, and from disclosure; the bank, at its option, may replace it with a statement, under signature, appropriate to the amended data.

The optional narrative statement will appear in agency records and in release to the public exactly as submitted (or amended as described in the preceding paragraph) by the management of the bank (except for the truncation of

statements exceeding the 750-character limit described above). THE STATEMENT WILL NOT BE EDITED OR SCREENED IN ANY WAY BY THE SUPERVISORY AGENCIES FOR

ACCURACY OR RELEVANCE. DISCLOSURE OF THE STATEMENT SHALL NOT SIGNIFY THAT ANY FEDERAL SUPERVISORY AGENCY HAS VERIFIED OR CONFIRMED THE ACCURACY OF THE INFORMATION CONTAINED THEREIN. A STATEMENT OF THIS EFFECT WILL APPEAR ON ANY PUBLIC RELEASE OF THE OPTIONAL STATEMENT SUBMITTED BY THE MANAGEMENT OF THE REPORTING BANK.

No comment / / (RCON 6979)

/ C471 / C472 /

BANK MANAGEMENT STATEMENT (please type or print clearly):
(TEXT 6980)

Loans past due 90 days or more and still accruing, nonaccrual loans and renegotiated debt totalled \$100.253 million or .54% of total assets at June 30, 1993. As of July 31, 1992, Wachovia Bank of North Carolina purchased \$75 million of subordinated notes, bearing an interest rate of LIBOR plus .35% and maturing on July 31, 2002, issued by Wachovia Bank of Georgia, an affiliate. This debt qualifies as Tier II capital for WBGA and is netted out of Tier II Capital for WBNC in RC-R, Item 3. This amount is included in RC-R item 7.a. and item 9, but needs to be netted before computing capital ratios. This issue complies with regulatory and legal requirements and has been approved by the Comptroller of the Currency.

James A. Tewes

7/29/93

Signature of Executive Officer of Bank

Date of Signature

33

Legal Title of Bank: Wachovia Bank of North Carolina, N.A.
Address: P.O. Box 3099
City, State Zip: Winston-Salem, NC 27102-3099
FDIC Certificate No.: 0 0 8 1 7

Call Date: 6/30/93
ST-BK: 37-2230

THIS PAGE IS TO BE COMPLETED BY ALL BANKS

NAME AND ADDRESS OF BANK

OMB No. For OCC: 1557-0081
OMB No. For FDIC: 3064-0052
OMB No. For Federal Reserve: 7100-0036

Expiration Date: 2/28/95

PLACE LABEL HERE

SPECIAL REPORT
(Dollar Amounts in Thousands)

CLOSE OF BUSINESS DATE 6/30/93
FDIC Certificate Number 0 0 8 1 7
C-700

LOANS TO EXECUTIVE OFFICERS (Complete as of each Call Report Date)

The following information is required by Public Laws 90-44 and 102-242, but does not constitute a part of the Report of Condition. With each Report of Condition, these Laws require all banks to furnish a report of all loans or other extensions of credit to their executive officers made since the date of the previous Report of Condition. Data regarding individual loans or other extensions of credit are not required. If no such loans or other extensions of credit were made during the period, insert "none" against subitem (a). (Exclude the first \$5,000 of indebtedness of each executive officer under bank credit card plan.) See Sections 215.2 and 215.3 of Title 12 of the Code of Federal Regulations (Federal Reserve Board Regulation O) for the definitions of "executive officer" and "extension of credit," respectively. Exclude loans and other extensions of credit to directors and principal shareholders who are not executive officers.

<TABLE>
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