

SECURITIES AND EXCHANGE COMMISSION

FORM POS AM

Post-Effective amendments for registration statement

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FILER

NYNEX CAPITAL FUNDING CO

CIK: **862447** | IRS No.: **133550528** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **POS AM** | Act: **33** | File No.: **033-51147** | Film No.: **94502271**

Mailing Address
*1111 WESTCHESTER AVE
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NEW YORK NY 10604*

Business Address
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NEW YORK NY 10017
2123707547*

NYNEX CORP

CIK: **732714** | IRS No.: **133180909** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **POS AM** | Act: **33** | File No.: **033-51147-01** | Film No.: **94502272**
SIC: **4813** Telephone communications (no radiotelephone)

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Original electronically transmitted to the Securities and Exchange Commission
on January 21, 1994

Post-Effective Amendment No. 1 to Registration Nos. 33-51147
33-51147-01
Post-Effective Amendment No. 2 to Registration Nos. 33-34401
33-34401-01

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 1 TO
FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

NYNEX Capital Funding Company
A Delaware Corporation
I.R.S. Employer
No. 13-3550528
Agent for Service

J. S. Rubin
Chairman of the Board
NYNEX Capital Funding Company
1113 Westchester Avenue
White Plains, New York 10604
Telephone Number 914 644-6400

NYNEX Corporation
A Delaware Corporation
I.R.S. Employer
No. 13-3180909
Agent for Service

J. S. Rubin
Executive Vice President and
Chief Financial Officer
NYNEX Corporation
1113 Westchester Avenue
White Plains, New York 10604
Telephone Number 914 644-6400

Please send copies of all communications to:

Raymond F. Burke, Esq.
Executive Vice President and General Counsel
NYNEX Corporation
1113 Westchester Avenue
White Plains, New York 10604

Raymond W. Wagner, Esq.
Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017

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

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

Pursuant to Rule 429 under the Securities Act of 1933, the Prospectus
contained herein also relates to Registration Nos. 33-34401 and 33-34401-01
previously filed by the Registrant on Form S-3 and declared effective on

April 30, 1990, as amended by Post-Effective Amendment No. 1, which was declared effective on December 2, 1993, and under which \$169,000,000 of debt securities remains to be issued. This Post-Effective Amendment No. 1 to Registration Statement Nos. 33-51147 and 33-51147-01 also constitutes Post-Effective Amendment No. 2 to Registration Statement Nos. 33-34401 and 33-34401-01.

PROSPECTUS

\$1,500,000,000

NYNEX CAPITAL FUNDING COMPANY

Debt Securities

Unconditionally Guaranteed as to Payment
of Principal, Premium, if any, and Interest
by

NYNEX CORPORATION

NYNEX Capital Funding Company ("Capital Funding") may offer from time to time its debt securities in one or more series in an aggregate amount sufficient to result in gross proceeds to Capital Funding of up to U.S. \$1,500,000,000 or the equivalent thereof in other currencies or composite currencies, including the European Currency Unit (the "Debt Securities"). The Debt Securities will be offered in one or more separate series or issues in amounts, at prices, in currencies or currency units and on terms to be determined at the time of offering. All Debt Securities will be unconditionally guaranteed as to payment of principal, premium, if any, and interest by NYNEX Corporation ("NYNEX").

The Debt Securities will be unsecured and will rank equally with all other unsecured senior indebtedness of Capital Funding.

Debt Securities of a series may be issuable in registered form without coupons ("Registered Securities"), in bearer form with or without coupons attached ("Bearer Securities") or in the form of one or more global securities (each a "Global Security"). Bearer Securities, subject to certain exceptions, will not be offered or sold to persons who are within the United States or to United States persons. See "Limitations on Issuance of Bearer Securities".

The terms of the Debt Securities, including, where applicable, the specific designation, aggregate principal amount, authorized denominations, maturity, rate (or manner of calculation thereof) and time of payment of interest, if any, and any redemption or repayment terms, the currency, currencies or currency unit or units in which the Debt Securities shall be payable and any initial public offering price, the net proceeds to Capital Funding, the names of, and the principal amount of Debt Securities to be purchased by or through, underwriters, dealers or agents, if any, the compensation of such persons and other special terms in connection with the offering and sale of the applicable series of the Debt Securities in respect

of which this Prospectus is being delivered are set forth in the accompanying Prospectus Supplement (the "Prospectus Supplement").

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

January , 1994

No person has been authorized to give any information or to make any representations not contained or incorporated by reference in this Prospectus or in the Prospectus Supplement in connection with the offer made by this Prospectus or the Prospectus Supplement and, if given or made, such information or representations must not be relied upon as having been authorized by NYNEX, Capital Funding or by any underwriter, dealer or agent. This Prospectus and the Prospectus Supplement do not constitute an offer to sell or a solicitation of an offer to buy any of the Debt Securities offered hereby or thereby in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. This Prospectus and the Prospectus Supplement do not constitute an offer to sell or a solicitation of an offer to buy any Debt Securities other than those to which they relate. The delivery of this Prospectus or the Prospectus Supplement at any time does not imply that the information herein or therein is correct as of any time subsequent to its date.

AVAILABLE INFORMATION

NYNEX is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "SEC"). Such reports and other information filed by NYNEX can be inspected and copied at the public reference facilities of the SEC, Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, DC 20549, as well as at the following SEC Regional Offices: Seven World Trade Center, New York, NY 10048; and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago IL 60601-2511. Copies can be obtained from the SEC by mail at prescribed rates. Requests should be directed to the SEC's Public Reference Section, Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, DC 20549.

NYNEX and Capital Funding have filed with the SEC Registration Statements on Form S-3 (together with all amendments and exhibits thereto, the "Registration Statements") under the Securities Act of 1933, as amended (the "Securities Act"), covering the securities offered hereby. This Prospectus does not contain all of the information set forth in the Registration Statements, certain parts of which are omitted from the Prospectus in

accordance with the rules and regulations of the SEC. For further information, reference is made to the Registration Statements.

The SEC Staff advised Capital Funding that the Staff will not raise any objection if Capital Funding does not file periodic and other reports pursuant to Sections 13 and 15(d) of the Exchange Act. Based upon such advice, Capital Funding does not file periodic reports under the Exchange Act.

INCORPORATION OF DOCUMENTS BY REFERENCE

The following documents are incorporated herein by reference:

- (1) NYNEX's Annual Report on Form 10-K for the year ended December 31, 1992;
- (2) NYNEX's Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 1993; and
- (3) NYNEX's Current Reports on Form 8-K, dates of reports February 16, June 1, October 4, November 10, November 19 and December 24, 1993.

All documents filed pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering shall be deemed to be incorporated by reference in this Prospectus and to be part hereof from the date of filing of 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 also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Copies of the above documents (excluding exhibits to such documents, unless such exhibits are specifically incorporated by reference therein) may be obtained upon written or oral request without charge by each person to whom this Prospectus is delivered from the Treasurer of NYNEX, 1113 Westchester Avenue, White Plains, NY 10604 (telephone number 914 644-6400).

NYNEX CORPORATION

NYNEX is a holding company with various subsidiaries engaged in the provision of telecommunications products and services, information systems, software, directory publishing and other business services. NYNEX's dominant industry segment is Telecommunications, which includes New York Telephone Company, New England Telephone and Telegraph Company and their subsidiaries (collectively, the "telephone subsidiaries"). The telephone subsidiaries provided NYNEX with 86% of its operating revenues in 1992.

In addition to Telecommunications, NYNEX has wholly-owned subsidiaries in the following industry segments: Cellular (NYNEX Mobile Communications Company), Publishing (NYNEX Information Resources Company), Financial

Services (NYNEX Credit Company, NYNEX Capital Funding Company and NYNEX Trade Finance Company) and Other Diversified Operations (including NYNEX Worldwide Services Group, Inc., NYNEX Network Systems Company and NYNEX CableComms Limited).

NYNEX was incorporated on October 7, 1983 under the laws of the State of Delaware and has its principal executive offices at 1113 Westchester Avenue, White Plains, NY 10604 (telephone number 914 644-6400).

NYNEX CAPITAL FUNDING COMPANY

Capital Funding was established to provide funding to NYNEX and its wholly owned direct and indirect subsidiaries other than the telephone subsidiaries (the "non-telephone subsidiaries"). Capital Funding may raise funds through the offering of Debt Securities in the United States, Europe and other overseas markets and will lend the net proceeds to NYNEX and/or one or more non-telephone subsidiaries of NYNEX. Capital Funding will not engage in any separate business activities. All of the Debt Securities will be unconditionally guaranteed as to payment of principal, premium, if any, and interest by NYNEX.

Capital Funding is a wholly owned subsidiary of NYNEX and was incorporated under the laws of the State of Delaware on January 18, 1990. The principal executive offices of Capital Funding are located at 1113 Westchester Avenue, White Plains, NY 10604 (telephone number 914 644-6400).

RISK FACTORS RELATING TO CURRENCIES

Debt Securities denominated or payable in foreign currencies may entail significant risks. These risks include, without limitation, the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of foreign exchange controls and potential illiquidity in the secondary market. These risks will vary depending upon the currency or currencies involved. These risks will be more fully described in the Prospectus Supplement relating thereto.

<TABLE>

RATIO OF EARNINGS TO FIXED CHARGES

<CAPTION>

The following table sets forth the ratio of earnings to fixed charges of NYNEX for the periods indicated:

Nine Months Ended September 30, 1993	<C>	Year Ended December 31,			
<S> (Unaudited)	1992	<C> 1991	<C> 1990	<C> 1989	<C> 1988
3.52	3.34	1.93	2.60	2.33	3.28

For the purpose of this ratio, (i) earnings have been calculated by adding to earnings before interest expense and income taxes the estimated interest portion of rentals; and (ii) fixed charges are comprised of interest expense and the estimated interest portion of rentals.

USE OF PROCEEDS

The net proceeds from the sale of the Debt Securities will be used to provide funds for NYNEX and/or non-telephone subsidiaries of NYNEX.

Capital Funding will remit to NYNEX and/or one or more of NYNEX's non-telephone subsidiaries the cash raised by Capital Funding as soon as practicable after receipt thereof, but in no event later than six months after Capital Funding receives such cash. In the interim, Capital Funding will invest any funds held by it only in securities permitted by Rule 3a-5(a)(6) of the SEC under the Investment Company Act of 1940, as amended.

DESCRIPTION OF DEBT SECURITIES AND GUARANTEES

The Debt Securities of Capital Funding and the Guarantees of NYNEX (the "Guarantees") are to be issued under an Indenture dated as of April 1, 1990, as supplemented by a First Supplemental Indenture, and as the same may be further amended or supplemented (the "Indenture"), from Capital Funding and NYNEX to The Bank of New York, as Trustee (the "Trustee"). Copies of the Indenture and any amendments or supplements are filed or incorporated by reference as exhibits to the Registration Statements. The following description summarizes certain provisions of the Debt Securities, the Guarantees and the Indenture and is subject to the detailed provisions of the Debt Securities, the Guarantees and the Indenture. Whenever any particular section of the Indenture or any term defined therein is referred to, such section or definition is incorporated herein by reference, and the statement in connection with which such reference is made is qualified in its entirety by such reference.

General

The Indenture does not limit the amount of Debt Securities which can be issued thereunder and provides that additional Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by the Boards of Directors of Capital Funding and NYNEX. Reference is made to the Prospectus Supplement for the following terms of the particular series of Debt Securities being offered thereby: (i) the title and aggregate principal amount of the series; (ii) whether such Debt Securities are issuable as Registered Securities, Bearer Securities or both; (iii) the maturity dates or the manner of determination thereof; (iv) the interest rate or rates or the manner of determination thereof and the dates on and manner in which, including record dates, interest shall be paid; (v) the places for payments on, registration of transfer of, or surrender for exchange of, such Debt Securities; (vi) the periods within which, prices at which, the currency or currency unit in which, and the other terms and conditions upon which, such Debt Securities may be redeemed at the option of Capital Funding; (vii) the obligation, if any, of Capital Funding to redeem or purchase such Debt Securities pursuant to any sinking fund or analogous provision, or at the option of the holder thereof, and any related periods, prices, currency or currency unit and other terms and conditions for any such redemption or purchase; (viii) the minimum denominations if other than \$1,000, in the case

of Registered Securities, and \$5,000, in the case of

Bearer Securities; (ix) the amount payable upon acceleration, if other than the principal amount of such Debt Securities; (x) any Events of Default and covenants, whether or not consistent with the Events of Default or covenants set forth in the Indenture; (xi) any Trustee other than The Bank of New York; (xii) if other than U.S. Dollars, the currency or currency unit (including any composite currency) for payments on such Debt Securities or in which such Debt Securities shall be denominated; (xiii) whether Capital Funding or the holder of such Debt Security may elect to change the currency or currency unit of payment, the periods within which such election may be made, and the terms and conditions of and the manner for determining the exchange rate relating to any such election; (xiv) the designation of any agent of Capital Funding for purposes of making determinations or calculations with respect to such Debt Securities or otherwise; (xv) the manner, if applicable, for determining payments on such Debt Securities if payments on such Debt Securities are to be determined by reference to the relationship between two or more currencies or composite currencies, to the price of one or more specified securities or commodities or to one or more securities or commodities exchange indices or other indices or by other similar methods or formulas ("Indexed Securities"); (xvi) any provisions for satisfaction and discharge of the Indenture with respect to such Debt Securities if other than as provided in the Indenture; (xvii) the date of any Bearer Securities or any Global Security if other than the date of original issuance of the first of such Debt Securities, if any; (xviii) the application, if any, to such Debt Securities of the provisions described below under "Payment of Additional Amounts" and "Defeasance - Defeasance of Certain Covenants and Certain Events of Default", and, if applicable, any additional covenants provided for such Debt Securities with which Capital Funding and NYNEX may omit compliance pursuant to the provisions described below in the second paragraph under "Meetings, Modification and Waiver" or upon exercise of the option described below under "Defeasance - Defeasance of Certain Covenants and Certain Events of Default"; (xix) whether any Global Securities shall be issued, whether in whole or part or in permanent or temporary form, and any related Depositary, Global Exchange Agent and Exchange Date; (xx) the circumstances for any exchange of temporary Global Securities for definitive securities, whether such securities will be Registered Securities or Bearer Securities and the terms and conditions relating to the payment of interest to any clearing organization; (xxi) applicable subordination provisions, if any; (xxii) if Capital Funding has the option of making any scheduled payment on such Debt Securities in either of two currencies ("Dual Currency Securities"), the two currencies in either of which such payments may be made, and any other special terms with respect to such Dual Currency Securities; (xxiii) if interest and principal on such Debt Securities are payable according to an amortization schedule ("Amortizing Securities"), such amortization schedule, and any other special terms with respect to such Amortizing Securities; and (xxiv) any other terms of such Debt Securities not inconsistent with the Indenture. (Section 301)

The Debt Securities will be unsecured and, unless otherwise specified in the applicable Prospectus Supplement, will rank equally with Capital Funding's other unsecured senior indebtedness.

If the purchase price of any of the Debt Securities is denominated in one or more foreign currencies or currency units, including any composite currency (each a "Foreign Currency"), or if the principal of (and premium, if any) or interest, if any, on any series of Debt Securities is payable in one or more Foreign Currencies, the restrictions, elections, tax consequences, specific terms and other information with respect to such issue of Debt Securities and such Foreign Currencies will be set forth in the applicable Prospectus Supplement relating thereto.

Some of the Debt Securities may be issued as Discounted Securities (bearing no interest or interest at a rate which at the time of issuance is below market rates) to be sold at a substantial discount below their stated principal amount. Federal income tax consequences and other special considerations applicable to any Discounted Securities will be described in the Prospectus Supplement relating thereto.

Guarantees

NYNEX will unconditionally guarantee the due and punctual payment of the principal (and premium, if any) and interest on the Debt Securities when and as the same shall become due and payable, whether at maturity, upon redemption, or otherwise. (Sections 202, 1301 and 1302) The Guarantees will rank equally with all other unsecured and unsubordinated obligations of NYNEX. Since NYNEX is a holding company, the right of NYNEX and, hence, the right of creditors of NYNEX (including the holders of the Debt Securities) to participate in any distribution of the assets of any subsidiary of NYNEX, whether upon liquidation, reorganization, or otherwise, is subject to prior claims of creditors of each such subsidiary, except to the extent that claims of NYNEX itself as a creditor of a subsidiary may be recognized. The right of creditors of NYNEX (including the holders of the Debt Securities) to participate in the distribution of the stock owned by NYNEX in its telephone subsidiaries would also be subject to approval by the regulatory commissions having jurisdiction over such subsidiaries (including the Federal Communications Commission).

Denominations, Registration and Transfer

The Debt Securities of a series will be issuable as Registered Securities, Bearer Securities or both. Debt Securities of a series may be issuable in the form of one or more Global Securities, as described below under "Global Securities". Unless otherwise provided in an applicable Prospectus Supplement with respect to a series of Debt Securities, Registered Securities denominated in U.S. dollars will be issued only in denominations of \$1,000 or any integral multiple thereof and Bearer Securities denominated in U.S. dollars will be issued only in denominations of \$5,000 with coupons attached. A Global Security will be issued in a denomination equal to the aggregate principal amount of Outstanding Debt Securities of the series represented by such Global Security. The Prospectus Supplement relating to a series of Debt Securities denominated in a Foreign Currency will specify the denominations thereof. (Sections 201, 301, 302 and 305)

In connection with its sale during the "restricted period" as defined in

Section 1.163-5(c)(2)(i)(D)(7) of the United States Treasury regulations (generally, the first 40 days after the closing date and, with respect to unsold allotments, until sold), no Bearer Security shall be mailed or otherwise delivered to any location in the United States (as defined below under "Limitations on Issuance of Bearer Securities"), and any such Bearer Security (other than a temporary Global Security in bearer form) may be delivered only if the person entitled to receive such Bearer Security furnishes written certification, in the form required by the Indenture, to the effect that such Bearer Security is not being acquired by or on behalf of a United States person (as defined below under "Limitations on Issuance of Bearer Securities"), or, if a beneficial interest in such Bearer Security is being acquired by or on behalf of a United States person, that such United States person is a person described in Section 1.163-5(c)(2)(i)(D)(6) of the United States Treasury regulations or is a financial institution who has purchased such Bearer Security for resale during the restricted period and who certifies that it has not acquired such Bearer Security for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions. See "Global Securities" and "Limitations on Issuance of Bearer Securities".

Generally, Registered Securities of any series will be exchangeable for other Registered Securities of the same series and of a like aggregate principal amount and tenor of different authorized denominations. In addition, if Debt Securities of any series are issuable as both Registered Securities and as Bearer Securities, at the option of the holder upon request confirmed in writing, and subject to the terms of the Indenture, Bearer Securities (with all unmatured coupons, except as provided below, and all matured coupons in default) of such series will be exchangeable for Registered Securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor. Unless otherwise indicated in an applicable Prospectus Supplement, any Bearer Security surrendered in exchange for a Registered Security between a Regular Record Date or a Special Record Date and the relevant date for payment of interest will be surrendered without the coupon relating to such date for payment of interest and interest will not be payable on such date for payment of interest in respect of the Registered Security issued in exchange for such Bearer Security, but will be payable only to the holder of such coupon when due in accordance with the terms of the Indenture. (Section 305) Except as provided in an applicable Prospectus Supplement, Bearer Securities will not be issued in exchange for Registered Securities.

Debt Securities may be presented for exchange as provided above, and Registered Securities (other than a Global Security) may be presented for registration of transfer (with the form of transfer duly executed), at the office of the Security Registrar or at the office of any transfer agent designated by Capital Funding for such purpose with respect to any series of Debt Securities and referred to in the applicable Prospectus Supplement, without service charge and upon payment of any taxes and other governmental charges as described in the Indenture. Such transfer or exchange will be effected upon the Security Registrar or such transfer agent, as the case may be, being satisfied with the documents of title and identity of the person

making the request. Capital Funding has initially appointed the Trustee as Security Registrar under the Indenture. (Section 305) If a Prospectus

Supplement refers to any transfer agents (in addition to the Security Registrar) initially designated by Capital Funding with respect to any series of Debt Securities, Capital Funding may at any time rescind the designation of any such transfer agent or approve a change in the location through which any such transfer agent acts, except that, if Debt Securities of a series are issuable only as Registered Securities, Capital Funding will be required to maintain a transfer agent in each Place of Payment for such series and, if Debt Securities of a series are issuable as Bearer Securities, Capital Funding will be required to maintain (in addition to the Security Registrar) a transfer agent in a Place of Payment for such series located outside the United States. Capital Funding may at any time designate additional transfer agents with respect to any series of Debt Securities. (Section 1002)

In the event of any redemption in part, Capital Funding shall not be required to (i) issue, register the transfer of or exchange Debt 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 Debt Securities of that series selected to be redeemed and ending at the close of business on (A) if Debt Securities of the series are issuable only as Registered Securities, the day of mailing of the relevant notice of redemption and (B) if Debt Securities of the series are issuable as Bearer Securities, the day of the first publication of the relevant notice of redemption or, if Debt Securities of that series are also issuable as Registered Securities and there is no publication, the mailing of the relevant notice of redemption; (ii) register the transfer of or exchange any Registered Security, or portion thereof, called for redemption; or (iii) exchange any Bearer Security called for redemption, except to exchange such Bearer Security for a Registered Security of that series and like tenor which is immediately surrendered for redemption, except as provided with respect to redemptions discussed under "Tax Redemption; Special Tax Redemption". (Section 305)

Payment and Paying Agents

Unless otherwise indicated in an applicable Prospectus Supplement, payment of principal of (and premium, if any) and interest, if any, on Registered Securities (other than a Global Security) will be made at the office of such Paying Agent or Paying Agents as Capital Funding may designate from time to time, except that at the option of Capital Funding, payment of any interest may be made (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (ii) by transfer to an account maintained by the payee with a bank located inside the United States. (Sections 305, 307 and 1002) Unless otherwise indicated in an applicable Prospectus Supplement, payment of any installment of interest on Registered Securities will be made to the Person in whose name such Registered Security is registered at the close of business on the Regular Record Date for such interest payment; provided, however, that interest, if any, payable at maturity or upon earlier redemption or repayment shall be payable to the Person to whom principal shall be payable. (Section 307)

Unless otherwise indicated in an applicable Prospectus Supplement, payment of principal of (and premium, if any) and interest, if any, on Bearer Securities will be payable, subject to any applicable laws and regulations, at the offices of such Paying Agents outside the United States as Capital

Funding may designate from time to time, except that at the option of Capital Funding, payment of any interest may be made by transfer to an account maintained by the payee outside the United States. (Sections 307 and 1002) Unless otherwise indicated in an applicable Prospectus Supplement, payment of interest on Bearer Securities on any Interest Payment Date will be made only against surrender of the coupon relating to such Interest Payment Date. (Section 1001) No payment of interest on a Bearer Security will be made unless on the earlier of the date of the first such payment by Capital Funding or the date of delivery by Capital Funding of a definitive Bearer Security, including a permanent Global Security, a written certification, in the form required by the Indenture, is provided to Capital Funding stating that on such date the Bearer Security is not owned by or on behalf of a United States person (as defined below under "Limitations on Issuance of Bearer Securities"), or, if a beneficial interest in such Bearer Security is being acquired by or on behalf of a United States person, that such United States person is a person described in Section 1.163-5(c)(2)(i)(D)(6) of the United States Treasury regulations or is a financial institution who has purchased such Bearer Security for resale during the restricted period and who certifies that it has not acquired such Bearer Security for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions. No payment with respect to any Bearer Security will be made at any office or agency of Capital Funding in the United States or by check mailed to any address in the United States or by transfer to an account maintained in the United States. Payments will not be made in respect of Bearer Securities or coupons appertaining thereto pursuant to presentation to Capital Funding or its designated Paying Agents within the United States or any other demand for payment to Capital Funding or its designated Paying Agents within the United States. Notwithstanding the foregoing, payment of principal of (and premium, if any) and interest, if any, on Bearer Securities denominated and payable in U.S. dollars will be made at the office of Capital Funding's Paying Agent in the United States if, and only if, payment of the full amount thereof in U.S. dollars at all offices or agencies outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions. (Section 1002)

Unless otherwise indicated in an applicable Prospectus Supplement, the principal office of the Trustee in The City of New York will be designated as Capital Funding's sole Paying Agent for payments with respect to Debt Securities which are issuable solely as Registered Securities. Any Paying Agents outside the United States and any other Paying Agents in the United States initially designated by Capital Funding for the Debt Securities will be named in the related Prospectus Supplement. Capital Funding may at any time designate additional Paying Agents or rescind the designation of any Paying Agents or approve a change in the office through which any Paying Agent acts, except that, if Debt Securities of a series are issuable only as Registered Securities, Capital Funding will be required to maintain a Paying Agent in each Place of Payment for such series, and if the Debt Securities

of a series may be issuable as Bearer Securities, Capital Funding will be required to maintain (i) a Paying Agent in a Place of Payment for that series in the United States for payments with respect to any Registered Securities of that series (and for payments with respect to Bearer Securities of that series in the circumstances described above, but not otherwise), (ii) a Paying Agent in a Place of Payment located outside the United States where

Debt Securities of such series and any coupons appertaining thereto may be presented and surrendered for payment; provided that if the Debt Securities of such series are listed on the Luxembourg Stock Exchange or any other stock exchange located outside the United States and such stock exchange shall so require, Capital Funding will maintain a Paying Agent in Luxembourg or any other required city located outside the United States, as the case may be, for the Debt Securities of such series, and (iii) a Paying Agent in a Place of Payment located outside the United States where (subject to applicable laws) Registered Securities of such series may be surrendered for registration of transfer or exchange and where notices and demands to or upon Capital Funding may be served. (Section 1002)

All moneys paid by Capital Funding to a Paying Agent for the payment of principal of (and premium, if any) and interest, if any, on any Debt Security which remain unclaimed at the end of three years after such principal, premium or interest shall have become due and payable will be repaid to Capital Funding, and the holder of such Debt Security or any coupon will thereafter look only to Capital Funding for payment thereof. (Section 1003)

Global Securities

The Debt Securities of a series may be issued in whole or in part in the form of one or more Global Securities that will be deposited with, or on behalf of, a Depositary identified in the Prospectus Supplement relating to such series. Global Securities may be issued in either registered or bearer form and in either temporary or permanent form. Unless and until it is exchanged for Registered Securities in definitive form, a temporary Global Security representing all or a part of the Registered Securities of a series may not be transferred except as a whole by the Depositary for such Global Security to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor of such Depositary or a nominee of such successor. (Section 305)

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

Upon the issuance of a Global Security, the Depositary for such Global Security or its nominee will credit the accounts of persons held with it with the respective principal amounts of the Debt Securities represented by such Global Security. Such accounts shall be designated by the underwriters or agents with respect to such Debt Securities or by Capital Funding if such Debt Securities are offered and sold directly by Capital Funding. Ownership

of beneficial interests in a Global Security will be limited to persons that have accounts with the Depositary for such Global Security or its nominee ("participants") or persons that may hold interests through participants. Ownership of beneficial interests in such Global Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the Depositary or its nominee (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants). The laws of some states require that

certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a Global Security.

So long as the Depositary for a Global Security, or its nominee, is the registered owner of such Global Security, such Depositary 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 governing such Debt Securities. Except as provided below, 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 form and will not be considered the owners or holders thereof under the Indenture governing such Debt Securities.

Principal, premium, if any, and interest payments on Debt Securities registered in the name of a Depositary or its nominee will be made to the Depositary or its nominee, as the case may be, as the registered owner of the Global Security representing such Debt Securities. Neither Capital Funding, NYNEX, the Trustee for such Debt Securities, any Paying Agent nor the Security Registrar for such Debt Securities will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Security for such Debt Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Capital Funding expects that the Depositary for a series of Debt Securities or its nominee, 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 the Global Security for such Debt Securities as shown on the records of such Depositary or its nominee. Capital Funding also expects that payments by participants to owners of beneficial interests in such Global Security held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such participants. Receipt by owners of beneficial interests in a temporary Global Security of payments in respect of such temporary Global Security will be subject, in the case of a temporary Global Security in which interests are exchangeable for Bearer Securities, to the furnishing of the certificate described above under "Payment and Paying Agents".

If a Depositary for a series of Debt Securities is at any time unwilling or unable to continue as depositary or is no longer eligible to act as depositary under the Indenture, and a successor depositary is not appointed by Capital Funding within 90 days, Capital Funding will issue Debt Securities of such series in definitive form in exchange for the entire Global Security representing such series of Debt Securities. In addition, Capital Funding may at any time and in its sole discretion determine not to have the Registered Securities of a series represented by a Global Security and, in such event, will issue Registered Securities of such series in definitive form in exchange for the Global Security representing such series of

Registered Securities. Further, if Capital Funding so specifies with respect to the Debt Securities of a series, an owner of a beneficial interest in a Global Security representing Debt Securities of such series may, on terms acceptable to Capital Funding and the Depository for such Global Security, receive Debt Securities of such series in definitive form. In any such instance, an owner of a beneficial interest in a Global Security will be entitled to physical delivery in definitive form of Debt Securities of the series represented by such Global Security equal in principal amount to such beneficial interest and to have such Debt Securities registered in its name (if the Debt Securities of such series are issuable as Registered Securities). Debt Securities of such series so issued in definitive form will be issued (a) as Registered Securities in denominations, unless otherwise specified by Capital Funding, of \$1,000 or any integral multiple of \$1,000 if the Debt Securities of such series are issuable as Registered Securities, (b) as Bearer Securities in the denomination, unless otherwise specified by Capital Funding, of \$5,000 if the Debt Securities of such series are issuable as Bearer Securities or (c) as either Registered or Bearer Securities, if the Debt Securities of such series are issuable in either form. (Section 305) Notwithstanding the foregoing, no Bearer Security in definitive form (including an interest in a permanent Global Security in bearer form) will be delivered unless the beneficial owner thereof has provided the certificate described above under "Payment and Paying Agents".

Limitations on Issuance of Bearer Securities

In compliance with United States federal tax laws and regulations, Bearer Securities may not be offered, or sold during the restricted period (as defined under "Denominations, Registration and Transfer") or delivered in connection with their sale during the restricted period in the United States or its possessions or to United States persons (each as defined below) except to the extent permitted under Section 1.163-5(c)(2)(i)(D) of the United States Treasury regulations (the "D Rules"), and any underwriters, agents and dealers participating in the offering of Debt Securities must agree that they will not offer for sale or resale, or sell Bearer Securities in the United States or its possessions or to United States persons, except to the extent permitted under the D Rules, nor deliver Bearer Securities within the United States.

Bearer Securities and any coupons appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code". Under Sections 165(j) and 1287(a) of the Internal Revenue Code of 1986, as amended (the "Code"), holders that are United States persons (as defined below), with certain exceptions, will not be entitled to deduct any loss on Bearer Securities and must treat as ordinary income any gain realized on the sale or other disposition (including the receipt of principal) of Bearer Securities.

As used herein, "United States person" means a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States and an estate or trust the income of which is subject to United States federal income taxation regardless of its source, and "United States" means the United States of

America (including the States and the District of Columbia), and its "possessions" which include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands. The term "United States Alien" means any corporation, partnership, individual or fiduciary that is, for United States federal income tax purposes, a foreign corporation, a nonresident alien individual, a nonresident fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a nonresident alien individual or a nonresident fiduciary of a foreign estate or trust.

Lien On Assets

If at any time, either Capital Funding or NYNEX mortgages, pledges, or otherwise subjects to any lien the whole or any part of any property or assets now owned or hereafter acquired by it, except as hereinafter provided, Capital Funding or NYNEX, as the case may be, will secure the outstanding Debt Securities, and any other obligations of Capital Funding or NYNEX, as the case may be, which may be then outstanding and entitled to the benefit of a covenant similar in effect to this covenant, equally and ratably with the indebtedness or obligations secured by such mortgage, pledge, or lien, for as long as any such indebtedness or obligation is so secured. The foregoing covenant does not apply to the creation, extension, renewal or refunding of purchase-money mortgages or liens, or other liens to which any property or asset acquired by Capital Funding or NYNEX, as the case may be, is subject as of the date of its acquisition by Capital Funding or NYNEX, as the case may be, or to the making of any deposit or pledge to secure public or statutory obligations or with any governmental agency at any time required by law in order to qualify Capital Funding or NYNEX, as the case may be, to conduct its business or any part thereof or in order to entitle it to maintain self-insurance or to obtain the benefits of any law relating to workers' compensation, unemployment insurance, old age pensions or other social security, or with any court, board, commission, or governmental agency as security incident to the proper conduct of any proceeding before it. Nothing contained in the Indenture prevents any Person other than Capital Funding or NYNEX from mortgaging, pledging, or subjecting to any lien any of its property or assets, whether or not acquired by such Person from Capital Funding or NYNEX. (Section 1009)

Tax Redemption; Special Tax Redemption

If and to the extent specified in an applicable Prospectus Supplement, the Debt Securities of a series will be subject to redemption at any time, as a whole but not in part, at a redemption price equal to the principal amount thereof together with accrued and unpaid interest to the date fixed for redemption, upon publication of a notice as described below, if (x) Capital Funding determines that (a) as a result of any change in or amendment to the laws (or any regulations or rulings promulgated thereunder) of the United States or of any political subdivision or taxing authority thereof or therein affecting taxation, or any change in official position regarding application or interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction), which change or amendment is announced or becomes effective on or after a date specified in the applicable Prospectus Supplement, Capital Funding has or will become obligated to pay,

on the next succeeding Interest Payment Date, additional amounts with respect to any Debt Security of such series as described below under "Payment of Additional Amounts" or (b) on or after a date specified in the applicable Prospectus Supplement, any action has been taken by any taxing authority of, or any decision has been rendered by a court of competent jurisdiction in, the United States or any political subdivision or taxing authority thereof or therein, including any of those actions specified in (a) above, whether or not such action was taken or decision was rendered with respect to Capital Funding, or any change, amendment, application or interpretation shall be officially proposed, which, in any such case, in the opinion of legal counsel to Capital Funding, will result in a material probability that Capital Funding will become obligated to pay additional amounts with respect to any Debt Security of such series on the next succeeding Interest Payment Date, and (y) in any such case Capital Funding in its business judgment determines that such obligation cannot be avoided by the use of reasonable measures available to Capital Funding. (Section 1108)

If Capital Funding shall determine that any payment made outside the United States by Capital Funding or any Paying Agent of principal or interest due in respect of any Bearer Security (an "Affected Security") or any coupon appertaining thereto would, under any present or future laws or regulations of the United States, be subject to any certification, information or other reporting requirement of any kind, the effect of which requirement is the disclosure to Capital Funding, any Paying Agent or any governmental authority of the nationality, residence or identity (as distinguished from, for example, status as a United States Alien) of a beneficial owner of such Affected Security of such series or coupon who is a United States Alien (other than such a requirement which (a) would not be applicable to a payment made (i) directly to the beneficial owner or (ii) to a custodian, nominee or other agent of the beneficial owner, (b) can be satisfied by such custodian, nominee or other agent certifying to the effect that such beneficial owner is a United States Alien, provided that in each case referred to in items (a) (ii) and (b), payment by such custodian, nominee or other agent to such beneficial owner is not otherwise subject to any such requirement (other than a requirement which is imposed on a custodian, nominee or other agent described in (d) of this sentence),

(c) would not be applicable to a payment made by at least one other Paying Agent of Capital Funding or (d) is applicable to a payment to a custodian, nominee or other agent of the beneficial owner who is a United States person, a controlled foreign corporation for United States tax purposes, a foreign person 50% or more of whose gross income for the three-year period ending with the close of its taxable year preceding the year of payment is effectively connected with a United States trade or business, or is otherwise related to the United States), Capital Funding shall either (x) redeem the Affected Securities of such series, as a whole, at a redemption price equal to the principal amount thereof, together with interest accrued to the date fixed for redemption, or (y) if the conditions of the next succeeding paragraph are satisfied, pay the additional amounts specified in such paragraph. Capital Funding shall make such determination and election as soon as practicable and give prompt notice thereof (the "Determination Notice") stating the effective date of such certification, information or reporting requirements, whether Capital Funding has elected to redeem the Affected Securities of such series or to pay the additional amounts specified

in the next succeeding paragraph, and (if applicable) the last date by which the redemption of the Affected Securities of such series must take place. If Capital Funding elects to redeem the Affected Securities of such series, such redemption shall take place on such date, not later than one year after the publication of the Determination Notice, as Capital Funding shall elect by notice to the Trustee given not less than 45 nor more than 75 days before the date fixed for redemption. Notice of such redemption of the Affected Securities of such series will be given to the holders thereof not less than 30 nor more than 60 days prior to the date fixed for redemption. Notwithstanding the foregoing, Capital Funding shall not redeem the Affected Securities of such series if Capital Funding subsequently determines, not less than 30 days prior to the date fixed for redemption, that subsequent payments would not be subject to any such requirement, in which case Capital Funding shall give prompt notice of such determination and any earlier redemption notice shall be revoked and of no further effect. The right of the holders of Affected Securities called for redemption to exchange such Affected Securities for Registered Securities (which Registered Securities will remain outstanding following such redemption) will terminate on the fifteenth day prior to the date fixed for redemption, and no further exchanges of Affected Securities for Registered Securities shall be permitted unless Capital Funding shall have made the subsequent determination and given the notice referred to in the preceding sentence. (Section 1108)

If and so long as the certification, information or other reporting requirements referred to in the preceding paragraph would be fully satisfied by payment of a withholding tax, backup withholding tax or similar charge, Capital Funding may elect to pay such additional amounts as may be necessary so that every net payment made outside the United States following the effective date of such requirements by Capital Funding or any Paying Agent of principal (or premium, if any) or interest, if any, due in respect of any Affected Security of such series or any coupon to a holder who certifies that the beneficial owner is a United States Alien (but without any requirement that the nationality, residence or identity of such beneficial owner be disclosed to Capital Funding, any Paying Agent or any governmental

authority), after deduction or withholding for or on account of such withholding tax, backup withholding tax or similar charge (other than a withholding tax, backup withholding tax or similar charge which (a) is the result of a certification, information or other reporting requirement described in the second parenthetical clause of the first sentence of the preceding paragraph or (b) is imposed as a result of presentation of such Affected Security or coupon for payment more than 10 days after the date on which such payment becomes due and payable or on which payment thereof is duly provided for, whichever occurs later), will not be less than the amount provided for in such Affected Security or coupon to be then due and payable. In the event Capital Funding elects to pay such additional amounts, Capital Funding will have the right, at its sole option, at any time, to redeem the Affected Securities of such series as a whole, but not in part, at a redemption price equal to the principal amount thereof, together with accrued and unpaid interest to the date fixed for redemption. If Capital Funding has made the determination described in the preceding paragraph with respect to certification, information or other reporting requirements applicable only to interest and subsequently makes a determination in the manner and of the nature referred to in such preceding paragraph with respect to such

requirements applicable to principal, Capital Funding will redeem the Affected Securities of such series in the manner and on the terms described in the preceding paragraph unless Capital Funding elects to have the provisions of this paragraph apply rather than the provisions of the immediately preceding paragraph. If in such circumstances the Affected Securities of such series are to be redeemed, Capital Funding shall have no obligation to pay additional amounts pursuant to this paragraph with respect to principal (or premium, if any) or interest, if any, accrued and unpaid after the date of the notice of such determination indicating such redemption, but will be obligated to pay such additional amounts with respect to interest accrued and unpaid to the date of such determination. If Capital Funding elects to pay additional amounts pursuant to this paragraph and the condition specified in the first sentence of this paragraph should no longer be satisfied, then Capital Funding shall promptly redeem such Affected Securities in whole but not in part. (Section 1108)

In the event that Capital Funding elects or is required to redeem the Debt Securities of such series pursuant to the provisions set forth in the preceding three paragraphs, Capital Funding shall deliver to the Trustee a certificate, signed by an authorized officer, stating that Capital Funding is entitled to redeem the Debt Securities of such series pursuant to their terms.

Notice of intention to redeem the Debt Securities of such series and all other notices in accordance with the provisions of the preceding paragraphs will be given in accordance with "Notices" below. In the case of a redemption, notice will be given once not more than 60 nor less than 30 days prior to the date fixed for redemption and will specify the date fixed for redemption.

Payment of Additional Amounts

If and to the extent specified in an applicable Prospectus Supplement, Capital Funding will, subject to the exceptions and limitations set forth below, pay to the holder of any Debt Security or coupon who is a United States Alien such additional amounts as may be necessary in order that every net payment on such Debt Security or coupon, after withholding by Capital Funding or any of its Paying Agents for or on account of any present or future tax, assessment or other governmental charge imposed upon or as a result of such payment by the United States (or any political subdivision or taxing authority thereof or therein), will not be less than the amount provided for in such Debt Security or in such coupon to be then due and payable. However, Capital Funding will not be required to make any payment of additional amounts for or on account of:

(1) any tax, assessment or other governmental charge that would not have been so imposed but for (i) the existence of any present or former connection between such holder (or between a fiduciary, settlor or beneficiary of, or a person holding a power over, such holder, if such holder is an estate or trust, or a member or shareholder of such holder, if such holder is a partnership or corporation) and the United States, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, person holding a power, member or shareholder) being or having been a citizen, resident or treated as a resident thereof or being or having been engaged in a trade or business or present therein or

having or having had a permanent establishment therein, or (ii) such holder's present or former status as a personal holding company, foreign personal holding company, controlled foreign corporation or passive foreign investment company with respect to the United States or as a corporation that accumulates earnings to avoid United States federal income tax;

(2) any tax, assessment or other governmental charge which would not have been so imposed but for the presentation by the holder of such Debt Security or coupon for payment on a date more than 10 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

(3) any estate, inheritance, gift, sales, transfer, personal property tax or any similar tax, assessment or other governmental charge;

(4) any tax, assessment or other governmental charge required to be withheld by any Paying Agent from any payment on a Debt Security or coupon if such payment can be made without such withholding by at least one other Paying Agent;

(5) any tax, assessment or other governmental charge that is payable otherwise than by withholding from a payment on a Debt Security or coupon;

(6) any tax, assessment or other governmental charge imposed on a holder of a Debt Security or coupon that actually or constructively owns 10% or more of the total combined voting power of all classes of stock of Capital Funding entitled to vote within the meaning of Section 871(h)(3) of the Code or that is a controlled foreign corporation related to Capital Funding through stock ownership;

(7) any tax, assessment or other governmental charge imposed as a result of the failure to comply with applicable certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of a Debt Security or coupon, if such compliance is required by statute, or by regulation of the United States, as a precondition to relief or exemption from such tax, assessment or other governmental charge;

(8) any tax, assessment or other governmental charge imposed on the holder of a Debt Security or a coupon as a result of Section 881(c)(3)(A) of the Code (relating to banks receiving interest on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business); or

(9) any combination of items (1), (2), (3), (4), (5), (6), (7) and (8);

nor will additional amounts be paid with respect to any payment on a Debt Security or coupon to a holder who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the United States (or any political subdivision thereof) to be included in the income for federal income tax

purposes of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to payment of the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of such Debt Security or coupon. (Section 1004)

Mergers and Sales of Assets by Capital Funding and NYNEX

Each of Capital Funding and NYNEX may consolidate with or merge into any other corporation, and Capital Funding and NYNEX may sell or transfer all or substantially all of their assets to another corporation, provided, among other things, that (a) the corporation formed by or resulting from any such consolidation or merger or the transferee of such assets shall be a corporation organized and existing under the laws of the United States, any State thereof or the District of Columbia and shall expressly assume by supplemental indenture payment of the principal of (and premium, if any) and interest, if any, on the Debt Securities and the performance and observance of the Indenture, (b) after giving effect to the transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing, and (c) certain other conditions are met. (Section 801)

Upon any consolidation or merger, or any conveyance or transfer of the properties and assets of Capital Funding or NYNEX substantially as an entirety in accordance with the preceding paragraph, the successor corporation formed by such consolidation or into which Capital Funding or NYNEX is merged or to which such conveyance or transfer is made shall be substituted for Capital Funding or NYNEX, as the case may be, with the same effect as if such successor corporation had been named as Capital Funding or NYNEX, as the case may be. Thereafter Capital Funding or NYNEX, as the case may be, shall be relieved of all obligations and covenants under the Indenture and Capital Funding or NYNEX, as the case may be, may thereupon or any time thereafter be dissolved, wound up, or liquidated. (Section 802)

Events of Default

The following events are defined in the Indenture as "Events of Default" with respect to a series of Debt Securities: (i) default in the payment of any installment of interest on any Debt Securities of such series and any related coupons for 30 days after becoming due; (ii) default in the payment of the principal of (or premium, if any, on) any Debt Securities of such series when due; (iii) default in the performance of any other covenant for 90 days after notice; (iv) certain events of bankruptcy, insolvency or reorganization; and (v) any other Event of Default provided in the terms of the Debt Securities of such series, any such other Event of Default to be described in the applicable Prospectus Supplement. (Section 501) If an Event of Default shall occur and be continuing with respect to a series of Debt Securities, either the Trustee or the holders of at least 25% in principal amount of the outstanding Debt Securities of such series may declare the entire principal amount (or, in the case of Discounted Securities, Dual Currency Securities or Indexed Securities, such lesser amount as may be provided for in such Discounted Securities, Dual Currency Securities or Indexed Securities) of all the Debt Securities of such series to be immediately due and payable. (Section 502)

The Indenture provides that the Trustee shall, within 90 days after the occurrence of a default with respect to a particular series of Debt Securities, give the holders of the Debt Securities of such series notice of such default known to it (the term default to mean the events specified above without grace periods); provided that, except in the case of a default in the payment of principal of (or premium, if any) or interest, if any, on any of the Debt Securities of such series, the Trustee shall be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interest of the holders of the Debt Securities of such series. (Section 602)

Capital Funding and NYNEX are each required to furnish the Trustee annually a statement by certain officers of Capital Funding or NYNEX, as the case may be, to the effect that to the best of their knowledge Capital Funding or NYNEX, as the case may be, is not in default in the fulfillment of any of its obligations under the Indenture or, if there has been a default in the fulfillment of any such obligation, specifying each such default. (Section 1007)

The holders of a majority in principal amount of a particular series of Debt Securities outstanding have the right, subject to certain limitations, to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee with respect to such series or exercising any trust or power conferred on the Trustee, and to waive certain defaults. (Sections 512 and 513) The Indenture provides that in case an Event of Default shall occur and be continuing, the Trustee shall exercise such of its rights and powers under the Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. (Section 601) Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any of the holders of the Debt Securities unless they 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. (Section 603)

The Debt Securities will be governed by and construed in accordance with the laws of the State of New York. Courts in the United States customarily have not rendered judgments for money damages denominated in any currency other than U.S. dollars. Under New York law, any judgment with respect to a Debt Security or any related coupon denominated in a Foreign Currency will be rendered in such Foreign Currency and converted into U.S. dollars at a rate of exchange prevailing on the date of entry of the judgment or decree. In the event an action based on Debt Securities or related coupons denominated in a Foreign Currency were commenced in a court in the United States outside New York, the currency of judgment and/or applicable exchange rate may differ. The Indenture provides that if it is necessary for the purpose of obtaining a judgment in any court to convert any currency into any other currency, such conversion shall be made at a rate of exchange prevailing on the date Capital Funding or NYNEX makes payment to any person in satisfaction of the judgment. If pursuant to any judgment, conversion is to be made on a date other than the payment date, the Indenture provides that Capital Funding or NYNEX shall pay any additional amounts necessary to indemnify such person for any change between the rate of exchange prevailing on the payment date

and the rate of exchange prevailing on such other date. Capital Funding or NYNEX will not, however, be required to pay more in the currency or currency unit due under such Debt Security or coupon at the spot rate prevailing when payment is made than the amount of currency or currency unit stated to be due under such Debt Security or coupon, and Capital Funding or NYNEX will be entitled to withhold (or be reimbursed for, as the case may be) any excess of the amount actually realized upon any such conversion over the amount due and payable on the date of payment. (Section 516)

Defeasance

Satisfaction and Discharge. Except as may otherwise be set forth in the Prospectus Supplement relating to a series of Debt Securities, the Indenture provides that Capital Funding and NYNEX shall be discharged from their obligations under the Debt Securities of such series (with certain exceptions) at any time prior to the Stated Maturity or redemption thereof when (a) Capital Funding or NYNEX has irrevocably deposited with the Trustee, in trust, (i) sufficient funds in the currency, currencies, currency unit or units in which the Debt Securities of such series are

payable to pay the principal of (and premium, if any) and interest, if any, to Stated Maturity (or redemption) on, the Debt Securities of such series, or (ii) such amount of direct obligations of, or obligations the principal of (and premium, if any) and interest, if any, on which are fully guaranteed by, the government which issued the currency, and are payable in the currency, in which the Debt Securities of such series are payable, and which are not subject to prepayment, redemption or call, as will, together with the predetermined and certain income to accrue thereon without consideration of any reinvestment thereof, be sufficient to pay when due the principal of (and premium, if any) and interest, if any, to Stated Maturity (or redemption) on, the Debt Securities of such series, or (iii) any combination of funds or government obligations referred to in (i) or (ii), (b) Capital Funding or NYNEX has paid all other sums payable with respect to the Debt Securities of such series and (c) certain other conditions are met. Upon such discharge, the holders of the Debt Securities of such series shall no longer be entitled to the benefits of the Indenture, except for certain rights, including registration of transfer and exchange of the Debt Securities of such series and replacement of mutilated, destroyed, lost or stolen Debt Securities, and shall look only to such deposited funds or obligations. (Sections 401 and 403)

To effect the discharge described in the preceding paragraph, Capital Funding or NYNEX is required to deliver to the Trustee an opinion of legal counsel (which may be based on a ruling from or published by the Internal Revenue Service), to the effect that such discharge will not cause holders of Debt Securities to recognize income, gain or loss for United States federal income tax purposes, and that such holders of Debt Securities will be subject to United States federal income tax on the same amount and in the same manner and at the same time as would have been the case if such discharge had not occurred.

Defeasance of Certain Covenants and Certain Events of Default. If the terms of the Debt Securities of any series so provide, Capital Funding and NYNEX may omit to comply with the restrictive covenants in Section 801

(Consolidation, Merger, Conveyance or Transfer), Section 1009 (Lien on Assets) and, if so provided in the terms of the Debt Securities of any series and specified in the applicable Prospectus Supplement, any other covenant provided for the Debt Securities of such series, and any such omission with respect to such covenants shall not be an Event of Default with respect to such Debt Securities, if (a) Capital Funding or NYNEX deposits or causes to be deposited with the Trustee for such Debt Securities in trust an amount of (i) cash in the currency or currency unit in which such Debt Securities are payable (except as otherwise specified with respect to such Debt Securities), (ii) government obligations of the type referred to under "Satisfaction and Discharge" or (iii) a combination of such cash and government obligations, which amount, in the case of (ii) or (iii), together with the predetermined and certain income to accrue on any such government obligations when due (without the consideration of any reinvestment thereof), is sufficient to pay and discharge when due such Debt Securities and any related coupons for unpaid principal (and premium, if any) and interest, if any, to the Stated Maturity or any Redemption Date, as the case may be and (b) certain other conditions are met. The obligations of Capital Funding and NYNEX under the Indenture and the Debt Securities other than with respect to the covenants referred to above shall remain in full force and effect. (Section 1011)

In the event Capital Funding and NYNEX exercise their option to omit compliance with certain covenants of the Indenture with respect to the Debt Securities of any series as described above and the Debt Securities of such series are declared due and payable because of the occurrence of any Event of Default, the amount of cash and/or government obligations on deposit with the Trustee will be sufficient to pay amounts due on the Debt Securities of such series on their Stated Maturity or Redemption Date, but may not be sufficient to pay amounts due on such Debt Securities at the time of the acceleration resulting from such Event of Default. However, Capital Funding and NYNEX shall remain liable for such payments.

Meetings, Modification and Waiver

Modifications and amendments of the Indenture may be made by Capital Funding, NYNEX and the Trustee with the consent of the holders of more than 50% in principal amount of the Outstanding Debt Securities of each series issued under the Indenture affected by such modification or amendment; provided, however, that no such modification or amendment may, without the consent of the holder of each Outstanding Debt Security affected thereby, (a) change the Stated Maturity of the principal of, or any installment of principal of or interest, if any, on any Debt Security, (b) reduce the principal amount of (or premium, if any) or interest, if any, on any Debt Security, (c) change any obligation of Capital Funding to pay additional amounts as set forth under "Payment of Additional Amounts", (d) reduce the amount of principal of a Discounted Security, an Indexed Security or a Dual Currency Security payable upon acceleration of the maturity thereof, (e) change the Place of Payment, (f) change the currency or currency unit of payment of principal of (or premium, if any) or interest, if any, on any Debt Security, (g) impair the right to institute suit for the enforcement of any payment on or with respect to any Debt Security on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or (h) reduce the percentage in principal amount of Outstanding Debt Securities of any series, the consent of the holders of which is required for

modification or amendment of the Indenture or for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults. (Section 902)

The holders of not less than a majority in principal amount of the Outstanding Debt Securities of any series may on behalf of the holders of all Debt Securities of that series and any coupons appertaining thereto waive any past default under the Indenture with respect to that series, except a default in the payment of the principal of (or premium, if any) and interest, if any, on any Debt Security of that series or in respect of a provision which under the Indenture cannot be modified or amended without the consent of the holder of each Outstanding Debt Security of that series affected. (Section 513) The holders of not less than a majority in principal amount of the Outstanding Debt Securities of any series may, on behalf of the holders of all Debt Securities of such series, waive, insofar as that series is concerned, compliance by Capital Funding or NYNEX with certain restrictive provisions of the Indenture. (Section 1010)

The Indenture contains provisions for convening meetings of the holders of Debt Securities of a series if Debt Securities of that series are issuable as Bearer Securities. A meeting may be called at any time by the Trustee, and also, upon request, by Capital Funding or the holders of at least 10% in principal amount of the Outstanding Debt Securities of such series, in any such case upon notice given in accordance with "Notices" below. (Section 1402) Any resolution passed or decision taken at any meeting of holders of Debt Securities of any series duly held in accordance with the Indenture will be binding on all holders of Debt Securities of that series and the related coupons. The quorum at any meeting called to adopt a resolution, and at any reconvened meeting, will be persons holding or representing a majority in principal amount of the Outstanding Debt Securities of a series. (Section 1404)

Notices

Except as may otherwise be set forth in an applicable Prospectus Supplement relating to a series of Debt Securities, notices to holders of Bearer Securities will be given by publication in a daily newspaper in the English language of general circulation in The City of New York and in London, and so long as such Bearer Securities are listed on the Luxembourg Stock Exchange and the Luxembourg Stock Exchange shall so require, in a daily newspaper of general circulation in Luxembourg or, if not practical, elsewhere in Western Europe. Such publication is expected to be made in The Wall Street Journal, the Financial Times and the Luxemburger Wort. Notices to holders of Registered Securities will be given by mail to the addresses of such holders as they appear in the Security Register. (Sections 101 and 106)

Title

Title to any Bearer Securities and any coupons appertaining thereto will pass by delivery. Capital Funding, NYNEX, the Trustee and any agent of Capital Funding, NYNEX or the Trustee may treat the bearer of any Bearer Security and the bearer of any coupon and the registered owner of any Registered Security as the absolute owner thereof (whether or not such Debt Security or coupon shall be overdue and notwithstanding any notice to the

contrary) for the purpose of making payment and for all other purposes.
(Section 308)

Governing Law

The Indenture, the Debt Securities and the Guarantees are governed by and construed in accordance with the laws of the State of New York.

Concerning the Trustee

NYNEX and its subsidiaries have customary banking relationships with The Bank of New York, which is the Trustee under the Indenture.

PLAN OF DISTRIBUTION

General

Capital Funding may sell the Debt Securities being offered hereby:
(i) directly to purchasers, (ii) through agents, (iii) through underwriters,
(iv) through dealers or (v) through a combination of any such methods of sale.

The distribution of the Debt Securities may be effected from time to time in one or more transactions either (i) at a fixed price or prices, which may be changed; (ii) at market prices prevailing at the time of sale; (iii) at prices related to such prevailing market prices; or (iv) at negotiated prices.

Offers to purchase Debt Securities may be solicited directly by Capital Funding or by agents designated by Capital Funding from time to time. Any such agent, which may be deemed to be an underwriter, as that term is defined in the Securities Act, involved in the offer or sale of the Debt Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by Capital Funding to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any such agent will be acting on a best efforts basis for the period of its appointment. Agents may be customers of, engage in transactions with, or perform services for, Capital Funding, NYNEX and/or certain affiliates thereof in the ordinary course of business. An agent may resell a Debt Security purchased by it as principal to another broker-dealer at a discount.

If an underwriter or underwriters are utilized in the sale, Capital Funding and NYNEX will execute an underwriting agreement with such underwriters at the time of sale to them and the names of the underwriters and the terms of the transaction will be set forth in the Prospectus Supplement which will be used by the underwriters to make resales of the Debt Securities.

Except as otherwise indicated in the applicable Prospectus Supplement, if a dealer is utilized in the sale of the Debt Securities in respect of which this Prospectus is delivered, Capital Funding will sell such Debt Securities to the dealer, as principal. The dealer may then resell such Debt Securities to the public at varying prices to be determined by such dealer at the time of resale.

Underwriters, dealers, agents and other persons may be entitled, under agreements which may be entered into with Capital Funding and NYNEX, to indemnification against, or contribution with respect to, certain civil liabilities under the Securities Act.

Each underwriter, dealer and agent participating in the distribution of any Debt Securities that are issuable as Bearer Securities will agree that it will not offer, sell or deliver, directly or indirectly, Bearer Securities in the United States or to United States persons (other than qualifying financial institutions) in connection with the original issuance of such Debt Securities.

Delayed Delivery Arrangements

If so indicated in the Prospectus Supplement, Capital Funding will authorize agents and underwriters to solicit offers by certain institutions to purchase Debt Securities from Capital Funding at the public offering price set forth in the Prospectus Supplement pursuant to Delayed Delivery Contracts (the "Contracts") providing for payment and delivery on the date stated in the Prospectus Supplement. Each Contract will be for an amount not less than, and unless Capital Funding otherwise agrees, the aggregate principal amount of Debt Securities sold pursuant to Contracts shall be not less nor more than, the respective amounts stated in the 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 shall in all cases be subject to the approval of Capital Funding. Contracts will be not subject to any conditions except that the purchase by an institution of the Debt Securities covered by its Contract 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. A commission indicated in the Prospectus Supplement will be paid to underwriters and agents soliciting purchases of Debt Securities pursuant to Contracts accepted by Capital Funding.

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

EXPERTS

The consolidated financial statements and related financial statement schedules of NYNEX and its subsidiaries included or incorporated by reference in NYNEX's Annual Report on Form 10-K for the year ended December 31, 1992, have been audited by Coopers & Lybrand, independent accountants, as set forth in the report of such firm. The consolidated financial statements and financial statement schedules referred to above are incorporated by reference herein in reliance upon the report of Coopers & Lybrand given upon the authority of that firm as experts in accounting and auditing.

LEGAL MATTERS

The legality of the Debt Securities and the Guarantees to be offered

hereby will be passed upon for NYNEX by Raymond F. Burke, Executive Vice President and General Counsel of NYNEX, for Capital Funding by Jay N. Feldman, Counsel of NYNEX, and for any agent or underwriter, by Simpson Thacher & Bartlett (a partnership which includes professional corporations), 425 Lexington Avenue, New York, NY 10017. Simpson Thacher & Bartlett from time to time has acted as counsel in certain matters for NYNEX and certain of its subsidiaries.

<TABLE>
<CAPTION>

NYNEX CAPITAL FUNDING
COMPANY

Table of Contents

Page

Prospectus

\$1,500,000,000

<S>	<C>	
Available Information.....	2	
Incorporation of Documents		
by Reference.....	3	
NYNEX Corporation.....	3	
NYNEX Capital Funding Company.....	4	Unconditionally Guaranteed as
Risk Factors Relating to Currencies	4	to Payment of Principal,
Ratio of Earnings to Fixed Charges.	4	Premium, if any, and Interest by
Use of Proceeds.....	4	
Description of Debt Securities and		
Guarantees.....	5	NYNEX Corporation
Plan of Distribution.....	24	
Experts.....	26	
Legal Matters.....	26	NYNEX LOGO

PROSPECTUS

</TABLE>

<TABLE>

PART II

<CAPTION>

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

<S>	<C>
Securities and Exchange Commission Filing Fee. . . .	\$458,968.73*
Rating Agency Fees	159,110.00*
Fees and Expenses of Trustee	15,000.00*
Printing and Distributing Prospectus, Prospectus Supplement, Securities and Miscellaneous Material .	50,000.00*
Accountants' Fees and Expenses	40,000.00*
Legal Fees and Expenses.	100,000.00*
Blue Sky Fees and Expenses	12,000.00*
Miscellaneous Expenses	25,000.00*
Total.	\$860,078.73*

*Estimated.

</TABLE>

Item 15. Indemnification of Directors and Officers.

Section 145, as amended, of the Delaware General Corporation Law provides that a Delaware corporation may indemnify, among others, its officers, directors, employees and agents under the circumstances described in the statute. Article 9, as amended May 6, 1987, of the Restated Certificate of Incorporation of NYNEX provides for indemnification of NYNEX directors and officers as follows:

"9.1 The corporation shall indemnify any person who was or is a party or witness, or is threatened to be made a party or witness, to any threatened, pending or completed action, suit or proceeding (including, without limitation, an action, suit or proceeding by or in the right of the corporation), whether civil, criminal, administrative or investigative (including a grand jury proceeding), by reason of the fact that he or she (a) is or was a director or officer of the corporation or, (b) as a director or officer of the corporation, is or was serving

at the request of the corporation as a director, officer, employee, agent, partner or trustee (or in any similar position) of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, to the fullest extent authorized or permitted by the General Corporation Law of Delaware and any other applicable law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, or in connection with any appeal thereof; provided, however, that, except as

II-1

provided in Section 9.2 of this Article with respect to proceedings to enforce rights to indemnification, the corporation shall indemnify any such person in connection with an action, suit or proceeding (or part thereof) initiated by such person only if the initiation of such action, suit or proceeding (or part thereof) was authorized by the Board of Directors. Such right to indemnification shall include the right to payment by the corporation of expenses incurred in connection with any such action, suit or proceeding in advance of its final disposition; provided, however, that the payment of such expenses incurred by a director or officer in advance of the final disposition of such action, suit or proceeding shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it should be determined ultimately that such director or officer is not entitled to be indemnified under this Article or otherwise.

9.2 Any indemnification or advancement of expenses required under this Article shall be made promptly, and in any event within sixty days, upon the written request of the person entitled thereto. If a determination by the corporation that the person is entitled to indemnification pursuant to this Article is required, and the corporation fails to respond within sixty days to a written request for indemnity, the corporation shall be deemed to have approved such request. If the corporation denies a written request for indemnity or advancement of expenses, in whole or in part, or if payment in full pursuant to such request is not made within sixty days, the right to indemnification and advancement of expenses as granted by this Article shall be enforceable by the person in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action or proceeding shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for the advancement of expenses pursuant to this Article where the required undertaking has been received by the corporation) that the claimant has not met the standard of conduct set forth in the General Corporation Law of Delaware, but the burden of proving such defense shall be on the

corporation. Neither the failure of the corporation (including the Board of Directors, independent legal counsel or the stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of Delaware, nor the fact that there has been an actual determination by the corporation (including the Board of Directors, independent legal counsel or the stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

9.3 The indemnification and advancement of expenses provided by, or granted pursuant to, this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of

II-2

stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person. Any repeal or modification of the provisions of this Article 9 shall not affect any obligations of the corporation or any rights regarding indemnification and advancement of expenses of a director, officer, employee or agent with respect to any threatened, pending or completed action, suit or proceeding for which indemnification or the advancement of expenses is requested, in which the alleged cause of action accrued at any time prior to such repeal or modification.

9.4 The corporation may purchase and maintain insurance, at its expense, to protect itself and any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of this Article, the General Corporation Law of Delaware or otherwise.

9.5 If this Article or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and officer of the corporation as to expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including, without limitation, a grand jury proceeding and an action, suit or proceeding by or in the right of the corporation, to the fullest extent permitted by any applicable portion of this Article that shall

not have been invalidated, by the General Corporation Law of Delaware or by any other applicable law."

Substantially identical indemnification provisions are contained in NYNEX's By-Laws.

The directors and officers of NYNEX are covered by insurance policies indemnifying against certain liabilities, including certain liabilities arising under the Securities Act of 1933, which might be incurred by them in such capacities and against which they cannot be indemnified by NYNEX.

II-3

Item 16. Exhibits.

- *1-a -Form of Underwriting Agreement.
- *4-a -Indenture dated as of April 1, 1990 from NYNEX Capital Funding Company and NYNEX Corporation to The Bank of New York, Trustee (incorporated by reference to Exhibit 4a to Registration Statement Nos. 33-34401 and 33-34401-01). The form or forms of Debt Securities and Guarantees with respect to each particular series of Debt Securities registered hereunder will be filed as an exhibit to a Current Report on Form 8-K of NYNEX Corporation and incorporated herein by reference.
- 4-b -Form of First Supplemental Indenture from NYNEX Capital Funding Company and NYNEX Corporation to The Bank of New York, Trustee.
- *5-a -Opinion of Raymond F. Burke, Executive Vice President and General Counsel of NYNEX Corporation, as to the legality of the Debt Securities to be issued.
- *5-b -Opinion of Jay N. Feldman, General Attorney-Corporate of NYNEX Corporation, as to the legality of the Debt Securities to be issued.
- *12 -Computation of Ratio of Earnings to Fixed Charges (incorporated herein by reference to Exhibit 12 to NYNEX Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993).
- 23-a -Consent of Coopers & Lybrand, independent accountants.
- *23-b -Consent of Raymond F. Burke, Executive Vice President and General Counsel of NYNEX Corporation, is contained in his opinion filed as Exhibit 5-a.
- *23-c -Consent of Jay N. Feldman, General Attorney-Corporate of NYNEX Corporation, is contained in his opinion filed as Exhibit 5-b.
- *24 -Powers of Attorney.

*Previously filed.

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 this 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 this registration statement;

II-4

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

provided, however, that paragraphs (i) and (ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this 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 herein, 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 registrants hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in this registration statement shall be deemed to be a new registration statement

relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the 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 of 1933 and will be governed by the final adjudication of such issue.

II-5

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NYNEX Corporation certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Post-Effective Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in The City of New York and State of New York, on the 19th day of January, 1994.

NYNEX CORPORATION

By P. M. Ciccone
(P. M. Ciccone, Vice President and
Comptroller)

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 1 to the Registration Statement has been signed below by the following persons in the capacities and on the date indicated.

Principal Executive Officer:
W. C. Ferguson*

Chairman of the Board and
Chief Executive Officer

Principal Financial Officer:
J. S. Rubin*

Executive Vice President and
Chief Financial Officer

Principal Accounting Officer:
P. M. Ciccone*

Vice President and Comptroller

A Majority of Directors:

John J. Creedon*
W. C. Ferguson*
Stanley P. Goldstein*
Helene L. Kaplan*
Elizabeth T. Kennan*
David J. Mahoney*
F. V. Salerno*
Ivan Seidenberg*
Walter V. Shipley*
John R. Stafford*

*By P. M. Ciccone
(P. M. Ciccone, as attorney-in-fact
and on his own behalf as
Principal Accounting Officer)

January 19, 1994

II-6

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NYNEX Capital Funding Company certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Post-Effective Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in The City of New York and State of New York, on the 21st day of January, 1994.

NYNEX CAPITAL FUNDING COMPANY

By G.L. Borges
G.L. Borges
Executive Vice President - Finance

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 1 to the Registration Statement has been signed below by the following persons in the capacities and on the date indicated.

Principal Executive Officer:
J. S. Rubin*

Chairman of the Board

Principal Financial Officer:
G. L. Borges*

Executive Vice President-Finance

Principal Accounting Officer:
D. H. Benson

Comptroller

Directors:

J. S. Rubin*
P. M. Ciccone*
J. N. Feldman*
M. Meskin*
C. P. Turner*

*By G.L. Borges
(G. L. Borges, as attorney-in-fact
and on his own behalf as
Principal Financial Officer)

January 21, 1994

II-7

FORM OF

NYNEX CAPITAL FUNDING COMPANY
Issuer

AND

NYNEX CORPORATION
Guarantor

AND

THE BANK OF NEW YORK,
Trustee

FIRST SUPPLEMENTAL INDENTURE

Dated as of _____, 1994

THIS FIRST SUPPLEMENTAL INDENTURE, dated as of _____, 1994, is between NYNEX CAPITAL FUNDING COMPANY, a corporation duly incorporated and existing under the laws of the State of Delaware (the "Company"), and NYNEX CORPORATION, a corporation duly incorporated and existing under the laws of the State of Delaware (the "Guarantor"), and THE BANK OF NEW YORK, a corporation organized and existing under the laws of the State of New York, acting as Trustee under the Original Indenture referred to below (the "Trustee").

W I T N E S S E T H :

WHEREAS, the Company has duly authorized the execution and delivery of an Indenture dated as of April 1, 1990 (the "Original Indenture") to provide for the issuance from time to time of its securities evidencing its unsecured indebtedness to be issued in one or more series (the "Securities"), as in the Original Indenture provided, unlimited as to principal amount;

WHEREAS, the Guarantor has duly authorized the execution and delivery of the Original Indenture to provide, among other things, for Guarantees (as defined in the Original Indenture) to be executed by the Guarantor and endorsed on the Securities from time to time;

WHEREAS, the Company and the Guarantor have requested the Trustee to join with them in the execution and delivery of this First Supplemental Indenture;

WHEREAS, the Original Indenture, as amended by this First Supplemental Indenture, is hereinafter referred to as the "Indenture";

WHEREAS, Section 901(12) of the Indenture provides that a supplemental indenture may be entered into by the Company, the Guarantor and the Trustee, without the consent of any Holders of Securities, to make provisions with respect to matters or questions arising under the Indenture, provided such action shall not adversely affect the interests of the Holders of Securities of any particular series in any material respect;

WHEREAS, the Company has determined that this First Supplemental Indenture complies with said Section 901(12) and does not require the consent of any Holders of Securities, and, on the basis of the foregoing, the Trustee has determined that this First Supplemental Indenture is in form satisfactory to it;

WHEREAS, all things necessary to make this First Supplemental Indenture a valid agreement of the Company and the Guarantor, in accordance with its terms, have been done and performed, and the execution and delivery of this First Supplemental Indenture by the Company and the Guarantor have in all respects been duly authorized;

WHEREAS, the Trustee makes no representations as to the validity or sufficiency of this First Supplemental Indenture; and

WHEREAS, capitalized terms herein, not otherwise defined, shall have the same meanings given them in the Original Indenture;

NOW, THEREFORE, 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 series thereof, as follows:

SECTION 1. AMENDMENTS TO THE INDENTURE

1.1 Amendment to Section 101 of the Indenture.

(a) Section 101 of the Indenture is hereby amended by deleting in their entirety the definitions of "Business Day", "CEDEL, S.A.", "Component Currency", "Conversion Date", "Conversion Event", "Currency Determination Agent", "Discounted Security", "Dollar Equivalent of the Currency Unit", "Dollar Equivalent of the Foreign Currency", "Election Date", "Exchange Rate Officer's Certificate", "Foreign Currency", "Judgment Date", "Specified Amount", "Substitute Date", "United States" and "Valuation Date".

(b) Section 101 of the Indenture is hereby amended by inserting in proper alphabetical order the following definitions:

"Amortizing Security" means any Security as to which amounts in respect of interest thereon and principal thereof are payable over the life of the Security, according to an amortization schedule, all as specified in accordance with Section 301.

"Business Day" means with respect to any Security, unless otherwise specified in accordance with Section 301, any day, other than a Saturday or Sunday, that meets each of the following applicable requirements: such day is (a) not a day on which banking institutions in the Borough of Manhattan, The City of New York are authorized or required by law, regulation or executive order to close; (b) if the Security is denominated in a Foreign Currency other than the ECU, (x) not a day on which banking institutions are authorized or required by law or regulation to close in the principal financial center of the country

issuing the ForeignCurrency and (y) a day on which banking institutions in such principal financial center are carrying out transactions in such Foreign Currency; (c) if the Security is denominated in ECU, (x) not a day on which banking institutions are authorized or required by law or regulation to close in Luxembourg and (y) an ECU clearing day, as determined by the ECU Banking Association in Paris; and (d) if such Security is a LIBOR Security, a London Banking Day.

"CEDEL, S.A." means Cedel, S.A..

"Component Currency" has the meaning specified in Section 311(e).

"Conversion Event" means, with respect to any Foreign Currency, (i) the unavailability to the Company of such Foreign Currency for making payments thereof due to the imposition of exchange controls or other circumstances beyond the Company's control, (ii) the cessation of use of such Foreign Currency as a unit of domestic exchange by the government or governments of the country or countries which so used such currency or (iii) the cessation of use of such Foreign Currency for the settlement of transactions by public institutions of or within the international banking community.

"Currency Determination Agent", with respect to Securities of any series, means a Person (other than the Trustee) designated pursuant to Section 301 or Section 312.

"Discounted Security" means any Security which provides for an amount (excluding any amounts attributable to accrued but unpaid interest thereon) less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502 and which is designated as a Discounted Security pursuant to Section 301.

"Dual Currency Security" means any Security as to which the Company has the option of making any scheduled payment of principal, premium, if any, or interest in either of two currencies, all as specified in accordance with Section 301.

"Election Date" has the meaning specified in Section 311(e).

"Foreign Currency" means any currency or composite currency actively maintained as a recognized unit of domestic exchange by the government or governments of any country or countries other than the United States.

"Indexed Security" means any Security as to which the amount of payments of principal, premium, if any, and/or interest due thereon is determined with reference to the rate of exchange between the currency or currency unit in which the Security is denominated and any other specified currency or currency unit, to the relationship between two or

more currencies or currency units, to the price of one or more specified securities or commodities, to one or more securities or commodities exchange indices or other indices or by other similar methods or formulas, all as specified in accordance with Section 301.

"LIBOR" means, with respect to any series of Securities, the rate specified as LIBOR for such Securities in accordance with Section 301.

"LIBOR Security" means any Security which bears interest at a floating rate calculated with reference to LIBOR.

"London Banking Day" means, with respect to any LIBOR Security, any day on which dealings in deposits in the currency in which such LIBOR Security is denominated are transacted in the London interbank market.

"Market Exchange Rate" with respect to any Foreign Currency on any date means, unless otherwise specified in accordance with Section 301, the noon buying rate in The City of New York for cable transfers in such Foreign Currency as certified for customs purposes by the Federal Reserve Bank of New York for such Foreign Currency on the second Business Day prior to such date (or, in the event such buying rate is not then available, the most recently available buying rate for such Foreign Currency).

"United States" means the United States of America (including the States and the District of Columbia), and its "possessions", which include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands."

(c) Section 101 of the Indenture is hereby amended by inserting immediately before the period at the end of the definition of "Outstanding" the following new clause (c):

" and (c) the principal amount of any Indexed Security that shall be deemed to be Outstanding for such purposes shall be deemed to be the face amount thereof unless the specified terms of any such Indexed Security provide otherwise and the principal amount of any Dual Currency Security shall be the amount that would be due and payable with respect to such Dual Currency Security as of the date of such determination upon a declaration of acceleration pursuant to Section 502."

1.2 Amendment to Section 104 of the Indenture.

Section 104 of the Indenture is hereby amended by adding, immediately before the period at the end of paragraph (f) thereof, the following:

", and the principal amount of any Indexed Security that may be counted in making such determination and that shall be deemed to be Outstanding

for such purposes shall be deemed to be the face amount thereof unless the specified terms of any such Indexed Security provide otherwise, and the principal amount of any Dual Currency Security that may be counted in making such determination and that shall be deemed to be Outstanding for such purposes shall be equal to the amount of the principal thereof that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502 at the time the taking of such action by the Holders of such requisite principal amount is evidenced to the Trustee for such Securities."

1.3 Amendment to Section 113 of the Indenture.

Section 113 of the Indenture is hereby amended by deleting such Section in its entirety and inserting in lieu thereof the following:

"SECTION 113. Non-Business Day.

Except as otherwise specified as contemplated by Section 301 with respect to the Securities of any series, in any case where any Interest Payment Date, Redemption Date or Stated Maturity of a Security of any

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

1.4 Amendment to Section 204 of the Indenture.

(a) Section 204 of the Indenture is hereby amended by adding, at the end of the first paragraph thereof, the following:

"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."

(b) Section 204 of the Indenture is hereby amended by adding, at the end of the second paragraph thereof, the following:

"Permanent global Securities will be issued in definitive form."

1.5 Amendment to Section 301 of the Indenture.

(a) Section 301 of the Indenture is hereby amended by deleting the parenthetical phrase "(including the Election Date)" where it appears in paragraph (14) of said Section 301.

(b) Section 301 of the Indenture is hereby amended by deleting paragraphs (15), (16) and (20) thereof in their entirety, by deleting the word "and" at the end of paragraph (25) thereof, by redesignating paragraph (26) thereof as paragraph (31) thereof, and by inserting the following paragraphs in proper numerical order:

"(15) the designation of the original Currency Determination Agent, if any, and the designation of any other agent for purposes of making determinations or calculations with respect to the Securities of such series or otherwise;

(16) if any of the Securities of such series are issuable as Indexed Securities, the manner in which the amount of payments of principal, premium, if any, and/or interest due thereon shall be determined, and any other special terms with respect to such Indexed Securities;

(20) the application, if any, of Section 1004 or 1011 to any of the Securities of that series, and, if applicable, any covenant not set forth herein and specified pursuant to this Section 301 to be applicable to any of the Securities of such series and subject to Section 1010 or Section 1011 or both such Sections;

(26) if any of the Securities of such series are issuable as Dual Currency Securities, the two currencies in either of which any scheduled payment of principal, premium, if any, or interest due thereon may be made at the option of the Company, and any other special terms with respect to such Dual Currency Securities;

(27) if any of the Securities of such series are issuable as Amortizing Securities, the amortization schedule according to which amounts in respect of interest thereon and principal thereof are payable over the life of such Amortizing Securities, and any other special terms with respect to such Amortizing Securities;

(28) if any of the Securities of such series are issuable as Discounted Securities, a designation of such Securities as Discounted Securities;

(29) if Section 311(b) applies to any of the Securities of such series, the Election Date;

(30) if other than as set forth in Section 113, provisions relating to the payment of principal of (and premium, if any) and interest, if any, with respect to Securities of such series in any case where any

Interest Payment Date, Redemption Date or Stated Maturity of any Security of such series shall not be a Business Day at any Place of Payment with respect to the Securities of such series; and"

1.6 Amendment to Section 303 of the Indenture.

Section 303 of the Indenture is hereby amended by deleting the two provisos to the first sentence of the third paragraph thereof and inserting in lieu thereof the following:

"; provided, however, that, in connection with its sale, during the "restricted period" (as defined in Section 1.163-5(c)(2)(i)(D)(7) of the United States Treasury Regulations), no Bearer Security shall be mailed or otherwise delivered to any location in the United States; and provided, further, that such Bearer Security (other than a temporary global Security in bearer form) may be delivered outside the United States in connection with its original issuance only if the Person entitled to receive such Bearer Security shall have furnished to Euroclear or CEDEL, S.A., a certificate substantially in the form set forth in Exhibit A to this Indenture."

1.7 Amendment to Section 304 of the Indenture.

Section 304 of the Indenture is hereby amended by deleting the fourth through the tenth paragraphs thereof in their entirety and inserting in lieu thereof the following:

"Without unnecessary delay but in any event not later than the date specified in or determined pursuant to the terms of any such temporary global Security which (subject to any applicable laws and regulations) shall be 40 days after the closing of the sale of Securities or within a reasonable period of time thereafter (the "Exchange Date"), the

Securities represented by any temporary global Security of a series of Securities issuable in bearer form may be exchanged for definitive Securities (subject to the second succeeding paragraph), including one or more permanent global Securities in definitive form, without interest coupons, having endorsed thereon a Guarantee or Guarantees executed by the Guarantor. On or after the Exchange Date such temporary global Security shall be surrendered by the Depositary to the Trustee for such Security, as the Company's agent for such purpose, or the agent appointed by the Company pursuant to Section 301 to effect the exchange of the temporary global Security for definitive Securities (including any director or officer of the Global Exchange Agent authorized by the Trustee as an Authenticating Agent pursuant to Section 614) (the "Global Exchange Agent"), and following such surrender, such Trustee or the Global Exchange Agent shall (1) endorse the temporary global Security to reflect the reduction of its principal amount by an equal aggregate principal amount of such Security, (2) endorse the applicable permanent

global Security, if any, to reflect the initial amount, or an increase in the amount of Securities represented thereby, (3) manually authenticate such definitive Securities, including any permanent global Security, (4) subject to Section 303, either deliver such definitive Securities to the Holder thereof or, if such definitive Security is a permanent global Security, deliver such permanent global Security to the Depository to be held outside the United States for the accounts of Euro-clear and CEDEL, S.A., for credit to the respective accounts at Euro-clear and CEDEL, S.A., designated by or on behalf of the beneficial owners of such Securities (or to such other accounts as they may direct) and (5) redeliver such temporary global Security to the Depository, unless such temporary global Security shall have been cancelled in accordance with Section 309 hereof; provided, however, that, unless otherwise specified in such temporary global Security, upon such presentation by the Depository, such temporary global Security shall be accompanied by a certificate dated the Exchange Date or a subsequent date and signed by Euro-clear as to the portion of such temporary global Security held for its account then to be exchanged for definitive Securities (including any permanent global Security), and a certificate dated the Exchange Date or a subsequent date and signed by CEDEL, S.A. as to the portion of such temporary global Security held for its account then to be exchanged for definitive Securities (including any permanent global Security), each substantially in the form set forth in Exhibit B to this Indenture. Each certificate substantially in the form of Exhibit B hereto of Euro-clear or CEDEL, S.A., as the case may be, shall be based on certificates of the account holders listed in the records of Euro-clear or CEDEL, S.A., as the case may be, as being entitled to all or any portion of the applicable temporary global Security. An account holder of Euro-clear or CEDEL, S.A., as the case may be, desiring to effect the exchange of interest in a temporary global Security for an interest in definitive Securities (including any permanent global Security) shall instruct Euro-clear or CEDEL, S.A., as the case may be, to request such exchange on its behalf and shall deliver to Euro-clear or CEDEL, S.A., as the case may be, a certificate substantially in the form of Exhibit A hereto and dated no earlier than 15 days prior to the Exchange Date. Until so exchanged,

temporary global Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities (including any permanent global Security) of the same series authenticated and delivered hereunder, except as provided in the fourth succeeding paragraph.

The delivery to the Trustee for the Securities of the appropriate series or the Global Exchange Agent by Euro-clear or CEDEL, S.A. of any certificate substantially in the form of Exhibit B hereto may be relied upon by the Company, the Guarantor, and such Trustee or Global Exchange Agent as conclusive evidence that a corresponding certificate or certificates has or have been delivered to Euro-clear or to CEDEL, S.A.,

as the case may be, pursuant to the terms of this Indenture.

On or prior to the Exchange Date, the Company shall deliver to the Trustee for the Securities of the appropriate series or to the Global Exchange Agent definitive Securities in aggregate principal amount equal to the principal amount of such temporary global Security, executed by the Company and having endorsed thereon Guarantees executed by the Guarantor. At any time, on or after the Exchange Date, upon 30 days' notice to the Trustee for the Securities of the appropriate series or the Global Exchange Agent by Euro-clear or CEDEL, S.A., as the case may be, acting at the request of or on behalf of the beneficial owner, a Security represented by a temporary global Security or a permanent global Security, as the case may be, may be exchanged, in whole or from time to time in part, for definitive Securities without charge and such Trustee or the Global Exchange Agent shall authenticate and deliver, in exchange for each portion of such temporary global Security, or such permanent global Security, an equal aggregate principal amount of definitive Securities of the same series of authorized denominations and with like terms and provisions as the portion of such temporary global Security or such permanent global Security to be exchanged, which, unless the Securities of the series are not issuable both as Bearer Securities and as Registered Securities, as contemplated by Section 301, shall be in the form of Bearer Securities or Registered Securities, or any combination thereof, as shall be specified by the beneficial owner thereof; provided, however, that definitive Bearer Securities shall be delivered in exchange for a portion of the temporary global Security or the permanent global Security only in compliance with the requirements of the second preceding paragraph. On or prior to the 30th day following receipt by the Trustee for the Securities of the appropriate series or the Global Exchange Agent of such notice with respect to a Security, or, if such day is not a Business Day, the next succeeding Business Day, the temporary global Security or the permanent global Security, as the case may be, shall be surrendered by the Depositary to such Trustee, as the Company's agent for such purpose, or the Global Exchange Agent to be exchanged in whole, or from time to time in part, for definitive Securities or, in the case of the permanent global Security, other definitive Securities, without charge following such surrender, upon the request of Euro-clear or CEDEL, S.A., as the case may be, and such Trustee or the Global Exchange Agent shall (1) endorse the applicable temporary global Security or the permanent global Security to reflect the reduction of its principal amount by the

aggregate principal amount of such Securities, (2) in accordance with procedures acceptable to the Trustee cause the terms of such Security and coupons, if any, to be entered on a definitive Security, (3) manually authenticate such definitive Security and (4) if a Bearer Security is to be delivered, deliver such definitive Security outside the United States to Euro-clear or CEDEL, S.A., as the case may be, for or on behalf of the beneficial owner thereof, in exchange for a portion

of such temporary global Security or such permanent global Security, as the case may be.

Unless otherwise specified in such temporary global Security or permanent global Security, any such exchange shall be made free of charge to the beneficial owners of such temporary global Security or permanent global Security, except that a Person receiving definitive Securities must bear the cost of insurance, postage, transportation and the like in the event that such Person does not take delivery of such definitive Securities in person at the offices of Euro-clear or CEDEL, S.A. Definitive Securities in bearer form to be delivered in exchange for any portion of a temporary global Security or a permanent global Security shall be delivered only outside the United States.

Until exchanged in full as hereinabove provided, any temporary global Security or definitive permanent global Security shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of the same series and with like terms and conditions, except as to payment of interest, if any, authenticated and delivered hereunder. Unless otherwise specified as contemplated by Section 301, interest payable on a temporary global Bearer Security on an Interest Payment Date for Securities of such series shall be payable to Euro-clear and CEDEL, S.A. on such Interest Payment Date upon delivery by Euro-clear and CEDEL, S.A. to the Trustee for the Securities of the appropriate series or the Global Exchange Agent in the case of payment of interest on a temporary global Security with respect to an Interest Payment Date occurring prior to the applicable Exchange Date of a certificate or certificates substantially in the form set forth in Exhibit B to this Indenture, for credit without further interest on or after such Interest Payment Date to the respective accounts of the Persons who are the beneficial owners of such global Security on such Interest Payment Date and who have, in the case of payment of interest on a temporary global Security with respect to an Interest Payment Date occurring prior to the applicable Exchange Date, each delivered to Euro-clear or CEDEL, S.A., as the case may be, a certificate substantially in the form set forth in Exhibit A to this Indenture.

Any definitive Bearer Security authenticated and delivered by the Trustee for the Securities of the appropriate series or the Global Exchange Agent in exchange for a portion of a temporary global Security shall not bear a coupon for any interest which shall theretofore have been duly paid by such Trustee to Euro-clear or CEDEL, S.A. or by the Company to such Trustee in accordance with the provisions of this Section 304.

With respect to Exhibits A and B to this Indenture, the Company may, in its discretion and if required or desirable under applicable law, substitute one or more other forms of such exhibits for such exhibits, eliminate the requirement that any or all certificates be provided, or

change the time that any certificate may be required, provided that such substitute form or forms or notice of elimination or change of such certification requirements have theretofore been delivered to the Trustee with a Company Request and such form or forms, elimination or change is reasonably acceptable to the Trustee."

1.8 Amendment to Section 307 of the Indenture.

(a) Section 307 of the Indenture is hereby amended by inserting immediately before the period at the end of the first paragraph thereof the following:

"; provided, however, that, unless otherwise specified as contemplated by Section 301, interest, if any, payable on such Registered Security at maturity or upon earlier redemption or repayment shall be payable to the Person to whom principal shall be payable."

(b) Section 307 of the Indenture is hereby amended by deleting the second paragraph thereof and inserting in lieu thereof the following:

"Unless otherwise provided with respect to the Securities of any series, payment of interest may be made at the option of the Company (i) in the case of Registered Securities, by check mailed or delivered to the address of the Person entitled thereto as such address shall appear in the Security Register or by transfer to an account maintained by the payee with a bank located inside the United States, or (ii) in the case of Bearer Securities, except as otherwise provided in Section 1002, upon presentation and surrender of the appropriate coupon appertaining thereto at an office or agency of the Company in a Place of Payment located outside the United States or by transfer to an account maintained by the payee with a bank located outside the United States.

Unless otherwise provided or contemplated by Section 301, every permanent global Security will provide that interest, if any, payable on any Interest Payment Date will be paid to each of Euro-clear and CEDEL, S.A. with respect to that portion of such permanent global Security held for its account by the Depositary. Each of Euro-clear and CEDEL, S.A. will in such circumstances credit the interest received by it in respect of such permanent global Security to the accounts of the beneficial owners thereof."

1.9 Amendment to Sections 307, 1001, 1003, 1105, 1106 and 1203 of the Indenture.

Sections 307, 1001, 1003, 1105, 1106 and 1203 of the Indenture are hereby amended by deleting the phrase "311(b), 311(d) and 311(e)" appearing in each such Section and inserting the phrase "311(b) and 311(d)" in lieu thereof.

1.10 Amendment to Section 311 of the Indenture.

Section 311 of the Indenture is hereby amended by deleting such Section in its entirety and inserting in lieu thereof the following:

"SECTION 311. Currency and Manner of Payments in Respect of Registered Securities.

Unless otherwise specified in accordance with Section 301 with respect to any series of Registered Securities, the following provisions shall apply:

(a) Except as provided in paragraphs (b) and (d) below, the principal of, premium, if any, and interest on Registered Securities of any series denominated in a Foreign Currency will be payable by the Company in Dollars based on the equivalent of that Foreign Currency converted into Dollars in the manner described in paragraph (c) below.

(b) It may be provided pursuant to Section 301 with respect to Registered Securities of any series denominated in a Foreign Currency that Holders shall have the option, subject to paragraph (d) below, to receive payments of principal of, premium, if any, and interest on such Registered Securities in such Foreign Currency by delivering to the Trustee (or to any duly appointed Paying Agent) a written election, to be in form and substance satisfactory to the Trustee (or to any such Paying Agent), not later than the close of business on the Election Date immediately preceding the applicable payment date. If a Holder so elects to receive such payments in such Foreign Currency, such election will remain in effect for such Holder until changed by such Holder by written notice to the Trustee (or to any such Paying Agent); provided, however, that any such change must be made not later than the close of business on the Election Date immediately preceding the next payment date to be effective for the payment to be made on such payment date; and provided, further, that no such change or election may be made with respect to payments to be made on any Registered Security of such series with respect to which an Event of Default has occurred, the Company has exercised any satisfaction or discharge or defeasance options pursuant to Article Four or Section 1011 or notice of redemption has been given by the Company pursuant to Article Eleven. In the event any Holder makes any such election, such election will not be effective as to any transferee of such Holder and such transferee shall be paid in Dollars unless such transferee makes an election as specified above; provided, however, that such election, if in effect while funds are on deposit with respect to the Registered Securities as described in Section 401(a)(1)(B) or Section 1011, will be effective on any transferee of such Holder unless otherwise specified pursuant to Section 301 for such Registered Securities. Any Holder of any such Registered Security who shall not have delivered any such election to the Trustee (or to any duly appointed Paying Agent) not later than the close of business on the applicable Election Date will be paid the amount due on the applicable

payment date in Dollars.

(c) With respect to any Registered Security denominated in a Foreign Currency and payable in Dollars, the amount of Dollars so payable will be determined by the Currency Determination Agent based on the indicative quotation in The City of New York selected by the Currency Determination Agent at approximately 11:00 A.M., New York City time, on the second Business Day preceding the applicable payment date that yields the least number of Dollars upon conversion of the Foreign Currency. Such selection shall be made from among the quotations appearing on the bank composite or multi-contributor pages of the Reuters Monitor Foreign Exchange Service or, if not available, the Telerate Monitor Foreign Exchange Service. If such quotations are unavailable from either such foreign exchange service, such selection shall be made from the quotations received by the Currency Determination Agent from no more than three nor less than two recognized foreign exchange dealers in The City of New York selected by the Currency Determination Agent and approved by the Company (one of which may be the Currency Determination Agent) for the purchase by the quoting dealer, for settlement on such payment date, of the aggregate amount of the Foreign Currency payable on such payment date in respect of all Securities denominated in such Foreign Currency and for which the applicable dealer commits to execute a contract. If no such bid quotations are available, payments shall be made in the Foreign Currency.

(d) If a Conversion Event occurs with respect to a Foreign Currency in which any of the Registered Securities are payable, then with respect to each date for the payment of principal of, premium, if any, and interest on such Registered Securities occurring after the last date on which such Foreign Currency was used, the Company may make such payment in Dollars. The Dollar amount to be paid by the Company to the Trustee and by the Trustee or any Paying Agent to the Holders of such Registered Securities with respect to such payment date shall be determined by the Currency Determination Agent on the basis of the Market Exchange Rate. Any payment in respect of such Security made under such circumstances in Dollars will not constitute an Event of Default hereunder.

(e) For purposes of this Indenture the following terms shall have the following meanings:

A "Component Currency" shall mean any currency which is a component currency of any composite currency, including, without limitation, the ECU.

"Election Date" shall mean, for any Registered Security, the date specified pursuant to Section 301(29).

(f) Notwithstanding any other provisions of this Section 311, the following shall apply: (i) if the official unit of any Component Currency is altered by way of combination or subdivision, the number of units of that currency as a component shall be divided or multiplied in the same proportion, (ii) if two or more Component Currencies are

consolidated into a single currency, the amounts of those currencies as components shall be replaced by an amount in such single currency equal to the sum of the amounts of the consolidated Component Currencies expressed in such single currency, (iii) if any Component Currency is divided into two or more currencies, the amount of that original Component Currency as a component shall be replaced by the amounts of such two or more currencies having an aggregate value on the date of division equal to the amount of the former Component Currency immediately before such division and (iv) in the event of an official redenomination of any currency (including without limitation, a composite currency), the obligations of the Company to make payments in or with reference to such currency on any Registered Securities shall, in all cases, be deemed immediately following such redenomination to be obligations to make payments in or with reference to that amount of redenominated currency representing the amount of such currency immediately before such redenomination.

(g) All determinations referred to in this Section 311 made by the Currency Determination Agent shall be in its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and irrevocably binding upon the Holders of the applicable Registered Securities. The Currency Determination Agent shall promptly give written notice to the Trustee of any such decision or determination. The Currency Determination Agent shall have no liability for any determinations referred to in this Section 311 made by it.

(h) The Trustee shall be fully justified and protected in relying and acting upon information received by it from the Company and the Currency Determination Agent with respect to any of the matters addressed in or contemplated by this Section 311 and shall not otherwise have any duty or obligation to determine such information independently."

1.11 Amendment to Section 401 of the Indenture.

(a) Section 401 of the Indenture is hereby amended by deleting paragraph (a) (1) (B) thereof in its entirety and inserting in lieu thereof the following:

"(B) except as otherwise specified pursuant to Section 301 for the Securities of such series, with respect to all Outstanding Securities of such series described in (A) above (and, in the case of (i), (ii) or (iii) below, any coupons appertaining thereto) not theretofore delivered to the Trustee for cancellation:

(i) the Company or the Guarantor has deposited or caused to be deposited with the Trustee as trust funds in trust an amount in the currency or currency unit in which the Securities of such series are payable (except as otherwise specified pursuant to Section 301 for the Securities of such series and except as provided in Sections 311(b) and 311(d), in which case the deposit to be made with respect to Securities for which an election has occurred pursuant to Section 311(b) or a Conversion Event has occurred as provided in Section 311(d), shall be made in the

currency or currency unit in which such Securities are payable as a result of such election or Conversion Event), sufficient to pay and discharge the entire indebtedness on all such Outstanding Securities of such series and any related coupons for principal (and premium, if any) and interest, if any, to the Stated Maturity, or any Redemption Date as contemplated by Section 402, as the case may be; or

(ii) the Company or the Guarantor has deposited or caused to be deposited with such Trustee as obligations in trust such amount of Government Obligations as will, as evidenced by a Certificate of a Firm of Independent Public Accountants delivered to such Trustee, together with the predetermined and certain income to accrue thereon (without consideration of any reinvestment thereof), be sufficient to pay and discharge when due the entire indebtedness on all such Outstanding Securities of such series and any related coupons for unpaid principal (and premium, if any) and interest, if any, to the Stated Maturity or any Redemption Date as contemplated by Section 402, as the case may be; or

(iii) the Company or the Guarantor has deposited or caused to be deposited with such Trustee such combination of trust funds or obligations in trust pursuant to (i) and (ii) above, respectively, as will, as evidenced by a Certificate of a Firm of Independent Public Accountants delivered to such Trustee, together with the predetermined and certain income to accrue on such obligations in trust, be sufficient to pay and discharge when due the entire indebtedness on all such Outstanding Securities of such series any related coupons for principal (and premium if any) and interest to the Stated Maturity or any Redemption Date as contemplated by Section 402, as the case may be;"

(b) Section 401 of the Indenture is hereby amended by deleting paragraph (a)(3) thereof in its entirety and inserting in lieu thereof the following:

"(3) each of the Company and the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each

stating that all conditions precedent herein provided for relating to the satisfaction and discharge of the entire indebtedness on all Securities of such series and any related coupons have been complied with;"

(c) Section 401 of the Indenture is hereby amended by deleting the phrase "based upon such Opinion" from paragraph (a)(5) thereof and inserting in lieu thereof the phrase "based thereon such Opinion".

(d) Section 401 of the Indenture is hereby amended by deleting paragraph (b) thereof in its entirety and inserting in lieu thereof the following:

"(b) Upon the satisfaction of the conditions set forth in this Section 401 with respect to all the Securities of any series, the terms and conditions of such series, including the terms and conditions with

respect thereto set forth in this Indenture, shall no longer be binding upon, or applicable to, the Company or the Guarantor, and the Holders of the Securities of such series and any related coupons shall look for payment only to the funds or obligations deposited with the Trustee pursuant to Section 401(a)(1)(B); provided, however, that in no event shall the Company or the Guarantor be discharged from (i) any payment obligations in respect of Securities of such series and any related coupons which are deemed not to be Outstanding under clause (3) of the definition thereof if such obligations continue to be valid obligations of the Company or the Guarantor under applicable law, (ii) from any obligations under Sections 402(b), 607, 610 and 1004 and (iii) from any obligations under Sections 304, 305 and 306 (except that Securities of such series issued upon registration of transfer or exchange or in lieu of mutilated, lost, destroyed or stolen Securities and any related coupons shall not be obligations of the Company or the Guarantor) and Sections 311, 701 and 1002; and provided, further, that in the event the Company deposits such funds with the Trustee and a petition for relief under Title 11 of the United States Code or a successor statute is filed and not discharged with respect to the Company within 91 days after the deposit, the entire indebtedness on all Securities of such series and any related coupons shall not be discharged, and in such event the Trustee shall return such deposited funds or obligations as it is then holding to the Company upon Company Request; and provided, further, that in the event the Guarantor deposits such funds with the Trustee and a petition for relief under Title 11 of the United States Code or a successor statute is filed and not discharged with respect to the Guarantor within 91 days after the deposit, the entire indebtedness on all Securities of such series and any related coupons shall not be discharged, and in such event the Trustee shall return such deposited funds or obligations as it is then holding to the Guarantor upon Guarantor Request. Notwithstanding the satisfaction of the conditions set forth in this Section 401 with respect to all the Securities of any

series not payable in Dollars, upon the happening of any Conversion Event the Company or the Guarantor shall be obligated to make the payments in Dollars required by Section 311(d) to the extent that the Trustee is unable to convert any Foreign Currency or currency unit in its possession pursuant to Section 401(a)(1)(B) into the Dollar equivalent of such Foreign Currency or currency unit, as the case may be. If, after the deposit referred to in Section 401 has been made, (x) the Holder of a Security is entitled to, and does, elect pursuant to Section 311(b) to receive payment in a currency or currency unit other than that in which the deposit pursuant to Section 401 was made, or (y) a Conversion Event occurs as contemplated in Section 311(d), then the indebtedness represented by such Security shall be fully discharged to the extent that the deposit made with respect to such Security shall be converted into the currency or currency unit in which such Security is payable. The Trustee shall return to the Company or the Guarantor any non-converted funds or securities in its possession after such payments have been made."

1.12 Amendment to Section 402 of the Indenture.

Section 402 of the Indenture is hereby amended by adding the phrase "or Section 1011" immediately after the phrase "Section 401" in each place it appears therein.

1.13 Amendment to Section 502 of the Indenture.

(a) Section 502 of the Indenture is hereby amended by deleting the first paragraph therein in its entirety and inserting in lieu thereof the following:

"If an Event of Default with respect to any particular series of Securities and any related coupons occurs and is continuing, then and in every such case, either the Trustee for the Securities of such series or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series may declare the entire principal amount (or if any Securities of that series are (i) Discounted Securities, such portion of the principal amount as may be provided for in the terms of that series, or (ii) Indexed Securities or Dual Currency Securities, the amount determined in accordance with the specified terms of those Securities) of all of the Securities of that series to be due and payable immediately, by a notice in writing to the Company and the Guarantor (and to such Trustee if given by the Holders), and upon any such declaration of acceleration such principal or such lesser amount, as the case may be, together with accrued interest and all other amounts owing hereunder shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived."

(b) Section 502 of the Indenture is hereby amended by deleting the

phrase "311(b), 311(d), and 311(e)" appearing therein and inserting the phrase "311(b) and 311(d)" in lieu thereof.

1.14 Amendment to Section 504 of the Indenture.

Section 504 of the Indenture is hereby amended by deleting paragraph (i) therein in its entirety and inserting in lieu thereof the following:

"(i) to file and prove a claim for the whole amount of principal (or, if the Securities of such series are Discounted Securities, Indexed Securities or Dual Currency Securities, such amount as may be due and payable with respect to such Securities pursuant to a declaration in accordance with Section 502) (and premium, if any) and interest, if any, owing and unpaid in respect of the Securities of such series and any related coupons and to file such other papers or documents as may be necessary or advisable in order to have the claims of such Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and all other amounts due to such Trustee under Section 607) and of the Holders of the Securities of such series and any related coupons allowed in such judicial proceeding,"

1.15 Amendment to Section 516 of the Indenture.

Section 516 of the Indenture is hereby amended by deleting such Section in its entirety and inserting in lieu thereof the following:

SECTION 516. Judgment Currency.

If for the purpose of obtaining a judgment in any court with

respect to any obligation of the Company or the Guarantor hereunder or under any Security or any related coupon it shall become necessary to convert into any other currency or currency unit any amount in the currency or currency unit due hereunder or under such Security or coupon, then such conversion shall be made at the spot rate of exchange prevailing on the date the Company or the Guarantor shall make payment to any Person in satisfaction of such judgment. If pursuant to any such judgment, conversion shall be made on a date other than the date payment is made and there shall occur a change between such spot rate of exchange and the spot rate of exchange prevailing on the date of payment, the Company and the Guarantor agree to pay such additional amounts (if any) as may be necessary to ensure that the amount paid is equal to the amount in such other currency or currency unit which, when converted at the spot rate of exchange prevailing on the date of payment or distribution, is the amount then due hereunder or under such Security or coupon. Any amount due from the Company or the Guarantor under this Section 516 shall be due as a separate debt and is not to be affected by or merged into any judgment being obtained for any other sums due

hereunder or in respect of any Security or coupon. In no event, however, shall the Company and the Guarantor be required to pay more in the currency or currency unit due hereunder or under such Security or coupon at the spot rate of exchange prevailing when payment is made than the amount of currency or currency unit stated to be due hereunder or under such Security or coupon so that in any event the Company's or the Guarantor's obligations hereunder or under such Security or coupon will be effectively maintained as obligations in such currency or currency unit, and the Company and the Guarantor shall be entitled to withhold (or be reimbursed for, as the case may be) any excess of the amount actually realized upon any such conversion over the amount due and payable on the date of payment or distribution."

1.16 Amendment to Section 902 of the Indenture.

Section 902 of the Indenture is hereby amended by deleting the period at the end of clause (4) of the first paragraph thereof, by inserting ", or" at the end of said clause (4) and by inserting new clauses (5) as follows:

"(5) reduce the amount of the principal of an Indexed Security or a Dual Currency Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502."

1.17 Amendment to Section 1002 of the Indenture.

Section 1002 of the Indenture is hereby amended by deleting the second and third sentences of the second paragraph thereof and inserting in lieu thereof the following:

"Payments will not be made in respect of Bearer Securities or coupons appertaining thereto pursuant to presentation to the Company, the Guarantor or their designated Paying Agents within the United States or any other demand for payment to the Company, the Guarantor or their designated Paying Agents within the United States. Notwithstanding the foregoing, payment of principal of (and premium, if any) and interest,

if any, on any Bearer Security denominated and payable in Dollars will be made at the office of the Company's or the Guarantor's Paying Agent in the United States, if, and only if, payment in Dollars of the full amount of such principal, premium or interest, as the case may be, at all offices or agencies outside the United States maintained for that purpose by the Company or the Guarantor in accordance with this Indenture is illegal or effectively precluded by exchange controls or other similar restrictions."

1.18 Amendment to Section 1003 of the Indenture.

Section 1003 of the Indenture is hereby amended by deleting the

first sentence of the second paragraph thereof and inserting in lieu thereof the following:

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

1.19 Amendment to Section 1004 of the Indenture.

Section 1004 of the Indenture is hereby amended by deleting the third paragraph thereof and inserting in lieu thereof the following:

"The term "United States Alien" means any corporation, partnership, individual or fiduciary that is, for United States federal income tax purposes, a foreign corporation, a nonresident alien individual, a nonresident fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a nonresident alien individual or a nonresident fiduciary of a foreign estate or trust."

1.20 Amendment to Section 1010 of the Indenture.

Section 1010 of the Indenture is hereby amended by deleting such Section in its entirety and inserting in lieu thereof the following:

"SECTION 1010. Waiver of Certain Covenants.

"The Company or the Guarantor may omit in any particular instance to comply with any term, provision or condition set forth in Sections 1005 to 1009, inclusive, with respect to the Securities of any series (and the Company or the Guarantor may omit in any particular instance to comply with any other covenant not set forth herein and specified pursuant to Section 301 to be applicable to the Securities of such

series and subject to this Section 1010, such omission to comply to be with respect to the Securities of such 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 or the Guarantor, as the case may be, and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect."

1.21 Amendment to Section 1011 of the Indenture.

Section 1011 of the Indenture is hereby amended by deleting such Section in its entirety and inserting in lieu thereof the following:

"SECTION 1011. Defeasance of Certain Obligations.

(a) If specified pursuant to Section 301 to be applicable to the Securities of any series, the Company and the Guarantor may omit to comply with any term, provision or condition set forth in Section 801, Section 1009 and any other covenant not set forth herein and specified pursuant to Section 301 to be applicable to the Securities of such series and subject to this Section 1011, and any such omission with respect to such Sections shall not be an Event of Default, in each case with respect to the Securities of such series, provided, however, that the following conditions have been satisfied:

(1) with respect to all Outstanding Securities of such series and any coupons appertaining thereto not theretofore delivered to the Trustee for the Securities of such series for cancellation,

(i) the Company or the Guarantor has deposited or caused to be deposited with the Trustee as trust funds in trust an amount in the currency or currency unit in which the Securities of such series are payable (except as otherwise specified pursuant to Section 301 for the Securities of such series and except as provided in Sections 311(b) and 311(d), in which case the deposit to be made with respect to Securities for which an election has occurred pursuant to Section 311(b) or a Conversion Event has occurred as provided in Section 311(d), shall be made in the currency or currency unit in which such Securities are payable as a result of such election or Conversion Event), sufficient to pay and discharge the entire indebtedness on all such Outstanding Securities of such series and any related coupons for principal (and premium, if any) and interest to the Stated Maturity or any Redemption Date as contemplated by Section 402, as the case may be; or

(ii) the Company or the Guarantor has deposited or caused to be deposited with such Trustee as obligations in trust such amount of Government Obligations as will, as

evidenced by a Certificate of a Firm of Independent Public Accountants delivered to such Trustee, together with the predetermined and certain income to accrue thereon (without consideration of any reinvestment thereof), be sufficient to pay and discharge when due the entire indebtedness on all such Outstanding Securities of such series and any related coupons for unpaid principal (and premium, if any) and interest, if any, to the Stated Maturity or any Redemption Date as contemplated by Section 402, as the case may be; or

(iii) the Company or the Guarantor has deposited or caused to be deposited with such Trustee such combination of trust funds or obligations in trust pursuant to (i) and (ii) above, respectively, as will, as evidenced by a Certificate of a Firm of Independent Public Accountants delivered to such Trustee, together with the predetermined and certain income to accrue on such obligations in trust, be sufficient to pay and discharge when due the entire indebtedness on all such Outstanding Securities of such series any related coupons for principal (and premium if any) and interest to the Stated Maturity or any Redemption Date as contemplated by Section 402, as the case may be;

(2) such deposit will 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 or the Guarantor is a party or by which it is bound;

(3) no Event of Default or event which with the giving of notice or lapse of time, or both, would become an Event of Default with respect to the Securities of that series shall have occurred and be continuing on the date of such deposit and no Event of Default under Section 501(4) or Section 501(5) or event which with the giving of notice or lapse of time, or both, would become an Event of Default under Section 501(4) or Section 501(5) shall have occurred and be continuing on the 91st day after such date; and

(4) each of the Company and the Guarantor 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 defeasance contemplated in this Section have been complied with.

(b) Notwithstanding the satisfaction of the conditions set forth in this Section 1011 with respect to all the Securities of any series not payable in Dollars, upon the happening of any Conversion Event the Company or the Guarantor shall be obligated to

make the payments in Dollars required by Section 311(d) to the extent that the Trustee for the Securities of such series is unable to convert any Foreign Currency or currency unit in its possession under Section 1011(a) into the Dollar equivalent of such Foreign Currency or currency unit, as the case may be. If, after the deposit referred to in Section 1011(a) has been made, (x) the Holder of a Security is entitled to, and does, elect pursuant to Section 311(b) to receive payment in a currency or currency unit other than that in which the deposit under Section 1011(a) was made, or (y) a Conversion Event occurs as contemplated in Section 311(d), then the indebtedness represented by such Security shall be fully discharged to the extent that the deposit made with respect to such Security shall be converted into the currency or currency unit in which such Security is payable. Such Trustee shall return to the Company or the Guarantor any non-converted funds or securities in its possession after such payments have been made.

All the obligations of the Company and the Guarantor under this Indenture with respect to the Securities of such series, other than with respect to Section 801, Section 1009, and any other covenant not set forth herein and specified pursuant to Section 301 to be applicable to the Securities of such series and subject to this Section 1011, shall remain in full force and effect. Anything in this Section 1011 to the contrary notwithstanding, the Trustee for any series of Securities shall deliver or pay to the Company or the Guarantor, from time to time upon Company Request or Guarantor Request, any money or Government Obligations held by it as provided in this Section 1011 which, as expressed in a Certificate of a Firm of Independent Public Accountants delivered to such Trustee, are in excess of the amount thereof which would have been required to be deposited for the purpose for which such money or Government Obligations were deposited or received, provided such delivery can be made without liquidating any Government Obligations."

1.22 Amendment to Section 1104 of the Indenture.

Section 1104 of the Indenture is hereby amended by deleting the word "and" at the end of clause (6) of the second paragraph thereof, by deleting clause (7) thereof in its entirety, and by inserting new clauses (7) and (8) as follows:

"(7) that, unless otherwise specified in such notice, Bearer Securities of any series, if any, surrendered for redemption must be accompanied by all coupons maturing subsequent to the date fixed for redemption or the amount of any such missing coupon or coupons will be deducted from the Redemption Price or security or indemnity satisfactory to the Company, the Guarantor, the Trustee for such series and any Paying Agent shall be furnished, and

(8) if Bearer Securities of any series are to be redeemed and any

Registered Securities of such series are not to be redeemed, and if such Bearer Securities may be exchanged for Registered Securities not subject to redemption on this Redemption Date pursuant to Section 305 or otherwise, the last date, as determined by the Company, on which such exchanges may be made."

1.23 Amendment to Section 1106 of the Indenture.

(a) Section 1106 of the Indenture is hereby amended by deleting the second proviso to the first paragraph thereof and inserting in lieu thereof the following:

", and provided, further, that unless otherwise specified as contemplated by Section 301, installments of interest on Registered Securities whose Stated Maturity is prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Date according to their terms and the provisions of Section 307, and any installment of interest, if any, payable on such Registered Securities whose Stated Maturity is the Redemption Date shall be payable to the Person to whom principal shall be payable."

(b) Section 1106 of the Indenture is hereby amended by adding immediately after the first paragraph thereof the following new paragraph:

"If any Bearer Security surrendered for redemption shall not be accompanied by all coupons appertaining thereto maturing after the Redemption Date, such Security may be paid after deducting from the Redemption Price an amount equal to the face amount of all such missing coupons or the surrender of such missing coupon or coupons may be waived by the Company if there is furnished to the Company, the Guarantor, the Trustee for such Security and any Paying Agent such security or indemnity as they may require to save the Company, the Guarantor, such Trustee and any Paying Agent harmless. If thereafter the Holder of such Security shall surrender to such Trustee or any Paying Agent any such missing coupon in respect of which a deduction shall have been made from the Redemption Price, such Holder shall be entitled to receive the amount so deducted; provided, however, that interest represented by coupons shall be payable only at an office or agency located outside the United States (except as otherwise provided in Section 1002) and, unless otherwise specified as contemplated by Section 301, only upon presentation and surrender of those coupons."

1.24 Amendment to Section 1108 of the Indenture.

(a) Section 1108 of the Indenture is hereby amended by deleting Subsection (a) thereof and inserting in lieu thereof the following:

"(a) Unless otherwise specified pursuant to Section 301, Securities of

any series may be redeemed at the option of the Company in whole, but not in part, on not more than 60 days' and not less than 30 days' notice, on any Redemption Date at the Redemption Price specified pursuant to Section 301, if the Company determines that (A) as a result of any change in or amendment to the laws (or any regulations or rulings promulgated thereunder) of the United States or of any political subdivision or taxing authority thereof or therein affecting taxation, or any change in official position regarding application or interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction in the United States), which change or amendment is announced or becomes effective on or after

a date specified in Section 301 with respect to any Security of such series, the Company has or will become obligated to pay on the next succeeding Interest Payment Date, additional amounts pursuant to Section 1004 with respect to any Security of such series or (B) on or after a date specified in Section 301 with respect to any Security of such series, any action has been taken by any taxing authority of, or any decision has been rendered by a court of competent jurisdiction in, the United States or any political subdivision or taxing authority thereof or therein, including any of those actions specified in (A) above, whether or not such action was taken or decision was rendered with respect to the Company, or any change, amendment, application or interpretation shall be officially proposed, which, in any such case, in the Opinion of Counsel to the Company will result in a material probability that the Company or the Guarantor will become obligated to pay additional amounts with respect to any Security of such series on the next succeeding Interest Payment Date, and (C) in any such case specified in (A) or (B) above the Company, in its business judgment, determines that such obligation cannot be avoided by the use of reasonable measures available to the Company."

(b) Section 1108 of the Indenture is hereby amended by deleting the first sentence of Subsection (b) thereof and inserting in lieu thereof the following:

(b) Unless otherwise specified pursuant to Section 301, if the Company shall determine that any payment made outside the United States by the Company, the Guarantor or any of their Paying Agents of principal or interest due in respect of any Bearer Security (an "Affected Security") of such series or any coupon appertaining thereto would, under any present or future laws or regulations of the United States, be subject to any certification, information or other reporting requirement of any kind, the effect of which requirement is the disclosure to the Company, the Guarantor, any Paying Agent or any governmental authority of the nationality, residence or identity (as distinguished from, for example, status as a United States Alien) of a beneficial owner of such Affected Security of such series or coupon that is a United States Alien (other than such a requirement that (i) would not be applicable to a

payment made by the Company, the Guarantor or any one of their Paying Agents (A) directly to the beneficial owner or (B) to a custodian, nominee or other agent of the beneficial owner, (ii) can be satisfied by such custodian, nominee or other agent certifying to the effect that such beneficial owner is a United States Alien; provided that, in each case referred to in clauses (i)(B) or (ii), payment by such custodian, nominee or other agent to such beneficial owner is not otherwise subject to any such requirement (other than a requirement which is imposed on a custodian, nominee or other agent described in item (iv) of this sentence), (iii) would not be applicable to a payment made by at least one other Paying Agent of the Company or (iv) is applicable to a payment to a custodian, nominee or other agent of the beneficial owner of such Security who is a United States person (as hereinafter defined), a controlled foreign corporation for United States tax purposes, a foreign person 50 percent or more of the gross income of which for the three-year period ending with the close of its taxable year preceding the year of payment is

effectively connected with a United States trade or business, or is otherwise related to the United States), the Company shall elect by notice to the Trustee for such series of Securities either (x) to redeem the Affected Securities of such series, as a whole, at a redemption price equal to the principal amount thereof, together with interest accrued to the date fixed for redemption, or (y) if the conditions of the next succeeding paragraph are satisfied, to pay the additional amounts specified in such paragraph."

1.25 Amendment to Exhibits to the Indenture.

The Indenture is hereby amended by deleting Exhibits A, B, C and D thereto in their entirety and substituting therefor the new Exhibits A and B attached to this First Supplemental Indenture.

SECTION 2. EFFECT OF FIRST SUPPLEMENTAL INDENTURE

The amendments to the Indenture contained in this First Supplemental Indenture shall be effective only with respect to those series of Securities initially issued on or after the date hereof.

The Bank of New York hereby accepts the trusts in this First Supplemental Indenture declared and provided, upon the terms and conditions hereinabove set forth.

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of the _____ day of _____, 1994.

NYNEX CAPITAL FUNDING COMPANY

By:

[Corporate Seal]

Attest:

NYNEX CORPORATION

By:

[Corporate Seal]

Attest:

THE BANK OF NEW YORK, as Trustee

By:

[Corporate Seal]

Attest:

Trust Officer

STATE OF NEW YORK)
) ss. :
COUNTY OF NEW YORK)

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____, 1994, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he resides at _____; that he is the _____ of THE BANK OF NEW YORK, one of the corporations described in and which executed the above instrument, that he knows the corporate seal of such corporation; that one of the seals affixed to such 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.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public, State of New York

[SEAL]

EXHIBIT A

FORM OF CERTIFICATE TO BE DELIVERED TO EURO-CLEAR
OR CEDEL, S.A., BY OR ON BEHALF OF A
BENEFICIAL OWNER OF SECURITIES

CERTIFICATE

NYNEX CAPITAL FUNDING COMPANY

[Title of Securities]

(the "Securities")

This is to certify that as of the date hereof, and except as set forth below, the above-captioned Securities held by you for our account (i) are owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust

the income of which is subject to United States Federal income taxation regardless of its source ("United States persons"), (ii) are owned by United States person(s) that (a) are foreign branches of a United States financial institution (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(v)) ("financial institutions") purchasing for their own account or for resale, or (b) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise the issuer or the issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) are owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and in addition if the owner of the Securities is a United States or foreign financial institution described in clause (iii) above (whether or not also described in clause (i) or (ii)) this is to further certify that such financial institution has not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Section 230.903(c)(3) of Regulation S under the Securities Act of 1933, as amended (the "Act"), then this is also to certify that, except as set forth below, (i) in the case of debt securities, the Securities are beneficially owned by (a) non-U.S. person(s) or (b) U.S. person(s) who purchased the Securities in transactions which did not require registration under the Act; or (ii) in the case of equity securities, the Securities are owned by (x) non-U.S. person(s) (and such person(s) are not acquiring the Securities for the account or benefit of U.S. person(s)) or (y) U.S. person(s) who purchased the Securities in a transaction which did not require registration under the Act. If this certification is being delivered in connection with the

exercise of warrants pursuant to Section 230.902(m) of Regulation S under the Act, then this is further to certify that, except as set forth below, the Securities are being exercised by and on behalf of non-U.S. person(s). As used in this paragraph the term "U.S. person" has the meaning given to it by Regulation S under the Act.

As used herein, "United States" means the United States of America (including the States and District of Columbia); and its "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We undertake to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the Securities held by you for our account in accordance with your operating procedures if any applicable statement herein is not correct on such date,

and in the absence of any such notification it may be assumed that this certification applies as of such date.

This certification excepts and does not relate to \$ _____ of such interest in the above Securities in respect of which we are not able to certify and as to which we understand exchange and delivery of definitive Securities (or, if relevant, exercise of any rights or collection of any interest) cannot be made until we do so certify.

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certificate is or would be relevant, we irrevocably authorize you to produce this certification to any interested party in such proceedings.

Date: _____, 19 ____ *

By: _____
As, or as agent for, the beneficial owner(s) of
the Securities to which this certificate relates

* Not earlier than 15 days prior to the Exchange Date or Interest Payment Date to which the certification relates.

EXHIBIT B

FORM OF CERTIFICATION TO BE GIVEN
BY THE EUROCLEAR OPERATOR OR CEDEL

CERTIFICATION

NYNEX CAPITAL FUNDING COMPANY

[Title of Securities]

(the "Securities")

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organizations appearing in our records as persons being entitled to a portion of the principal amount set forth below (our "Member Organizations") substantially to the effect set forth in the Fiscal Agency or other Agreement, as of the date hereof, _____ principal amount of the above-captioned Securities (i) is owned by persons that are not citizens or

residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source ("United States persons"), (ii) is owned by United States persons that (a) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(v) ("financial institutions")) purchasing for their own account or for resale, or (b) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution has agreed, on its own behalf or through its agent, that we may advise the Issuer or the Issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) is owned by United States or foreign financial institutions for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and to the further effect that United States or foreign financial institutions described in clause (iii) above (whether or not also described in clause (i) or (ii)) have certified that they have not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Section 230.903(c)(3) of Regulation S under the Securities Act of 1933, as amended (the "Act") then this is also to certify with respect to the principal amount of Securities set forth above that, except as set forth below, we have received in writing, by tested telex or by electronic transmission, from our Member Organizations entitled to portion of such principal amount, certifications with respect to such portion, substantially to the effect set forth in the Fiscal Agency or other Agreement.

We further certify (i) that we are not making available herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) any portion of the Temporary Global security excepted in such certifications and (ii) that as of the date hereof we have not received any notification from any of our Member Organizations with respect to any portion of the part submitted herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) are no longer true and cannot be relied upon as the date hereof.

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorize you to produce this certification to any interested party in such proceedings.

Dated: , 19 *

Yours faithfully,

[MORGAN GUARANTY TRUST COMPANY
OF NEW YORK,
Brussels Office,
as operator of the Euroclear System]

or

[CEDEL, S.A.]

By:

*Not earlier than the Exchange Date or Interest Payment Date to which the certification relates.

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in Post-Effective Amendment No. 1 to Registration Statement Nos. 33-51147 and 33-51147-01 which also constitutes Post-Effective Amendment No. 2 to Registration Statement Nos. 33-34401 and 33-34401-01 (the "Amendment"), of NYNEX Capital Funding Company on Form S-3, relating to the registration of \$1.5 billion of debt securities guaranteed by NYNEX Corporation of our report dated February 5, 1993 on our audits of the consolidated financial statements of NYNEX Corporation and its subsidiaries as of December 31, 1992, and 1991, and for the years ended December 31, 1992, 1991, and 1990, which report is incorporated by reference in the NYNEX Corporation 1992 Annual Report on Form 10-K. We further consent to the incorporation by reference in the Post-Effective Amendment of our report dated February 5, 1993 on our audits of the consolidated financial statement schedules of NYNEX Corporation and its subsidiaries as of December 31, 1992, and 1991, and for the years ended December 31, 1992, 1991, and 1990, which report is incorporated by reference in the NYNEX Corporation 1992 Annual Report on Form 10-K.

We further consent to the reference to our Firm under the caption "Experts" in the Prospectus which is part of the Amendment.

COOPERS & LYBRAND

New York, New York
January 21, 1994