

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

**FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933****EASTMAN KODAK COMPANY**

(Exact name of registrant as specified in its charter)

New Jersey
(State or other jurisdiction of incorporation or organization)16-0417150
(I.R.S. Employer Identification No.)343 State Street
Rochester, New York 14650
(585) 724-4000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)Gary P. Van Graafeiland
Senior Vice President and General Counsel
Eastman Kodak Company
343 State Street
Rochester, New York 14650-0218
(585) 724-4332
(Name, address, including zip code, and telephone number, including area code, of agent for service)*Copy to:*John H. Newman
Sidley Austin Brown & Wood LLP
787 Seventh Avenue
New York, New York 10019**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this registration statement as determined by market conditions.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. If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. **CALCULATION OF REGISTRATION FEE**

| Title of each class of securities to be registered(1) | Amount to be registered | Proposed maximum aggregate offering price | Amount of registration fee |
|---|-------------------------|---|----------------------------|
| Debt Securities | \$2,000,000,000(2)(3) | \$2,000,000,000(4) | \$161,800 |

(1) This registration statement also registers delayed delivery contracts which may be issued by the registrant under which the counterparty may be required to purchase debt securities.

(2) In U.S. dollars or the equivalent thereof in one or more foreign or composite currencies.

(3) Plus such additional principal amount as may be necessary such that, if debt securities are issued with original issue discount, the aggregate initial offering price of all debt securities will equal \$2,000,000,000.

(4) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o). Exclusive of accrued interest, if any.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Pursuant to Rule 429 under the Securities Act of 1933, the prospectus included in this registration statement also relates to \$650,000,000 of remaining unsold Debt Securities which were previously registered by the registrant under Registration Statement No. 33-49285 on Form S-3.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION. DATED SEPTEMBER 5, 2003

PROSPECTUS

\$2,650,000,000

Eastman Kodak Company

Debt Securities

We may offer from time to time in one or more series up to \$2,650,000,000 aggregate initial public offering price of our debt securities. The debt securities will be our direct, unsecured obligations and will rank equally with all of our other unsecured and unsubordinated indebtedness. The debt securities may be denominated or payable in U.S. dollars or in one or more foreign currencies or composite currencies, including Euros. Each series of our debt securities will be offered on terms to be determined at the time of sale.

When we offer debt securities, we will provide you with a prospectus supplement describing the terms of the specific issue of debt securities, including the offering price of the debt securities.

You should read this prospectus and the prospectus supplement relating to the specific issue of debt securities carefully before you invest.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2003.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, using a “shelf” registration process. Under this shelf process, we may sell debt securities in one or more offerings up to a total initial public offering price of \$2,650,000,000. This prospectus provides you with a general description of the debt securities. Each time we offer to sell any of the debt securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering and the debt securities being offered. The prospectus supplement may also add, update or change information contained in this prospectus. You should read this prospectus and the applicable prospectus supplement together with the registration statement and its exhibits and the additional information described under the headings “Where You Can Find More Information” and “Incorporation of Information We File with the SEC”.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings, including the registration statement, the indenture under which the debt securities are to be issued and other information about us, are available over the Internet at the SEC’s web site at <http://www.sec.gov>. The address of the SEC’s web site is provided solely for the information of prospective investors and is not intended to be an active link. You may read and copy any document we file by visiting the SEC’s public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. You may also inspect our SEC reports and other information concerning us at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The rules of the SEC permit us to “incorporate by reference” into this prospectus some of the information we file with them, which means that we may disclose important information to you by referring you to those documents. That information is an important part of this prospectus. We incorporate by reference the following documents, other than any information in those documents that is deemed not to be “filed” with the SEC:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2002, as amended by Form 10-K/A (Amendment No. 1) and Form 10-K/A (Amendment No. 2);
- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2003 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, as amended by Form 10-Q/A (Amendment No. 1);
- our Current Reports on Form 8-K dated April 23, 2003, July 21, 2003 and July 23, 2003; and
- any other documents that we file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the initial filing of the registration statement and before the time we sell all the debt securities offered by this prospectus.

Some of the information in our later SEC filings that are incorporated by reference in this prospectus will update and supersede information in this prospectus and in our prior SEC filings that are incorporated by reference in this prospectus.

You may obtain without charge a copy of any of the documents we incorporate by reference, except for exhibits to such documents which are not specifically incorporated by reference into such documents, by contacting us at Eastman Kodak Company, 343 State Street, Rochester, New York 14650-0218, Attention: James M. Quinn, Secretary. You may also telephone your request to Mr. Quinn at (585) 724-4368.

You should rely only on the information contained or incorporated by reference in this prospectus or any prospectus supplement. We have not authorized anyone else to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are only offering these debt securities in jurisdictions where the offer is permitted. You should not assume that the information in this prospectus or in any prospectus supplement is accurate as of any date other than the date on the front of those documents. Our business, financial condition and results of operations may have changed since that date. 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 in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus and the documents incorporated by reference may be forward-looking in nature, or “forward-looking statements” as defined in the United States Private Securities Litigation Reform Act of 1995. For example, references to our revenue, cash flow expectations and future focused cost reductions are forward-looking statements.

Actual results may differ from those expressed or implied in forward-looking statements. In addition, any forward-looking statements represent our estimates only as of the date they are made, and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our estimates change. The forward-looking statements contained in this prospectus and the documents incorporated by reference are subject to a number of factors and uncertainties, including:

- the successful
 - implementation of product strategies (including category expansion, digitization, organic light emitting diode (OLED), and digital products);
 - implementation of intellectual property licensing strategies;
 - development and implementation of e-commerce strategies;
 - completion of information systems upgrades, including SAP, our enterprise system software;
 - completion of various portfolio actions;
 - reduction of inventories;
 - improvement in manufacturing productivity;
 - improvement in receivables performance;
 - reduction in capital expenditures;
 - improvement in supply chain efficiency;
 - implementation of future focused cost reductions, including personnel reductions; and
 - development of our business in emerging markets like China, India, Brazil, Mexico and Russia;
- inherent unpredictability of currency fluctuations and raw material costs;
- competitive actions, including pricing;
- the nature and pace of technology evolution, including the analog-to-digital transition;
- continuing customer consolidation and buying power;
- general economic, business, geopolitical and public health conditions; and
- other factors and uncertainties disclosed from time to time in our filings with the SEC.

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2002, as amended by Form 10-K/A (Amendment No. 1) and Form 10-K/A (Amendment No. 2), incorporated by reference in this prospectus (see “Incorporation of Information We File with the SEC”) contains an expanded discussion of the above factors and uncertainties to which forward-looking statements in this prospectus and the documents incorporated by reference herein are subject. Any forward looking statements in this prospectus and the documents incorporated by reference should be evaluated in light of these important factors and uncertainties.

THE COMPANY

We are engaged primarily in developing, manufacturing and marketing traditional and digital imaging products, services and solutions for consumers, professionals, healthcare providers, the entertainment industry and other commercial customers. We are the leader in helping people take, share, enhance, preserve, print and enjoy images — for memories, for information, and for entertainment. We are a major participant in infoimaging — a \$385 billion industry composed of devices (digital cameras and personal data assistants (PDAs)), infrastructure (online networks and delivery systems for images) and services and media (software, film and paper) enabling people to access, analyze and print images. We harness our technology, market reach and a host of industry partnerships to provide innovative products and services for customers who need the information-rich content that images contain.

We organize our business in the following reportable segments:

Photography Segment

Our Photography segment includes traditional and digital product offerings for consumers, professional photographers and the entertainment industry. This segment combines traditional and digital photography and photographic services in all its forms — consumer, advanced amateur, and professional. We manufacture and market various components of these systems, including films (consumer, professional and motion picture), photographic papers, processing services, photofinishing equipment, photographic chemicals and cameras (including one-time-use and digital). We have also developed products that bridge traditional silver halide and digital products. Product and service offerings include kiosks and scanning systems to digitize and enhance images, digital media for storing images and a network for transmitting images. In addition, other digitization options have been created to stimulate more pictures in use, adding to the consumption of film and paper. These products serve amateur photographers, as well as professional, motion picture and television customers.

Health Imaging Segment

Analog and digital products and services of our Health Imaging segment enable healthcare customers (e.g., hospitals, imaging centers, etc.) to capture, process, integrate, archive and display images and information in a variety of forms. These products and services provide intelligent decision support through the entire patient pathway from research to detection to diagnosis to treatment. Our Health Imaging segment also provides products and services that help customers improve workflow and productivity in their facilities, which in turn helps them enhance the quality and productivity of healthcare delivery.

Traditional products of our Health Imaging segment include analog medical films, chemicals, and processing equipment, and our history has both made us a leader in this area and has served as the foundation for building our important digital imaging business. Health Imaging provides digital medical imaging and information products, systems and solutions, including digital print films, laser imagers, computed and digital radiography systems, Picture Archiving and Communications Systems (PACS) and Radiology Information Systems (RIS). Our Health Imaging segment serves the general radiology market and specialty health markets, including dental, mammography and oncology. We are the world leader in dental x-ray film, and with our announced acquisition of PracticeWorks, Inc., we will be positioned to offer choices within a full spectrum of dental imaging products — traditional and digital — and services providing innovative information technology to dental professionals. This segment also provides molecular imaging for the biotechnology research market.

Commercial Imaging Segment

Our Commercial Imaging segment encompasses our business of providing imaging capture and solutions, analysis, printing and archiving, both to businesses and to governments. Markets for the segment include commercial printing, industrial, banking and insurance and state, local and federal government applications.

Products include aerial, industrial, graphic and micrographic films, micrographic peripherals, inkjet printers, high-speed production document scanners, digital imaging systems for commercial imaging satellites, and electro-optical systems for land and space borne telescopes and image and data analysis systems. This segment also provides maintenance and professional services for our products, as well as those of other manufacturers and provides imaging services to customers.

All Other

All Other consists primarily of our components group, which represents our diversification into high-growth product areas that are consistent with our historical strengths in imaging science. Our components group is comprised of our display business, the imaging sensor solutions business and an optics business. Products of this group include organic light emitting diode (OLED) displays, imaging sensor solutions, and optics and optical systems.

On August 21, 2003, we announced a realignment of our operations, which ultimately may change our reportable segments. However, no change in reportable segments is expected to occur until 2004.

We are a corporation organized under the laws of the State of New Jersey, and our shares are listed on the New York Stock Exchange under the symbol "EK". Our principal executive offices are located at 343 State Street, Rochester, New York 14650, our telephone number is (585) 724-4000 and our web site address is www.kodak.com. The address of our web site is not intended to be an active link and information on our web site is not intended to be a part of, or incorporated into, this prospectus.

USE OF PROCEEDS

Unless the prospectus supplement states otherwise, we will use the net proceeds from the sale of the debt securities for general corporate purposes, including:

- management of working capital;
- capital expenditures;
- acquisitions; and
- refundings of existing indebtedness.

We may temporarily invest the net proceeds until we use the funds for these purposes.

RATIO OF EARNINGS TO FIXED CHARGES

Our historical consolidated ratios of earnings to fixed charges for each of the periods indicated were as follows:

| Six Months Ended June 30, 2003 | Years Ended December 31, | | | | |
|-----------------------------------|--------------------------|------|------|------|------|
| | 2002 | 2001 | 2000 | 1999 | 1998 |
| 2.5 | 5.8 | 1.7 | 9.0 | 10.1 | 11.3 |

For purposes of calculating the ratio of earnings to fixed charges, earnings represent earnings from continuing operations before income taxes and before adjustments for minority interest in consolidated subsidiaries and income or loss from equity investees, plus interest expense, the interest component of rental expense and amortization of capitalized interest. Fixed charges consist of interest expense, the interest component of rental expense, and capitalized interest. (The interest portion of rental expense is assumed to approximate one-third of rental expense.)

DESCRIPTION OF DEBT SECURITIES

The debt securities will be issued under an indenture dated as of January 1, 1988 between us and The Bank of New York, as Trustee, as supplemented by a first supplemental indenture dated as of September 6, 1991, a

second supplemental indenture dated as of September 20, 1991, a third supplemental indenture dated as of January 28, 1993 and a fourth supplemental indenture dated as of March 1, 1993. As used in this prospectus, “indenture” means the indenture as supplemented by the supplemental indentures. A copy of the indenture is filed as an exhibit to the registration statement. The following summary of certain provisions of the indenture and the debt securities is not complete and is subject to, and is qualified in its entirety by reference to, the provisions of the indenture. In this summary, numerical references in parentheses are to sections in the indenture and, unless otherwise indicated, capitalized terms we use but don’t define under this caption of the prospectus have the meanings given them in the indenture.

The indenture does not limit the amount of debt securities we may issue under it. It permits us to issue debt securities from time to time in one or more series, in an aggregate principal amount authorized by us before each issuance. We may issue multiple series of debt securities with different terms or “reopen” a previous series of debt securities and issue additional debt securities of that series. (Section 301)

Terms of Debt Securities

The prospectus supplement relating to a series of debt securities being offered by us will include the specific terms of those debt securities and may include modifications of or additions to the general terms described in this prospectus. The specific terms will include some or all of the following:

- the title of the debt securities;
- any limit on the aggregate principal amount of the debt securities;
- the price (expressed as a percentage of aggregate principal amount) at which the debt securities will be issued;
- the date or dates on which the principal of the debt securities is payable;
- the currency of denomination of the debt securities, which may be U.S. dollars, any foreign currency or any composite currency;
- the designation of the currency or currencies in which the debt securities are being sold and in which the principal of (and premium, if any) and interest on the debt securities will be paid, and the designation, if any, of the currency or currencies in which the principal of (and premium, if any) or interest on the debt securities may also be payable at the election of a holder;
- the rate or rates (which may be fixed or floating), if any, at which the debt securities will bear interest, the date or dates from which interest will accrue, the dates on which interest will be payable, and the regular record date for the interest payable on any interest payment date;
- the manner in which the amount of payments of principal of (and premium, if any) or interest on the debt securities is to be determined if such determination is to be made with reference to an index;
- whether the debt securities may be exchanged at the option of a holder for equity or debt securities of an issuer other than us and, if so, the terms and provisions relating to any such exchange;
- the terms and conditions, if any, on which we may redeem the debt securities;
- whether we have an obligation to redeem, repay or purchase the debt securities pursuant to any sinking fund or at the option of a holder, and, if so, the terms and conditions on which we shall redeem, repay or purchase the debt securities, including if applicable a statement that we will comply with all applicable tender offer rules, including Rule 14e-1 under the Exchange Act, in connection with any redemption, repayment or purchase;
- any additional events of default or restrictive covenants provided for with respect to the debt securities;

- whether we will issue the debt securities in registered form or bearer form or both and, if in bearer form, restrictions applicable to the exchange of one form for another and to the offer, sale, and delivery of certificates in bearer form;
- whether and under what circumstances we will pay additional amounts on the debt securities held by a person who is not a U.S. person in respect of any tax, assessment, or governmental charge withheld or deducted and, if so, whether we will have the option to redeem the debt securities rather than pay additional amounts;
- federal income tax consequences; and
- any other terms not inconsistent with the indenture, including any terms that may be required by or advisable under United States laws or regulations. (Section 301)

Unless the applicable prospectus supplement states otherwise, we will issue debt securities only in fully registered form without coupons. We will issue debt securities denominated in dollars in denominations of \$1,000 and multiples of \$1,000 (Section 302), unless the applicable prospectus supplement provides otherwise. We may issue debt securities denominated in a composite currency or any one or more foreign currencies, in each case as specified in the applicable prospectus supplement.

One or more series of debt securities may provide that if their maturity is accelerated under the indenture, the amount due and payable will be less than their stated principal amount. These are referred to as “Original Issue Discount Securities”. (Section 101) An Original Issue Discount Security would be issued at a discount from its stated principal amount and would bear interest at a below-market rate or not at all. Under applicable federal income tax laws and regulations, if a debt security is issued at a discount and the amount of discount exceeds a *de minimis* amount, then regardless of whether the debt security meets the indenture’s definition of “Original Issue Discount Security”, the holder of the debt security would be required to include amounts in gross income for federal income tax purposes before receiving the related cash. The prospectus supplement relating to any debt securities subject to these laws and regulations will describe the federal income tax consequences and other special considerations that you should consider before purchasing them.

One or more series of debt securities may be floating rate debt securities, exchangeable for fixed rate debt securities. Federal income tax consequences and special considerations applicable to any such series will be described in the prospectus supplement relating thereto.

We will pay the principal of (and premium, if any) and interest on debt securities at the place or places of payment designated for such debt securities, provided that, at our option, we may pay the interest on registered debt securities by check mailed not later than the applicable interest payment date to the registered holders of such debt securities. (Sections 301, 305, 307 and 1002)

Unless the applicable prospectus supplement states otherwise, you may exchange debt securities, and transfer registered debt securities, at the corporate trust office of the Trustee or at any other office maintained for that purpose. There will be no service charge for any transfer or exchange of debt securities, but we may require a payment to cover any tax or other governmental charge related to the transfer or exchange, other than exchanges pursuant to the indenture not involving any transfer. (Section 305)

Ranking

The debt securities will be our unsecured and unsubordinated obligations and will rank equally with all of our other unsecured and unsubordinated outstanding indebtedness. All debt securities issued under the indenture will rank equally with each other, including other debt securities previously issued under the indenture.

The indenture does not limit the amount of indebtedness that we may incur. Unless the applicable prospectus supplement states otherwise, the debt securities will not benefit from any covenant or other provision that would afford holders of the debt securities protection in the event of a highly-leveraged transaction or other transaction that may adversely affect holders of the debt securities, except as described under “—Limitations on Liens” and “—Consolidation, Merger and Sale of Assets”.

Global Securities

We may issue the debt securities of a series in the form of one or more fully registered global securities that will be deposited with, or on behalf of, a depository identified in the prospectus supplement relating to such series. Unless and until it is exchanged in whole or in part for debt securities in definitive registered form, a global security may not be transferred except as a whole by the depository for such global security to a nominee of such depository or by a nominee of such depository to such depository or another nominee of such depository or by such depository or any such nominee to a successor of such depository or a nominee of such successor. (Section 305)

We will describe the specific terms of the depository arrangement with respect to a series of debt securities in the prospectus supplement relating to such series. We anticipate that the following provisions will apply to all depository arrangements.

Upon the issuance of a global security, the depository for such global security will credit, on its book-entry registration and transfer system, the respective principal amounts of the debt securities represented by such global security to accounts of institutions that have accounts with such depository (“participants”). The accounts to be credited will be designated by the underwriters, dealers or agents of such debt securities or by us, if such debt securities are offered and sold directly by us. Ownership of beneficial interests in a global security will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in a global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the depository (with respect to participants’ interests) for such global security or by participants or persons that hold through participants (with respect to beneficial owners’ interests). 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 your beneficial interest in a global security.

So long as the depository for a global security, or its nominee, is the registered owner of the global security, the depository or its nominee, as the case may be, will be considered the sole owner or holder of the debt securities represented by the global security for all purposes under the indenture. Except as set forth below or in the prospectus supplement, owners of beneficial interests in a global security will not be entitled to have debt securities of the series represented by such global security registered in their names, will not receive or be entitled to receive physical delivery of debt securities of such series in definitive form and will not be considered the owners or holders thereof under the indenture.

We will make payments of principal, premium, if any, and interest on debt securities registered in the name of a depository or its nominee to the depository or its nominee, as the case may be, as the registered owner of the global security or securities representing such debt securities. Neither we, the Trustee, any Paying Agent nor the Security Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a global security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

We expect that the depository for a series of debt securities, 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 or securities for such debt securities as shown on the records of the depository. We also expect that payments by participants to owners of beneficial interests in the global security or securities held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such participants.

If a depository for a series of debt securities is at any time unwilling or unable to continue as depository and we do not appoint a successor depository within ninety days, we will issue debt securities for such series in definitive form in exchange for the global security or securities representing such series of debt securities. In addition, we may at any time and in our sole discretion determine not to have the debt securities of a series represented by a global security or securities and, in such event, will issue debt securities of such series in definitive form in exchange for the global security or securities representing such series of debt securities. In either instance, an owner of a beneficial interest in a global security will be entitled to have debt securities of the series represented by the global security equal in principal amount to such beneficial interest registered in its name and will be entitled to physical delivery of such debt securities in definitive form.

Further, if the applicable prospectus supplement so specifies, an owner of a beneficial interest in a global security representing debt securities of a series may receive individual debt securities in definitive registered form without coupons in exchange for such beneficial interest. Such owner will be entitled to physical delivery of individual debt securities equal in principal amount to such beneficial interest and to have such debt securities registered in the names and authorized denominations as such owner may request.

Events of Default, Notice and Waiver

Unless otherwise indicated in the prospectus supplement relating to a particular series of debt securities, if an Event of Default with respect to any debt securities of any series occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series may declare, by notice as provided in the indenture, the principal amount, or a lesser amount if provided for in the debt securities of that series, of all the debt securities of that series due and payable immediately. If all Events of Default with respect to debt securities of that series have been cured or waived, and all amounts due otherwise than because of the acceleration have been paid or deposited with the Trustee, the holders of a majority in aggregate principal amount of the outstanding debt securities of that series may rescind the acceleration and its consequences. (Section 502)

If the maturity of Original Issue Discount Securities is accelerated, an amount less than the principal amount will be due and payable. We will describe the provisions relating to acceleration of the maturity of Original Issue Discount Securities in the applicable prospectus supplement.

The holders of a majority in aggregate principal amount of the outstanding debt securities of a series may waive any past default with respect to the debt securities of that series, and any Event of Default arising from a past default, except in the case of:

- a default in the payment of the principal of or any premium or interest on any debt security of that series; or
- a default in respect of a covenant or provision that may not be amended or modified without the consent of the holder of each outstanding debt security of that series.

(Section 513)

“Event of Default” means the occurrence and continuance of any of the following events with respect to a series of debt securities:

- failure to pay when due any interest on any debt security of that series, continued for 30 days;
- failure to pay when due the principal of and any premium on any debt security of that series;
- failure to deposit when due any sinking fund payment on any debt security of that series;
- failure to perform when required any other covenant that applies to the debt securities of that series and continuance of that failure for 60 days after written notice as provided in the indenture;
- failure to pay when due, or acceleration, of any of our indebtedness in a principal amount in excess of \$10,000,000 if the indebtedness is not discharged, or the acceleration is not rescinded or annulled, within 10 days after written notice as provided in the indenture;
- certain events in bankruptcy, insolvency or reorganization; and
- any other Event of Default that may be provided with respect to the debt securities of that series.

(Section 501)

The Trustee is required, within 90 days after the occurrence of any continuing default that it knows of, to notify the holders of the applicable series of debt securities of the default. However, unless the default is a payment default, the Trustee may withhold the default notice if it in good faith decides that withholding the notice is in the holders’ interests. In addition, in the case of any default referred to in the fourth event listed in the previous paragraph, the Trustee will not give notice to holders until at least 30 days after the default occurs. (Section 602)

Subject to its duty to act with the required standard of care in the case of a default, the Trustee is not obligated to exercise any of its rights or powers under the indenture at the request, order or direction of any holders of debt securities unless the holders offer the Trustee reasonable indemnification. (Sections 601 and 603) If reasonable indemnification is provided, then, subject to other limitations, the holders of a majority in aggregate principal amount of the outstanding debt securities of any series may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power of the Trustee, with respect to the debt securities of that series. (Section 512)

No holder of a debt security of any series may institute any action against us under the indenture, except actions for payment of overdue principal of, premium, if any, or interest on that debt security, unless:

- the holder has previously given written notice to the Trustee of a continuing Event of Default with respect to that series of debt securities;
- the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series have previously made a written request of the Trustee to institute that action and offered the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with the request;
- the Trustee has not instituted the action within 60 days of the notice, request and offer of indemnity; and
- the Trustee has not received any inconsistent written request within that 60 day period from the holders of a majority in aggregate principal amount of the outstanding debt securities of that series.

(Sections 507 and 508)

The indenture requires us to deliver to the Trustee annual statements as to our compliance with all conditions and covenants under the indenture. (Section 704)

Consolidation, Merger and Sale of Assets

The indenture generally permits us to consolidate with or merge with or into any other corporation, or to convey, transfer or lease our properties and assets substantially as an entirety to, any person, or to acquire the properties and assets of another person substantially as an entirety, if:

- either (1) we are the survivor of the merger or (2) the entity that survives the merger or is formed by the consolidation or acquires our assets is a corporation organized and existing under the laws of the United States or any State or the District of Columbia and assumes all of our obligations and covenants under the indenture, including payment obligations;
- immediately after the transaction, no Event of Default exists and no event exists which, with the giving of notice or passage of time or both, would be an Event of Default; and
- as a result of the transaction any of our properties or assets would become subject to a mortgage or other encumbrance not permitted by the indenture, we or such successor corporation or person, as the case may be, takes such steps as shall be necessary to secure the debt securities equally and ratably with or prior to all indebtedness secured thereby.

(Section 801)

Modification and Waiver

The indenture may be modified or amended with the consent of the holders of at least 66²/₃% in aggregate principal amount of the outstanding debt securities of each series affected by the modification or amendment. However, unless each holder to be affected by the proposed change consents, no modification or amendment may:

- change the Stated Maturity of the principal of, or any installment of principal of or interest on, any outstanding debt security;
- reduce the principal amount of, or the rate or amount of interest on, or any premium payable with respect to, any debt security;
- reduce the amount of principal of an Original Issue Discount Security that would be due and payable upon acceleration of the Original Issue Discount Security;
- change the places or currency of payment of the principal of, or any premium or interest on, any debt security;
- impair the right to sue for the enforcement of any payment of principal of, or any premium or interest on, any debt security on or after the date the payment is due;
- reduce the percentage in aggregate principal amount of outstanding debt securities of any series necessary to:
 - modify or amend the indenture with respect to that series,
 - waive any past default or compliance with certain restrictive provisions; or
- otherwise modify the provisions of the indenture concerning modification or amendment or concerning waiver of compliance with certain provisions of, or certain defaults and their consequences under, the indenture, except to:
 - increase the percentage of outstanding debt securities necessary to modify or amend the indenture or to give the waiver, or
 - provide that certain other provisions of the indenture cannot be modified or waived without the consent of the holder of each outstanding debt security affected by the modification or waiver.

(Section 902)

The holders of at least 66 2/3% in aggregate principal amount of the outstanding debt securities of any series may waive our obligation to comply with certain restrictive provisions applicable to the series. (Section 1008)

The indenture may be modified or amended without the consent of any holder of outstanding debt securities for any of the following purposes:

- to evidence that another corporation is our successor and has assumed our obligations with respect to the indenture and the debt securities;
- to add to our covenants for the benefit of the holders of all or any series of debt securities or to surrender any of our rights or powers under the indenture;
- to add any Events of Default to all or any series of debt securities;
- to add to or change any provision of the indenture so as to permit or facilitate the issuance of debt securities in bearer form;
- to change or eliminate any provision of the indenture in respect of one or more series of debt securities, so long as there is no outstanding debt security of any series entitled to the benefit of the provision;
- to secure the debt securities;
- to establish the form or terms of the debt securities of any series;
- to provide for the appointment of a successor Trustee with respect to the debt securities of one or more series and to add to or change any of the provisions to facilitate the administration of the trusts under the indenture by more than one Trustee; or
- to cure any ambiguity or inconsistency in the indenture or to make any other provisions with respect to matters or questions arising under the indenture, so long as the action does not adversely affect the interests of the holders of the debt securities of any series in any material respect.

(Section 901)

Satisfaction and Discharge

Unless the prospectus supplement relating to a particular series of debt securities states otherwise, except as described below we will be discharged from our obligations in respect of the debt securities of any series on the 91st day after we deposit in trust with the Trustee money and/or Government Obligations sufficient to pay the principal of, any premium and interest on, and any mandatory sinking fund payments in respect of, the debt securities of the applicable series on the dates the payments are due if the following conditions have been satisfied:

- the deposit will not result in a breach of or constitute a default under the indenture or any other agreement to which we are a party;
- no Event of Default or event which, after notice or lapse of time or both, would become an Event of Default shall have occurred and be continuing; and
- we have received from, or there has been published by, the United States Internal Revenue Service a ruling to the effect that the discharge will not cause the holders of the debt securities of the series to recognize income, gain or loss for federal income tax purposes.

We would not, however, be discharged from the following obligations:

- to register the transfer or exchange of debt securities;
- to replace stolen, lost or mutilated debt securities;

- to maintain offices and paying agencies; and
- to hold moneys for payment in trust.

(Section 403)

In addition to the above provisions, we will be released from any further obligations under the indenture with respect to a series of debt securities, except for obligations to register the transfer or exchange of debt securities and certain obligations to the Trustee, when certain conditions are satisfied including that:

- all debt securities of the series either have been delivered to the Trustee for cancellation or are due, or are to be called for redemption, within one year; and
- with respect to all debt securities of the series not previously delivered to the Trustee for cancellation, we have deposited in trust with the Trustee money sufficient to pay the principal of, and any premium and interest on, those debt securities on the dates the payments are due.

(Section 401)

Limitations on Liens

We covenant in the indenture that we will not, nor will we permit any Restricted Subsidiary to, issue, assume or guarantee any debt for money borrowed secured by a mortgage, security interest, pledge, lien or other encumbrance (“mortgages”) upon any Principal Property of ours or any Restricted Subsidiary or upon any shares of stock or indebtedness of any Restricted Subsidiary without equally and ratably securing outstanding debt securities. The foregoing restriction, however, will not apply to debt secured by:

- mortgages on property, shares of stock or indebtedness of any corporation existing at the time it becomes a Restricted Subsidiary;
- mortgages existing at the time of acquisition of property by us or a Restricted Subsidiary or mortgages to secure the payment of all or any part of the purchase price of, or improvements on, property upon the acquisition thereof;
- mortgages to secure indebtedness of a Restricted Subsidiary to us or another Restricted Subsidiary;
- mortgages existing at the date of the indenture;
- mortgages on property of a corporation existing at the time it is merged into or consolidated with us or a Restricted Subsidiary;
- certain mortgages in favor of governmental entities; or
- extensions, renewals or replacements (or successive extensions, renewals or replacements) of any mortgage referred to above.

(Section 1010)

We and our Restricted Subsidiaries will be permitted to issue, assume or guarantee debt for money borrowed secured by a mortgage without equally and ratably securing outstanding debt securities if, after giving effect thereto, the aggregate amount of all debt so secured by mortgages (other than the mortgages listed above) together with the Attributable Debt of any lease arrangements described in the third bullet under “—Limitation on Sale and Leaseback Transactions” does not exceed 10% of our Consolidated Net Tangible Assets. (Section 1010)

Limitation on Sale and Lease-Back Transactions

We covenant in the indenture that we will not, nor will we permit any Restricted Subsidiary to, enter into any arrangement with any person that provides for the leasing to us or any Restricted Subsidiary of any Principal Property which has been or is to be sold or transferred by us or such Restricted Subsidiary to such person, unless:

- the lease is for a term of not more than three years;
- the lease is between us and a Restricted Subsidiary or between Restricted Subsidiaries;
- either we or such Restricted Subsidiary would be entitled pursuant to the covenant described under “—Limitations on Liens” to incur indebtedness secured by a mortgage on the Principal Property at least equal in amount to the Attributable Debt in respect of such arrangement without equally and ratably securing the outstanding debt securities; or
- we shall apply an amount equal to the greater of the net proceeds of such sale or the Attributable Debt in respect of such arrangement within 120 days after the effective date of the arrangement to the retirement of indebtedness that matures at or is extendable or renewable at our option to a date more than twelve months after the creation of such indebtedness. (Section 1011)

Certain Definitions

The term “Attributable Debt” means, at the time of determination, the lesser of:

- the fair value of such property (as determined by our Board of Directors); or
- the present value (discounted at the annual rate of 9%, compounded semi-annually) of the obligation of the lessee for net rental payments during the remaining term of the lease (including any period for which such lease has been extended).

The term “Consolidated Net Tangible Assets” means as of any particular time the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom:

- all current liabilities except for
 - notes and loans payable;
 - current maturities of long-term debt; and
 - current maturities of obligations under capital leases; and
- all goodwill, tradenames, trademarks, patents, unamortized debt discount and expenses (to the extent included in said aggregate amount of assets) and other like intangibles, all as set forth on our most recent consolidated balance sheet and computed in accordance with generally accepted accounting principles.

The term “Principal Property” means any manufacturing plant or manufacturing facility which is

- owned by us or any Restricted Subsidiary;
- located within the continental United States; and
- in the opinion of our Board of Directors materially important to the total business conducted by us and our Restricted Subsidiaries, taken as a whole.

The term “Restricted Subsidiary” means any Subsidiary:

- substantially all the property of which is located within the continental United States; and
- which owns any Principal Property;

provided, however, that the term “Restricted Subsidiary” shall not include any Subsidiary which is principally engaged in leasing or in financing receivables, or which is principally engaged in financing our operations outside the continental United States.

The term “Subsidiary” means any corporation more than 50% of the outstanding stock of which that ordinarily has voting power for the election of directors is owned, directly or indirectly, by us or by one or more other Subsidiaries, or by us and one or more other Subsidiaries.

The Trustee

We and certain of our affiliates maintain banking and borrowing relations with The Bank of New York.

PLAN OF DISTRIBUTION

Methods of Distribution

We may sell the debt securities in any of three ways:

- through underwriters or dealers;
- through agents; or
- directly to investors.

The prospectus supplement with respect to each series of debt securities will set forth the terms of the offering of the debt securities of such series, including

- the name or names of any underwriters or agents involved in the offer and sale (only the underwriters or agents as are named in the applicable prospectus supplement are underwriters or agents in connection with the debt securities being offered);
- the purchase price, the proceeds to us, any underwriting discounts and other items constituting underwriters’ compensation, any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers;
- the place and time of delivery of the debt securities; and
- any securities exchanges on which the debt securities may be listed and any restrictions on the sale and delivery of such debt securities in bearer form, if applicable.

Compensation and Indemnification of Underwriters

In connection with the sale of debt securities, underwriters may receive compensation from us or from purchasers of debt securities for whom they may act as agents, in the form of discounts, concessions or commissions. Underwriters may sell debt securities to or through dealers, and the dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agent. Underwriters, dealers and agents that participate in the distribution of debt securities may be considered to be underwriters as defined in the Securities Act of 1933, and any discounts or commissions received by them from us and any profit on the resale of debt securities by them may be deemed to be underwriting discounts and commissions under the Securities Act of 1933. Any compensation that we pay to underwriters, dealers or agents in connection with an offering of debt securities, and any discounts, concessions or commissions allowed by underwriters to participating dealers, will be described in the prospectus supplement relating to the debt securities.

We may agree to indemnify the underwriters and agents which participate in the distribution of the debt securities against certain liabilities, including liabilities under the Securities Act of 1933. We also may agree to contribute to the payment of those liabilities and to reimburse them for certain expenses.

Underwriters, dealers or agents participating in the offer or sale of the debt securities, and their associates, may be customers of ours, or may engage in transactions with or perform services for us or one or more of our affiliates, in the ordinary course of business.

Delayed Delivery Arrangements

If stated in a prospectus supplement, we will authorize underwriters, dealers or other persons acting as our agents to solicit offers by certain institutions to purchase debt securities from us under contracts providing for payment and delivery on a future date. These contracts, which in all cases must be approved by us, may be made with:

- commercial and savings banks;
- insurance companies;
- pension funds;
- investment companies;
- educational and charitable institutions; and
- other institutions.

The institution's obligations under the contract will be subject to the condition that the purchase of the debt securities at the time of delivery is not prohibited under the laws of the jurisdiction to which the institution is subject. The underwriters and the other agents will not have any responsibility for the validity or performance of the contracts.

LEGAL OPINIONS

The validity of the debt securities will be passed upon for us by Gary P. Van Graafeiland, our General Counsel. Certain legal matters will be passed on for the underwriters and agents by Sidley Austin Brown & Wood LLP. Mr. Van Graafeiland owns shares of our common stock and has options to purchase additional shares of such stock.

EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from our Annual Report on Form 10-K for the year ended December 31, 2002, have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated on their report, which is incorporated herein by reference, and have been so incorporated in reliance upon the report of PricewaterhouseCoopers LLP given upon the authority of said firm as experts in auditing and accounting.

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

| | |
|---------------------------------|---------------|
| Registration fee | \$ 161,800 |
| Rating agency fees | 1,100,000* |
| Printing and engraving expenses | 18,000* |
| Accounting fees and expenses | 70,000* |
| Legal fees and expenses | 200,000* |
| Fees and expenses of Trustee | 80,000* |
| Miscellaneous | 50,200* |
| Total | \$ 1,680,000* |

* Estimated

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The registrant is incorporated under the laws of the State of New Jersey.

The New Jersey Business Corporation Act provides that a New Jersey corporation has the power to indemnify a director or officer against his or her expenses and liabilities in connection with any proceeding involving the director or officer by reason of his or her being or having been such a director or officer, other than a proceeding by or in the right of the corporation, if such a director or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal proceeding, such director or officer had no reasonable cause to believe his or her conduct was unlawful.

The New Jersey Business Corporation Act further provides that indemnification and advancement of expenses shall not exclude any other rights, including the right to be indemnified against liabilities and expenses incurred in proceedings by or in the right of the corporation, to which a director or officer may be entitled under a certificate of incorporation, by-law, agreement, vote of shareholders, or otherwise; provided that no indemnification shall be made to or on behalf of a director or officer if a judgement or other final adjudication adverse to the director or officer establishes that his or her acts or omissions (a) were in breach of his or her duty of loyalty to the corporation or its shareholders, (b) were not in good faith or involved a knowing violation of law or (c) resulted in receipt by the director or officer of an improper personal benefit.

The Restated Certificate of Incorporation of the registrant provides that to the fullest extent permitted by the New Jersey Business Corporation Act, directors and officers of the registrant shall not be personally liable to the registrant or its shareholders for damages for breach of any duty owed to the registrant or its shareholders.

The registrant's bylaws provide that to the fullest extent authorized or permitted by law, the registrant shall provide indemnification for all expenses and liabilities incurred by any person who is or was a director, officer, employee or agent of the registrant, or who is or was serving at the request of the registrant as a director, officer, trustee, employee or agent of any other enterprise, or the legal representative of any such person, and who is or was a party to or threatened to be made a party to any proceeding, civil, criminal or otherwise in respect of any past, present or future matter, by reason of the fact that such person is or was serving in any of the foregoing capacities. The registrant's bylaws further provide that the determination as to whether an applicant has met the standards to entitle him or her to indemnification shall be made by a committee of the registrant's directors, not less than three, appointed by the Board of Directors for the purpose, none of whom shall be parties to the proceedings, or if there are not at least three directors who are not parties to the proceedings, or if there are three such directors and the Board of Directors so directs, the determination shall be made in a written opinion by independent legal counsel designated by the Board of Directors. The question of indemnification shall not be submitted to shareholders unless so directed by the Board of Directors.

We intend to enter into one or more sales or underwriting agreements, which will include provisions regarding our indemnification and that of our officers and directors by the related agents, dealers or underwriters.

ITEM 16. EXHIBITS.

- (1) Form of Underwriting Agreement, Standard Provisions (Debt) dated as of September 5, 2003
- (4)(a) Indenture, dated as of January 1, 1988, between Eastman Kodak Company and The Bank of New York, as Trustee
- (4)(b) First Supplemental Indenture, dated as of September 6, 1991, between Eastman Kodak Company and The Bank of New York, as Trustee
- (4)(c) Second Supplemental Indenture, dated as of September 20, 1991, between Eastman Kodak Company and The Bank of New York, as Trustee
- (4)(d) Third Supplemental Indenture, dated as of January 26, 1993, between Eastman Kodak Company and The Bank of New York, as Trustee
- (4)(e) Fourth Supplemental Indenture, dated as of March 1, 1993, between Eastman Kodak Company and The Bank of New York, as Trustee
- (4)(f) Form of proposed Debt Security (included in Exhibit (4)(a))
- (5) Opinion of the Senior Vice President and General Counsel of Eastman Kodak Company
- (12) Computation of Ratios of Earnings to Fixed Charges
- (23)(a) Consent of PricewaterhouseCoopers LLP, Independent Accountants
- (23)(b) Consent of the Senior Vice President and General Counsel of Eastman Kodak Company (included in Exhibit (5))
- (24) Power of Attorney (included at page II-4)
- (25) Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of The Bank of New York

ITEM 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes:

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

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

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

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

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

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

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

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of 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 the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 15 above, 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 Act and will be governed by the final adjudication of such issue.

Signatures

Title

/s/ MARTHA LAYNE COLLINS

Director

Martha Layne Collins

/s/ TIMOTHY M. DONAHUE

Director

Timothy M. Donahue

/s/ WILLIAM H. HERNANDEZ

Director

William H. Hernandez

/s/ DURK I. JAGER

Director

Durk I. Jager

/s/ DEBRA L. LEE

Director

Debra L. Lee

/s/ DELANO E. LEWIS

Director

Delano E. Lewis

/s/ PAUL H. O'NEILL

Director

Paul H. O'Neill

/s/ HECTOR DE J. RUIZ

Director

Hector de J. Ruiz

/s/ LAURA D'ANDREA TYSON

Director

Laura D'Andrea Tyson

EXHIBIT INDEX

**Exhibit
Number**

- (1) Underwriting Agreement, Standard Provisions (Debt) dated as of September 5, 2003
- (4)(a) Indenture, dated as of January 1, 1988, between Eastman Kodak Company and The Bank of New York, as Trustee
- (4)(b) First Supplemental Indenture, dated as of September 6, 1991, between Eastman Kodak Company and The Bank of New York, as Trustee
- (4)(c) Second Supplemental Indenture, dated as of September 20, 1991, between Eastman Kodak Company and The Bank of New York, as Trustee
- (4)(d) Third Supplemental Indenture, dated as of January 26, 1993, between Eastman Kodak Company and The Bank of New York, as Trustee
- (4)(e) Fourth Supplemental Indenture, dated as of March 1, 1993, between Eastman Kodak Company and The Bank of New York, as Trustee
- (4)(f) Form of proposed Debt Security (included in Exhibit (4)(a))
- (5) Opinion of Senior Vice President and General Counsel of Eastman Kodak Company
- (12) Computation of Ratios of Earnings to Fixed Charges
- (23)(a) Consent of PricewaterhouseCoopers LLP, Independent Accountants
- (23)(b) Consent of Senior Vice President and General Counsel of Eastman Kodak Company (included in Exhibit (5))
- (24) Power of Attorney (included at page II-4)
- (25) Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of The Bank of New York

EASTMAN KODAK COMPANY
(a New Jersey corporation)

UNDERWRITING AGREEMENT

STANDARD PROVISIONS (DEBT)

September 5, 2003

From time to time, Eastman Kodak Company, a New Jersey corporation (the "Company"), may enter into one or more underwriting agreements that provide for the sale of designated securities to the several underwriters named therein. The standard provisions set forth herein may be incorporated by reference in any such underwriting agreement (an "Underwriting Agreement"). The Underwriting Agreement, including the provisions incorporated therein by reference, is herein referred to as this Agreement. Unless otherwise defined herein, terms defined in the Underwriting Agreement are used herein as therein defined.

I.

The Company proposes to issue from time to time debt securities (the "Securities") to be issued pursuant to the provisions of the Indenture dated as of January 1, 1988 between the Company and The Bank of New York, as Trustee (the "Trustee"), as heretofore amended by a First Supplemental Indenture dated as of September 6, 1991, a Second Supplemental Indenture dated as of September 20, 1991, a Third Supplemental Indenture dated as of January 26, 1993 and a Fourth Supplemental Indenture dated as of March 1, 1993, and as may hereafter be further supplemented by supplemental indentures as provided in Article Nine of such indenture or as modified by resolutions of the Board of Directors as provided in Section 301 of such indenture (the indenture as so supplemented or modified being hereinafter referred to as the "Indenture"). The Securities will have varying designations, maturities, rates and times of payment of interest, selling prices, redemption terms and other terms.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement including a prospectus relating to the Securities and has filed with, or proposes to file with, the Commission a prospectus supplement or supplements specifically relating to the Offered Securities pursuant to Rule 424 under the Securities Act of 1933 (the "Securities Act"). The term Registration Statement means the registration statement as amended to the date of the Underwriting Agreement. The term Basic Prospectus means the prospectus included in the Registration Statement. The term Prospectus means the Basic Prospectus together with the prospectus supplement (other than a preliminary prospectus supplement) specifically relating to the Offered Securities as filed with, or proposed to be filed with, the Commission pursuant to Rule 424. The term preliminary prospectus means a preliminary prospectus supplement specifically relating to the Offered Securities together with the Basic Prospectus. As used herein, the terms "Registration Statement", "Basic Prospectus", "Prospectus" and "preliminary prospectus" shall include, in each case, the material, if any, incorporated by reference therein.

The term Underwriters' Securities means the Offered Securities to be purchased by the Underwriters herein. The term Manager means the firm or firms designated as manager or managers of such Underwriters of such Offered Securities in the underwriting agreement relating thereto which will act as manager or managers and also refers to any Underwriters who act without any firm being designated as manager. The term Contract Securities means the Offered Securities, if any, to be purchased pursuant to the delayed delivery contracts referred to below.

II.

If the Prospectus provides for sales of Offered Securities pursuant to delayed delivery contracts, the Company hereby authorizes the Underwriters to solicit offers to purchase Contract Securities on the terms and subject to the conditions set forth in the Prospectus pursuant to delayed delivery contracts substantially in the form of Schedule I attached hereto ("Delayed Delivery Contracts") but with such changes therein as the Company may authorize or approve. Delayed Delivery Contracts are to be with institutional investors approved by the Company and of the types set forth in the Prospectus. On the Closing Date (as hereinafter defined), the Company will pay the Manager as compensation, for the accounts of the Underwriters, the commissions set forth in the Underwriting Agreement in respect of the Contract Securities. The Underwriters will not have any responsibility in respect of the validity or the performance of Delayed Delivery Contracts.

If the Company executes and delivers Delayed Delivery Contracts with institutional investors, the Contract Securities shall be deducted from the Offered Securities to be purchased by the several Underwriters and the aggregate principal amount of Offered Securities to be purchased by each Underwriter shall be reduced pro rata in proportion to the Principal amount of Offered Securities set forth opposite each Underwriter's name in the Underwriting Agreement, except to the extent that the Manager determines that such reduction shall be otherwise and so advises the Company.

III.

The Company is advised by the Manager that the Underwriters propose to make a public offering of their respective portions of the Underwriters' Securities as soon after this Agreement is entered into as in the Manager's judgment is advisable. The terms of the public offering of the Underwriters' Securities are set forth in the Prospectus.

IV.

Payment for the Underwriters' Securities shall be made in same day funds paid to the order of the Company at the time and place set forth in the Underwriting Agreement, upon delivery to the Manager for the respective accounts of the several Underwriters of the Underwriters' Securities registered in such names and in such denominations as the Manager shall request in writing not less than two full business days prior to the date of delivery. The time and date of such payment and delivery with respect to the Underwriters' Securities are herein referred to as the Closing Date.

V.

The several obligations of the Underwriters hereunder are subject to the accuracy of the representations and warranties of the Company contained herein, to the accuracy of the statements of the Company's officers made in any certificate furnished pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to each of the following additional terms and conditions:

(a) The Prospectus, as amended or supplemented with respect to the Underwriters' Securities and any Contract Securities, shall have been filed with the Commission pursuant to the Securities Act within the applicable time period prescribed for such filing by the Commission; no stop order suspending the effectiveness of the Registration Statement or any part thereof nor any order directed to any document incorporated by reference in the Prospectus shall have been issued, no stop order proceeding with respect to the foregoing shall have been initiated or threatened by the Commission and no challenge shall have been made to the accuracy or adequacy of any document incorporated by reference in the Prospectus; any request of the Commission for inclusion of additional information in the Registration Statement or the Prospectus or otherwise shall have been complied with; and the Company shall not have filed with the Commission any amendment or supplement to the Registration Statement or the Prospectus (or any document incorporated by reference therein) without the consent of the Manager.

(b) The Manager shall not have discovered and disclosed to the Company that the Registration Statement or the Prospectus contains an untrue statement of a fact which, in the opinion of counsel for the Underwriters, is material or omits to state a fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(c) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, any Delayed Delivery Contract, the Underwriters' Securities, any Contract Securities, the Indenture, the form of the Registration Statement, the Prospectus (other than financial statements and other financial data) and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be satisfactory in all respects to counsel for the Underwriters, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) At the Closing Date, the Manager shall have received the opinion, addressed to the Underwriters and dated the Closing Date, of Gary P. Van Graafeiland, Esq., Senior Vice President and General Counsel of the Company, in form and substance satisfactory to the Manager, to the effect that:

(i) the Company and each of its subsidiaries has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation and is duly qualified to conduct business and is in good standing in each jurisdiction or place where the nature of its properties or the conduct of its business requires such registration or qualification, except where the failure so to register or qualify does not have a material adverse effect on the condition (financial or other), business, properties, net worth or results of operations of the Company and its subsidiaries taken as a whole;

(ii) except as set forth in the Prospectus, the Company has full corporate power and authority, and all necessary governmental authorizations,

approvals, orders, licenses, certificates, franchises and permits of and from all governmental regulatory officials and bodies (except where the failure so to have any such authorizations, approvals, orders, licenses, certificates, franchises or permits, individually or in the aggregate, would not have a material adverse effect on the business, properties, operations or financial condition of the Company and its subsidiaries taken as a whole), to own its properties and to conduct its business as now being conducted, as described in the Prospectus;

(iii) other than as described or contemplated in the Prospectus (or any amendment or supplement thereto) or in the documents incorporated by reference therein, there are no legal or governmental proceedings pending or threatened against the Company or any of its subsidiaries, or to which the Company or any of its subsidiaries, or any of their property, is subject, which are required to be described in the Prospectus (or any amendment or supplement thereto);

(iv) there are no agreements, contracts, indentures, leases or other instruments that are required to be described in the Prospectus (or any amendment or supplement thereto) or in the documents incorporated by reference therein that are not described as required;

(v) neither the Company nor any of its subsidiaries is in violation in any material respect of any applicable law, ordinance, administrative or governmental rule or regulation, or of any decree of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries;

(vi) there is no holder of any security of the Company who has the right, as a result of the filing of the Prospectus, to require registration under the Securities Act of any shares of common stock or other securities of the Company;

(vii) the Company has the corporate power and authority necessary to execute and deliver this Agreement and any Delayed Delivery Contract; this Agreement and any Delayed Delivery Contract have been duly authorized, executed and delivered by the Company, and each such agreement constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as rights to indemnity and contribution hereunder may be limited by public policy considerations;

(viii) the Indenture has been duly and validly authorized, executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, and has been duly qualified under the Trust Indenture Act of 1939 (the "Trust Indenture Act");

(ix) the Underwriters' Securities and any Contract Securities are in the form contemplated by the Indenture and have been duly and validly authorized by all necessary action for issuance and sale, the terms of the Underwriters' Securities and any Contract Securities have been duly established in accordance

with the Indenture and this Agreement and any Delayed Delivery Contract in a manner that does not violate any applicable law or agreement or instrument then binding on the Company, and the Underwriters' Securities and any Contract Securities have been duly executed and, when authenticated as specified in the Indenture and delivered against payment therefor in accordance with this Agreement and any Delayed Delivery Contract, will be legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms and entitled to the benefits of the Indenture;

(x) neither the issue, offer, sale or delivery of the Underwriters' Securities and any Contract Securities, the execution, delivery or performance of this Agreement, any Delayed Delivery Contract or the Indenture, compliance by the Company with the provisions hereof or thereof, incurrence of the obligations herein or therein contemplated, nor consummation by the Company of the transactions contemplated hereby or thereby conflicts or will conflict with or constitutes or will constitute a breach of, or a default under, the certificate of incorporation, by-laws or other charter documents of the Company or any material agreement, indenture, lease or other instrument known to such counsel to which the Company is a party or by which it or any of its property is bound, nor will any such action result in any violation of any existing law, regulation, ruling (assuming compliance with all applicable state securities laws), judgment, injunction, order, decree or regulation known to such counsel to be applicable to the Company or any of its properties;

(xi) no consent, approval, authorization or other order of, or registration or filing with, any court, regulatory body, administrative agency or other governmental body, agency or official is required on the part of the Company (except as have been obtained under the Securities Act and the Securities Exchange Act of 1934 (the "Exchange Act"), and except as may be required under state securities laws governing the purchase and distribution of the Underwriters' Securities and any Contract Securities) for the valid issuance and sale of the Underwriters' Securities and any Contract Securities as contemplated by this Agreement and any Delayed Delivery Contract;

(xii) the statements in the Prospectus and in the documents incorporated by reference therein, insofar as they are descriptions of contracts, agreements or other legal documents, or refer to statements of law or legal conclusions, constitute fair summaries of the information required to be shown;

(xiii) the Registration Statement has been declared effective by the Commission and, to the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for that purpose is pending or threatened by the Commission;

(xiv) such counsel has no reason to believe that when it became effective the Registration Statement, or any amendment thereof, contained an

untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading;

(xv) such counsel is not aware of anything that has caused such counsel to believe that the Prospectus, at the date thereof, or any amendment thereto or supplement thereof, or the documents incorporated by reference therein, as of each of their respective dates, and as of the Closing Date, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (it being understood that such counsel need express no opinion with respect to the financial statements and the notes thereto and the schedules and other financial and statistical data included in the Prospectus or included in the documents incorporated by reference therein);

(xvi) the Registration Statement, the Prospectus and the documents incorporated by reference in the Prospectus (except that no opinion need be expressed as to the financial statements and the notes thereto and the schedules and other financial and statistical data contained therein) comply as to form in all material respects with the applicable requirements of the Securities Act;

(xvii) such counsel is not aware of any contracts or other documents which are required to be filed as exhibits to the Registration Statement by the Securities Act, or which are required to be filed by the Exchange Act or the rules and regulations of the Commission thereunder as exhibits to any document incorporated by reference in the Prospectus, which have not been filed as exhibits to the Registration Statement or to such document or incorporated therein by reference as permitted by the Exchange Act or the rules and regulations of the Commission thereunder; and

(xviii) the Company is not and, after giving effect to the issue and sale of the Underwriters' Securities and any Contract Securities, will not be, an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

The opinions set forth in paragraphs (vii), (viii) and (ix) above may be given subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and to general equitable principles, including an implied covenant of good faith and fair dealing (regardless of whether enforceability is considered in a proceeding in equity or at law).

The opinion shall be rendered as of the Closing Date and may state that it shall be rendered solely for the benefit of the Underwriters, and may not be relied upon by any other person without such counsel's prior written consent.

In rendering such opinion, such counsel may rely (A) as to matters involving the application of laws of any jurisdiction other than the State of New Jersey (the New Jersey Business Corporation Act only), the State of New York or the United States, to the extent

deemed proper and specified in such opinion, upon the opinion of other counsel of good standing believed to be reliable and who are satisfactory to counsel for the Underwriters; and (B) as to matters of fact, to the extent deemed proper, on certificates of responsible officers of the Company and public officials.

(e) The Company shall have furnished to the Manager on the Closing Date a certificate, dated the Closing Date, of its Chairman of the Board, its President or any Vice President and the Controller, Treasurer or the principal financial or accounting officer of the Company stating that:

(i) the representations, warranties and agreements of the Company in this Agreement are true and correct on and as of the Closing Date; the Company has complied with all its agreements contained herein; and all the conditions on its part to be performed or satisfied as a condition to the obligation of the Underwriters to market the Underwriters' Securities and any Contract Securities set forth in this Agreement have been fulfilled; and

(ii) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or threatened; and

(iii) they have examined the Registration Statement and the Prospectus and, to their knowledge, (A) the Registration Statement, as of its effective date, did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, (B) the Prospectus does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, (C) since the effective date of the Registration Statement, there has not occurred any event required to be set forth in an amended or supplemented Prospectus which has not been so set forth, and (D) since the date of the most recent financial statements included or incorporated in the Prospectus, there has been no material adverse change in the condition (financial or otherwise), business, properties, net worth or earnings of the Company and its subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth or contemplated in the Prospectus.

(f) The Company shall have furnished to the Manager on the Closing Date a letter of PricewaterhouseCoopers, LLP, addressed jointly to the Company and the Underwriters and dated the Closing Date, of the type described in the American Institute of Certified Public Accountants' Statement on Auditing Standards No. 72, in form and substance satisfactory to the Manager, confirming that they are independent certified public accountants within the meaning of the Securities Act and the Exchange Act.

(g) The Manager shall have received from Sidley Austin Brown & Wood LLP, counsel to the Underwriters, such opinion or opinions, dated the Closing Date, with

respect to the issuance and sale of the Underwriters' Securities and any Contract Securities, the Registration Statement, the Prospectus and other related matters as the Manager may reasonably require and the Company shall have furnished to such counsel such documents as they may reasonably request for the purpose of enabling them to pass upon such matters.

(h) There shall not have occurred: (i) any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, stockholders' equity, business, properties, condition (financial or other), results of operations or prospects of the Company and its subsidiaries, taken as a whole, which, in the opinion of the Manager, materially impairs the investment quality of the Underwriters' Securities; (ii) a suspension or material limitation in trading in securities generally on the New York Stock Exchange, the American Stock Exchange or the over-the-counter market or the establishment of minimum prices on such exchanges or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction; (iii) a general moratorium on commercial banking activities declared by Federal or New York State authorities; (iv) any downgrading in the rating accorded the Company's debt securities or preferred stock by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Securities Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities or preferred stock of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (v) any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national calamity or emergency; or (vi) any material adverse change in the existing financial, political or economic conditions in the United States, including any effect of international conditions on the financial markets in the United States, that in the judgment of the Manager makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Underwriters' Securities as contemplated by the Registration Statement and the Prospectus.

(i) Prior to the Closing Date, the Company shall have furnished to the Manager such further information, certificates, documents and opinions of counsel for the Company relating to the business, operations and affairs of the Company, as the Manager or counsel to the Underwriters may reasonably request.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in the form and substance satisfactory to counsel for the Underwriters.

VI.

In further consideration of the agreements of the Underwriters contained in this Agreement, the Company covenants and agrees as follows:

(a) To furnish, without charge, to the Manager, one conformed copy of the Registration Statement including exhibits and materials, if any, incorporated by reference therein and to each other Underwriter, one conformed copy of the Registration Statement without exhibits but including materials, if any, incorporated by reference therein, in each case as originally filed with the Commission, and each amendment or supplement thereto, and, during the period mentioned in paragraph (b) below, as many copies of the Prospectus, any documents incorporated by reference therein and any supplements and amendments thereto as the Manager may reasonably request. The terms "supplement" and "amendment" or "amend" as used in this Agreement with respect to the Registration Statement or Prospectus shall include all documents filed by the Company with the Commission subsequent to the date of the Basic Prospectus, pursuant to the Exchange Act, which are deemed to be incorporated by reference in the Registration Statement and Prospectus.

(b) If, during such period after the commencement of the public offering of the Underwriters' Securities as in the opinion of counsel for the Underwriters the Prospectus is required by law to be delivered with respect thereto (the "Marketing Period"), any event shall occur as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances then existing, not misleading, or if it is necessary to amend or to supplement the Prospectus to comply with law, forthwith at its own expense, to amend or to supplement the Prospectus and to furnish such amendment or supplement to the Underwriters and to the dealers (whose names and addresses you will furnish to the Company) to which Offered Securities may have been sold by you on behalf of the Underwriters and to any other dealers upon request, so as to correct such statement or omission or effect such compliance.

(c) To timely file with the Commission prior to the completion of the distribution of the Underwriters' Securities, all documents (and any amendments to previously filed documents) required to be filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act.

(d) Prior to filing with the Commission before the completion of the distribution of the Underwriters' Securities (i) any amendment or supplement to the Registration Statement, (ii) any amendment or supplement to the Prospectus or (iii) any document incorporated by reference in any of the foregoing or any amendment of or supplement to any such incorporated document, to furnish the Manager a copy thereof.

(e) To qualify the Underwriters' Securities and any Contract Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Manager shall reasonably request and to pay all expenses (including reasonable fees and disbursements of counsel) in connection with such qualification and in connection with the determination of the eligibility of such Offered Securities for investment under the laws of such jurisdictions as the Manager may designate.

(f) To timely file such reports pursuant to the Exchange Act as are necessary in order to make generally available to the Company's security holders as soon as practicable an earnings statement or statements of the Company and its Subsidiaries (which need not be audited) for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(g) So long as any of the Underwriters' Securities are outstanding, to furnish to the Manager, not later than the time the Company makes the same available to others, copies of all public reports or releases and all reports and financial statements furnished by the Company to any securities exchange on which the Underwriters' Securities are listed pursuant to the requirements of or agreements with such exchange or to the Commission pursuant to the Exchange Act and the Securities Act.

(h) Without the prior written consent of the Manager, between the date of the Underwriting Agreement and the Closing Date, not to offer or sell, or enter into any agreement to sell, any debt securities of the Company, other than borrowings under the Company's revolving credit agreements and lines of credit, and issuances of the Company's commercial paper.

(i) To advise the Manager immediately during the Marketing Period (i) when any post-effective amendment to the Registration Statement becomes effective, (ii) of any request or proposed request by the Commission for an amendment or supplement to the Registration Statement or to the Prospectus or to any document incorporated by reference in the Registration Statement or the Prospectus or for any additional information, and the Company will afford the Manager a reasonable opportunity to comment on any such proposed amendment or supplement, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any part thereof or any order directed to the Prospectus or any document incorporated therein by reference, or the initiation or threat of any stop order proceeding or of any challenge to the accuracy or adequacy of any document incorporated by reference in the Prospectus, (iv) of receipt by the Company of any notification with respect to the suspension of the qualification of the Underwriters' Securities or any Contract Securities for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose, (v) of any downgrading in the rating of the Offered Securities, or any other debt securities of the Company, or any proposal to downgrade the rating of the Offered Securities or any other debt securities of the Company, by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Securities Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading of such rating), as soon as the Company learns of any such downgrading, proposal to downgrade or public announcement and (vi) of the happening of any event which makes untrue any statement of a material fact made in the Registration Statement or the Prospectus or which requires the making of a change in the Registration Statement or the Prospectus in order to make any material statement therein not misleading.

(j) With respect to the events described in clauses (iii) and (iv) of paragraph (i) above, prior to the completion of the distribution of the Underwriters' Securities and any Contract Securities, to use promptly its best efforts to obtain the withdrawal of such stop order or of any order suspending the qualification of the Underwriters' Securities and any Contract Securities.

(k) To advise the Manager in writing not later than 3:30 p.m., New York City time, on the second business day prior to the Closing Date of the names of any investors with which the making of Delayed Delivery Contracts has been approved by the Company and the principal amount of any Contract Securities to be covered by each such Delayed Delivery Contract.

(l) If the Company elects to rely upon Rule 462(b) under the Securities Act, to file a registration statement increasing the size of the offering (a "Rule 462(b) Registration Statement") with the Commission in compliance with Rule 462(b) under the Securities Act by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and to, at the time of filing, either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Securities Act.

VII.

The Company represents and warrants to each Underwriter as of the date hereof and as of the Closing Date that (i) each document, if any, filed or to be filed pursuant to the Exchange Act and incorporated by reference in the Prospectus complied or will comply when so filed in all material respects with the Exchange Act and the applicable rules and regulations thereunder, (ii) each part of the registration statement (including the documents incorporated by reference therein), when such part became effective under the Securities Act (or, with respect to documents incorporated by reference therein, when filed pursuant to the Exchange Act) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (iii) each preliminary prospectus, if any, filed pursuant to Rule 424 under the Securities Act complied when so filed in all material respects with the Securities Act and the applicable rules and regulations thereunder, (iv) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, will comply in all material respects with the Securities Act and the applicable rules and regulations thereunder and (v) the Registration Statement and the Prospectus do not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Company makes no representation or warranty as to (A) that part of the Registration Statement which constitutes the Statement of Eligibility and Qualification (Form T-1) under the Trust Indenture Act of the Trustee and (B) the information contained in or omitted from the Registration Statement or any Prospectus in reliance upon and in conformity with written information furnished to the Company by any Underwriter expressly for inclusion therein.

VIII.

This Agreement shall be subject to termination in the absolute discretion of the Manager, by notice given to the Company, if prior to the Closing Date there shall have occurred (i) any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, stockholders' equity, business, properties, condition (financial or other), results of operations or prospects of the Company and its subsidiaries, taken as a whole, which, in the opinion of the Manager, materially impairs the investment quality of the Underwriters' Securities; (ii) a suspension or material limitation in trading in securities generally on the New York Stock Exchange, the American Stock Exchange or the over-the-counter market or the establishment of minimum prices on such exchanges or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction; (iii) a general moratorium on commercial banking activities declared by Federal or New York State authorities; (iv) any downgrading in the rating accorded the Company's debt securities or preferred stock by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Securities Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities or preferred stock of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (v) any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national calamity or emergency; or (vi) any material adverse change in the existing financial, political or economic conditions in the United States, including any effect of international conditions on the financial markets in the United States, that in the judgment of the Manager makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Underwriters' Securities as contemplated by the Registration Statement and the Prospectus.

IX.

The Company will pay:

(a) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Offered Securities under the Securities Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, any preliminary prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers;

(b) the cost of printing, word processing or reproducing this Agreement, the Indenture, any Delayed Delivery Contracts, any Blue Sky and Legal Investment Memoranda and any other documents in connection with the offering, purchase, sale and delivery of the Offered Securities;

(c) all expenses in connection with the qualification of the Offered Securities for offering and sale under state securities laws as provided in Article VI hereof, including reasonable fees and disbursements of the Underwriters' counsel in connection

with such qualification and in connection with any Blue Sky and Legal Investment Memoranda;

(d) any fees charged by securities rating services for rating the Offered Securities;

(e) any filing fees incident to any required review by the Corporate Financing Department of NASD Regulation, Inc. (NASDR) of the terms of the sale of the Offered Securities;

(f) the cost of preparing the Offered Securities, including any fees and expenses relating to the use of book-entry securities;

(g) the fees and expenses of any Trustee and any agent of any Trustee and the fees and disbursements of counsel for any Trustee in connection with the Indenture and the Offered Securities; and

(h) all other costs and expenses incident to the performance of its obligations hereunder and under any Delayed Delivery Contracts which are not otherwise specifically provided for in this Article IX. It is understood, however, that, except as provided in this Article IX and Article X, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, transfer taxes on resale of any of the Offered Securities by them, and any advertising expenses connected with any offers they may make.

X.

(a) The Company shall indemnify and hold harmless each Underwriter and each person, if any, who controls such Underwriter within the meaning of the Securities Act from and against any loss, claim, damage or liability, joint or several, and any action in respect thereof, to which such Underwriter or controlling person may become subject, under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus as amended or supplemented, or arises out of, or is based upon, the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse each Underwriter and controlling person for any legal and other expenses (including reasonable fees and disbursements of counsel) reasonably incurred by such Underwriter or controlling person in investigating or defending or preparing to defend against any such loss, claim, damage, liability or action, including any amounts paid in settlement of any litigation, investigation or proceeding; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement or the Prospectus as amended or supplemented in reliance upon and in conformity with written information furnished to the Company by such

Underwriter specifically for inclusion therein; provided further, that as to any preliminary prospectus filed with the Commission pursuant to Rule 424(b), this indemnity agreement shall not inure to the benefit of any Underwriter on account of any loss, claim, damage, liability or action arising from the sale of Offered Securities to any person by that Underwriter if that Underwriter failed to send or give a copy of the Prospectus, as the same may be amended or supplemented, to that person within the time required by the Securities Act, and the untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact in such preliminary prospectus was corrected in the Prospectus, unless such failure resulted from non-compliance by the Company with Article VI. The foregoing indemnity agreement is in addition to any liability which the Company may otherwise have to any Underwriter or controlling person.

(b) Each Underwriter shall indemnify and hold harmless the Company, each of its directors, each of its officers who signed the Registration Statement and any person who controls the Company within the meaning of the Securities Act from and against any loss, claim, damage or liability, joint or several, and any action in respect thereof, to which the Company or any such director, officer or controlling person may become subject, under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus as amended or supplemented, or arises out of, or is based upon, the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Underwriter specifically for inclusion therein, and shall reimburse the Company or any such director, officer or controlling person for any legal and other expenses reasonably incurred by such indemnified party in investigating or defending or preparing to defend against any such loss, claim, damage, liability or action. The foregoing indemnity agreement is in addition to any liability which any Underwriter may otherwise have to the Company or any of its directors, officers or controlling persons. The Company acknowledges that the statements set forth in the last paragraph of the cover page, under the heading "Underwriting" and "Plan of Distribution" in any preliminary prospectus and the Prospectus constitute the only information furnished in writing by or on behalf of the Underwriters for inclusion in the documents referred to in the foregoing indemnity.

(c) Promptly after receipt by an indemnified party under this Article X of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Article X, notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Article X. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein, and, to the extent that it wishes, jointly with any other singularly

notified indemnifying party, to assume the defense thereof with counsel satisfactory to the indemnified party; provided, however, that the Underwriters shall have the right to employ separate counsel to represent the Underwriters who may be subject to liability arising out of any claim in respect of which indemnity may be sought by the Underwriters against the Company under this Article X if, in the reasonable judgment of the Underwriters, it is advisable for the Underwriters to be represented by separate counsel, and in that event the reasonable fees and expenses of such counsel shall be paid by the Company. Upon receipt of notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action and approval by the indemnified party of counsel, the indemnifying party shall not be liable to the indemnified party under this Article X for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation unless (i) the indemnified party shall have employed separate counsel in connection with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel, approved by the Underwriters in the case of paragraph (a) of this Article, representing the indemnified parties under such paragraph (a) who are parties to such action), (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party; and except that, if clause (i) or (iii) is applicable, such liability shall be only in respect of the counsel referred to in such clause (i) or (iii). The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) If the indemnification provided for in this Article X shall for any reason be unavailable to an indemnified party under paragraphs (a) or (b) hereof in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company on the one hand and

any Underwriters on the other from the offering of the Offered Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and any Underwriters on the other with respect to the statements or omissions which resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and any Underwriters on the other with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Offered Securities (before deducting expenses) received by the Company bears to the total commissions received by such Underwriter with respect to such offering. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by any Underwriter, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to this paragraph (d) were to be determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this paragraph (d) shall be deemed to include, for purposes of this paragraph (d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this paragraph (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Offered Securities sold through such Underwriter and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The obligations of the Underwriters in this paragraph (d) to contribute are several in proportion to their respective underwriting obligations with respect to the Offered Securities and not joint.

(e) The respective indemnities, agreements, representations, warranties and other statements of the Company and the Underwriters contained in this Agreement, or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or any person controlling such Underwriter or by or on behalf of the Company or any person controlling the Company and shall survive delivery of and payment for any of the Underwriters' Securities.

XI.

If, on the Closing Date, any one or more of the Underwriters shall fail or refuse to purchase Offered Securities which it or they have agreed to purchase hereunder on such date, and

the aggregate principal amount of Offered Securities which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate principal amount of the Offered Securities to be purchased on such date, the other Underwriters shall be obligated severally in the proportions which the principal amount of Offered Securities set forth opposite their names in the Underwriting Agreement pursuant to which the Offered Securities are being purchased bear to the aggregate principal amount of Offered Securities set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as the Manager may specify, to purchase the Offered Securities which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; provided that in no event shall the principal amount of Offered Securities which any Underwriter has agreed to purchase pursuant to such Underwriting Agreement be increased pursuant to this Article XI by an amount in excess of one-ninth of such principal amount of Offered Securities without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Offered Securities and the aggregate principal amount of Offered Securities with respect to which such default occurs is more than one-tenth of the aggregate principal amount of Offered Securities to be purchased on such date, and arrangements satisfactory to the Manager and the Company for the purchase of such Offered Securities are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Company. In any such case either the Manager or the Company shall have the right to postpone the Closing Date but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement and in the Prospectus or in any other documents or arrangements may be effected. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

If this Agreement shall be terminated by the Underwriters or any of them, because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement or if for any reason the Company shall be unable to perform its obligations under this Agreement, the Company will reimburse the Underwriters or such Underwriters as have so terminated this Agreement, with respect to themselves, severally, for all out-of-pocket expenses (including the reasonable fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with the Offered Securities.

This Agreement may be executed in counterparts and the executed counterparts shall together constitute a single instrument.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflicts of law provisions thereof.

DELAYED DELIVERY CONTRACT

, 20__

Dear Sirs:

The undersigned hereby agrees to purchase from Eastman Kodak Company, a New Jersey corporation (the "Company"), and the Company agrees to sell to the undersigned

\$.....

principal amount of the Company's [title of issue] (the "Securities") offered by the Company's Prospectus dated , 20__ and Prospectus Supplement dated , 20__ receipt of copies of which are hereby acknowledged, at a purchase price of % of the principal amount of such Securities plus accrued interest from , 20__ [and accrued amortization, if any, from , 20__], to the delivery date or dates thereof and on the further terms and conditions set forth in this contract.

The undersigned does not contemplate selling Securities prior to making payment therefor.

The undersigned will purchase from the Company the principal amounts of Securities on the delivery dates set forth below:

| Delivery Date ----- | Principal Amount ----- | Plus Accrued Interest From: ----- |
|---------------------------|------------------------------|---|
| - ----- | \$ ----- | ----- |
| - ----- | \$ ----- | ----- |
| - ----- | \$ ----- | ----- |

Each such date on which Securities are to be purchased hereunder is hereinafter referred to as a "Delivery Date".

Payment for the Securities which the undersigned has agreed to purchase on each Delivery Date shall be made to the Company or its order by wire transfer of immediately available funds to a bank account specified by the Company by 10:00 A.M. (New York time) on the Delivery Date, upon delivery to the undersigned of the Securities to be purchased by the undersigned on the Delivery Date, in such denominations and registered in such names as the

undersigned may designate by written or telegraphic communication addressed to the Company not less than three full business days prior to the Delivery Date. The obligation of the undersigned to take delivery of and make payment for the Securities on the Delivery Date shall be subject to the conditions that (1) the purchase of Securities to be made by the undersigned shall not at the time of delivery be prohibited under the laws of the jurisdiction to which the undersigned is subject and (2) the Company shall have sold, and delivery shall have taken place to the underwriters (the "Underwriters") named in the Prospectus Supplement referred to above of, such part of the Securities as is to be sold to them. Promptly after completion of sale and delivery to the Underwriters, the Company will mail or deliver to the undersigned at its address set forth below notice to such effect, accompanied by a copy of the opinions of counsel for the Company delivered to the Underwriters in connection therewith.

Failure to take delivery of and make payment for Securities by any purchaser under any other Delayed Delivery Contract shall not relieve the undersigned of its obligations under this contract.

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

If this contract is acceptable to the Company, it is requested that the Company sign the form of acceptance below and mail or deliver one of the counterparts hereof to the undersigned at its address set forth below. This will become a binding contract, as of the date first above written, between the Company and the undersigned when such counterpart is so mailed or delivered.

This contract shall be governed by and construed in accordance with the laws of the State of New York.

Yours very truly,

Purchaser
By

(Title)

(Address)

Accepted:
EASTMAN KODAK COMPANY

By -----
Title:

PURCHASER-PLEASE COMPLETE AT TIME OF SIGNING

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

| Name ----- | Telephone No. (Including Area Code) ----- | Department ----- |
|---------------|--|---------------------|
| ----- | ----- | ----- |
| ----- | ----- | ----- |
| ----- | ----- | ----- |
| ----- | ----- | ----- |
| ----- | ----- | ----- |
| ----- | ----- | ----- |

=====

EASTMAN KODAK COMPANY

TO

THE BANK OF NEW YORK Trustee

INDENTURE

Dated as of January 1, 1988

=====

EASTMAN KODAK COMPANY

Reconciliation and tie between Trust Indenture Act of 1939 and
 Indenture, dated as of January 1, 1988

| Trust Indenture Act Section | Indenture Section |
|--------------------------------|-------------------|
| Section 310(a)(1) | 609 |
| (a)(2) | 609 |
| (a)(3) | Not Applicable |
| (a)(4) | Not Applicable |
| (b) | 608 |
| | 610 |
| Section 311(a) | 613(a) |
| (b) | 613(b) |
| (b)(2) | 703(a)(2) |
| | 703(b) |
| Section 312(a) | 701 |
| (b) | 702(a) |
| (c) | 702(b) |
| Section 313(a) | 702(c) |
| (b) | 703(a) |
| (c) | 703(b) |
| (d) | 703(a), 703(b) |
| Section 314(a) | 703(c) |
| (b) | 704 |
| (c)(1) | Not Applicable |
| (c)(2) | 102 |
| (c)(3) | 102 |
| (d) | Not Applicable |
| (e) | Not Applicable |
| Section 315(a) | 102 |
| (b) | 601(a) |
| (c) | 602 |
| (d) | 703(a)(6) |
| (d)(1) | 601(b) |
| (d)(2) | 601(c) |
| (d)(3) | 601(a)(1) |
| (e) | 601(c)(2) |
| Section 316(a) | 601(c)(3) |
| (a)(1)(A) | 514 |
| (a)(1)(B) | 101 |
| (a)(2) | 502 |
| (b) | 512 |
| Section 317(a)(1) | 513 |
| (a)(2) | Not Applicable |
| (b) | 508 |
| Section 318(a) | 503 |
| | 504 |
| | 1003 |
| | 107 |

- - - - -
 Note: This reconciliation and tie shall not, for any purposes, be deemed to be a part of the Indenture.

TABLE OF CONTENTS

Page

Parties.....1
Recitals of the Company.....1

ARTICLE ONE
Definitions and Other Provisions of General Application

Section 101. Definitions:

| | |
|---------------------------------------|---|
| Act..... | 2 |
| Affiliate; control..... | 2 |
| Authenticating Agent..... | 2 |
| Board of Directors..... | 2 |
| Board Resolution..... | 2 |
| Business Day..... | 2 |
| Commission..... | 2 |
| Company..... | 2 |
| Company Request; Company Order..... | 2 |
| Consolidated Net Tangible Assets..... | 3 |
| Corporate Trust Office..... | 3 |
| Corporation..... | 3 |
| Depository..... | 3 |
| Defaulted Interest..... | 3 |
| Event of Default..... | 3 |
| Global Security..... | 3 |
| Holder..... | 3 |
| Indenture..... | 3 |
| Interest..... | 3 |
| Interest Payment Date..... | 4 |
| Maturity..... | 4 |
| Officers' Certificate..... | 4 |
| Opinion of Counsel..... | 4 |
| Original Issue Discount Security..... | 4 |
| Outstanding..... | 4 |
| Paying Agent..... | 5 |
| Person..... | 5 |
| Place of Payment..... | 5 |
| Predecessor Security..... | 5 |
| Principal Property..... | 5 |
| Redemption Date..... | 5 |
| Redemption Price..... | 5 |
| Regular Record Date..... | 6 |
| Responsible Officer..... | 6 |
| Restricted Subsidiary..... | 6 |
| Securities..... | 6 |

Note: This Table of Contents shall not, for any purposes, be deemed to be a part of the Indenture.

| | | |
|--------------|---|----|
| | Security Register and Security Registrar..... | 6 |
| | Special Record Date..... | 6 |
| | Stated Maturity..... | 6 |
| | Subsidiary..... | 6 |
| | Trustee..... | 7 |
| | Trust Indenture Act..... | 7 |
| | Vice President..... | 7 |
| Section 102. | Compliance Certificates and Opinions..... | 7 |
| Section 103. | Form of Documents Delivered to Trustee..... | 8 |
| Section 104. | Acts of Holders..... | 8 |
| Section 105. | Notices, Etc., to Trustee and Company..... | 9 |
| Section 106. | Notice to Holders; Waiver..... | 10 |
| Section 107. | Conflict with Trust Indenture Act..... | 10 |
| Section 108. | Effect of Headings and Table of Contents..... | 10 |
| Section 109. | Successors and Assigns..... | 10 |
| Section 110. | Separability Clause..... | 11 |
| Section 111. | Benefits of Indenture..... | 11 |
| Section 112. | Governing Law..... | 11 |
| Section 113. | Legal Holidays..... | 11 |

ARTICLE TWO

Security Forms

| | | |
|--------------|--|----|
| Section 201. | Forms Generally..... | 12 |
| Section 202. | Form of Face of Security..... | 12 |
| Section 203. | Form of Reverse of Security..... | 15 |
| Section 204. | Form of Trustee's Certificate of Authentication..... | 19 |

ARTICLE THREE

The Securities

| | | |
|--------------|--|----|
| Section 301. | Amount Unlimited; Issuable in Series..... | 19 |
| Section 302. | Denominations..... | 20 |
| Section 303. | Execution, Authentication, Delivery and Dating..... | 21 |
| Section 304. | Temporary Securities..... | 22 |
| Section 305. | Registration, Registration of Transfer and Exchange..... | 23 |
| Section 306. | Mutilated, Destroyed, Lost and Stolen Securities..... | 25 |
| Section 307. | Payment of Interest; Interest Rights Preserved..... | 26 |
| Section 308. | Persons Deemed Owners..... | 27 |
| Section 309. | Cancellation..... | 28 |
| Section 310. | Computation of Interest..... | 28 |

ARTICLE FOUR

Satisfaction and Discharge

| | | |
|--------------|--|----|
| Section 401. | Satisfaction and Discharge of Indenture..... | 28 |
| Section 402. | Application of Trust Money..... | 29 |
| Section 403. | Defeasance and Discharge of Securities..... | 30 |

ARTICLE FIVE

Remedies

| | | |
|--------------|--|----|
| Section 501. | Events of Default..... | 31 |
| Section 502. | Acceleration of Maturity; Rescission and Annulment..... | 34 |
| Section 503. | Collection of Indebtedness and Suits for Enforcement by Trustee..... | 35 |
| Section 504. | Trustee May File Proofs of Claim..... | 35 |
| Section 505. | Trustee May Enforce Claims Without Possession of Securities..... | 36 |
| Section 506. | Application of Money Collected..... | 37 |
| Section 507. | Limitation on Suits..... | 37 |
| Section 508. | Unconditional Right of Holders to Receive Principal, Premium and Interest..... | 38 |
| Section 509. | Restoration of Rights and Remedies..... | 38 |
| Section 510. | Rights and Remedies Cumulative..... | 38 |
| Section 511. | Delay or Omission Not Waiver..... | 39 |
| Section 512. | Control by Holders..... | 39 |
| Section 513. | Waiver of Past Defaults..... | 39 |
| Section 514. | Undertaking for Costs..... | 40 |
| Section 515. | Waiver of Stay or Extension Laws..... | 40 |

ARTICLE SIX

The Trustee

| | | |
|--------------|---|----|
| Section 601. | Certain Duties and Responsibilities..... | 40 |
| Section 602. | Notice of Defaults..... | 42 |
| Section 603. | Certain Rights of Trustee..... | 42 |
| Section 604. | Not Responsible for Recitals or Issuance of Securities..... | 43 |
| Section 605. | May Hold Securities..... | 44 |
| Section 606. | Money Held in Trust..... | 44 |
| Section 607. | Compensation and Reimbursement..... | 44 |

| | Page |
|--|------|
| Section 608. Disqualification; Conflicting Interests..... | 44 |
| (a) Elimination of Conflicting Interest or Resignation..... | 44 |
| (b) Notice of Failure to Eliminate Coflicting Interest or Resign..... | 45 |
| (c) "Conflicting Interest" Defined..... | 45 |
| (d) Definitions of Certain Terms Used in This Section..... | 48 |
| (e) Calculation of Percentages of Securities..... | 49 |
| Section 609. Corporate Trustee Required; Eligibility..... | 50 |
| Section 610. Resignation and Removal; Appointment of Successor..... | 51 |
| Section 611. Acceptance of Appointment by Successor..... | 52 |
| Section 612. Merger, Conversion, Consolidation or Succession to Business..... | 54 |
| Section 613. Preferential Collection of Claims Against Company..... | 54 |
| (a) Segregation and Apportionment of Certain Collections by Trustee, Certain Exceptions. | 54 |
| (b) Certain Creditor Relationships Excluded from Segregation and Apportionment..... | 57 |
| (c) Definitions of Certain Terms Used In This Section..... | 57 |
| Section 614. Appointment of Authenticating Agent..... | 58 |

ARTICLE SEVEN

Holders' Lists and Reports by Trustee and Company

| | |
|---|----|
| Section 701. Company to Furnish Trustee Names and Addresses of Holders..... | 60 |
| Section 702. Preservation of Information; Communications to Holders..... | 61 |
| Section 703. Reports by Trustee..... | 62 |
| Section 704. Reports by Company..... | 64 |

ARTICLE EIGHT

Consolidation, Merger, Conveyance, Transfer or Lease

| | |
|--|----|
| Section 801. Company May Consolidate, Etc., Only on Certain Terms..... | 64 |
| Section 802. Successor Corporation Substituted..... | 66 |

ARTICLE NINE

Supplemental Indentures

| | | |
|--------------|---|----|
| Section 901. | Supplemental Indentures Without Consent of Holders..... | 66 |
| Section 902. | Supplemental Indentures with Consent of Holders..... | 67 |
| Section 903. | Execution of Supplemental Indentures..... | 68 |
| Section 904. | Effect of Supplemental Indentures..... | 69 |
| Section 905. | Conformity with Trust Indenture Act..... | 69 |
| Section 906. | Reference in Securities to Supplemental Indentures..... | 69 |

ARTICLE TEN

Covenants

| | | |
|---------------|--|----|
| Section 1001. | Payment of Principal, Premium and Interest..... | 69 |
| Section 1002. | Maintenance of Office or Agency..... | 69 |
| Section 1003. | Money for Securities Payments to Be Held in Trust..... | 70 |
| Section 1004. | Corporate Existence..... | 71 |
| Section 1005. | Maintenance of Properties..... | 72 |
| Section 1006. | Payment of Taxes and Other Claims..... | 72 |
| Section 1007. | Statement by Officers as to Default..... | 72 |
| Section 1008. | Waiver of Certain Covenants..... | 73 |
| Section 1009. | Defeasance of Certain Obligations..... | 73 |
| Section 1010. | Limitation on Liens..... | 74 |
| Section 1011. | Limitation on Sale and Lease-Back..... | 76 |

ARTICLE ELEVEN

Redemption of Securities

| | | |
|---------------|--|----|
| Section 1101. | Applicability of Article..... | 77 |
| Section 1102. | Election to Redeem; Notice to Trustee..... | 77 |
| Section 1103. | Selection by Trustee of Securities to be Redeemed..... | 77 |
| Section 1104. | Notice of Redemption..... | 78 |
| Section 1105. | Deposit of Redemption Price..... | 78 |
| Section 1106. | Securities Payable on Redemption Date..... | 79 |
| Section 1107. | Securities Redeemed in Part..... | 79 |

ARTICLE TWELVE

Sinking Funds

| | |
|--|----|
| Section 1201. Applicability of Article..... | 80 |
| Section 1202. Satisfaction of Sinking Fund Payments with Securities..... | 80 |
| Section 1203. Redemption of Securities for Sinking Fund..... | 80 |
| TESTIMONIUM..... | 81 |
| SIGNATURES AND SEALS..... | 81 |
| ACKNOWLEDGMENTS..... | 82 |

INDENTURE, dated as of January 1, 1988, between EASTMAN KODAK COMPANY, a corporation duly organized and existing under the laws of the State of New Jersey (herein called the "Company"), having its principal office at 343 State Street, Rochester, New York 14650, and THE BANK OF NEW YORK, a corporation duly organized and existing under the laws of The State of New York, as Trustee (herein called the "Trustee").

Recitals of the Company

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

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

Now, Therefore, This Indenture Witnesseth:

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

ARTICLE ONE

Definitions and Other Provisions
of General Application

Section 101. Definitions.

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

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

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

(3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and

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

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

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

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

"Authenticating Agent" means any Person authorized by the Trustee to act on behalf of the Trustee to authenticate Securities.

"Board of Directors" means either the board of directors of the Company or any duly authorized committee of that board.

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

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

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

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

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

"Consolidated Net Tangible Assets" means as of any particular time the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom (a) all current liabilities except for (1) notes and loans payable, (2) current maturities of long-term debt and (3) current maturities of obligations under capital leases and (b) all goodwill, tradenames, trademarks, patents, unamortized debt discount and expenses (to the extent included in said aggregate amount of assets) and other like intangibles, all as set forth on the most recent consolidated balance sheet of the Company and its consolidated Subsidiaries and computed in accordance with generally accepted accounting principles.

"Depository" means, with respect to the Securities of any series issuable or issued in the form of a Global Security, the Person designated as Depository by the Company pursuant to Section 301 until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Depository" shall mean or include each person who is then a Depository hereunder, and if at any time there is more than one such Person, "Depository" as used with respect to the Securities of any such series shall mean the Depository with respect to the Securities of that series.

"Corporate Trust Office" means the principal office of the Trustee in The City of New York at which at any particular time its corporate trust business shall be administered.

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

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

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

"Global Security" means a Security evidencing all or a part of a series of Securities, issued to the Depository for such series in accordance with Section 303, and bearing the legend prescribed in Section 303.

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

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

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

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

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

"Officers' Certificate" means a certificate signed by the Chairman of the Board, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Company, and delivered to the Trustee.

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

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

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

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

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

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

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

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

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

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

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

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

"Principal Property" means any manufacturing plant or manufacturing facility which is (i) owned by the Company or any Restricted Subsidiary, (ii) located within the continental United States, and (iii) in the opinion of the Board of Directors materially important to the total business conducted by the Company and the Restricted Subsidiaries taken as a whole.

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

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

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

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

"Restricted Subsidiary" means any Subsidiary (i) substantially all the property of which is located within the continental United States of America and (ii) which owns any Principal Property; provided, however, that the term "Restricted Subsidiary" shall not include any Subsidiary which is principally engaged in leasing or in financing receivables, or which is principally engaged in financing the Company's operations outside the continental United States of America.

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

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

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

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

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

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

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force at the date as of which this instrument was executed, except as provided in Section 905.

"U.S. Government Obligations" means direct non-callable obligations of, or non-callable obligations unconditionally guaranteed by, the United States of America for the payment of which obligation or guarantee the full faith and credit of the United States of America is pledged.

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

Section 102. Compliance Certificates and Opinions.

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

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

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

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

102, 103, 104

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

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

Section 103. Form of Documents Delivered to Trustee.

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

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

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

Section 104. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing and, except as herein otherwise expressly provided, such action shall

become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

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

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

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

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

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

(1) the Trustee by any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, 21 West Street, New York, New York 10015, Attention: Corporate Trust Trustee Administration, or

105, 106, 107

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

Section 106. Notice to Holders, Waiver.

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

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

Section 107. Conflict with Trust Indenture Act.

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

Section 108. Effect of Headings and Table of Contents.

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

Section 109. Successors and Assigns.

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

Section 110. Separability Clause.

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

Section 111. Benefits of Indenture.

Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 112. Governing Law.

This Indenture and the Securities shall be governed by and construed in accordance with the laws of the State of New York.

Section 113. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities) payment of interest or principal (and premium, if any) need not be made 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.

201, 202

ARTICLE TWO
Security Forms

Section 201. Forms Generally

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

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

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

Section 202. Form of Face of Security.

[If the Security is an Original Issue Discount Security, insert -- For purposes of Section 1273 and 1275 of the United States Internal Revenue Code, the amount of original issue discount on this Security is _____% of its principal amount, the issue date is _____, 19 ____, [and] the yield to maturity is _____% [, the method used to determine the amount of original issue discount applicable to the short accrual period of _____, 19 ____ to _____, 19 ____, is _____% of the principal amount of this security.]

EASTMAN KODAK COMPANY

No. _____ \$ _____

EASTMAN KODAK COMPANY, a corporation duly organized and existing under the laws of the State of New Jersey (herein called the "Company," which term includes any successor corporations under the indenture hereinafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars on _____

[If the Security is to bear interest prior to Maturity, insert --, and to pay interest thereon from _____ or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on _____ and _____ in each year, commencing _____, at the rate of _____% per annum. until the principal hereof is paid or made available for payment [If applicable insert --, and (to the extent that the payment of such interest shall be legally enforceable) at the rate of _____% per annum on any overdue principal and premium and on any overdue installment of interest]. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the _____ or _____ (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture].

[If the Security is not to bear interest prior to Maturity, insert--The principal of this Security shall not bear interest except in the case of a default in payment

202

of principal upon acceleration, upon redemption or at Stated Maturity and in such case the overdue principal of this Security shall bear interest at the rate of _____% per annum (to the extent that the payment of such interest shall be legally enforceable), which shall accrue from the date of such demand in payment to the date payment of such principal has been made or duly provided for. Interest on any overdue principal shall be payable on demand. Any such interest on any overdue principal that is not so paid on demand shall bear interest at the rate of _____ % per annum (to the extent that the payment of such interest shall be legally enforceable), which shall accrue from the date of such demand for payment to the date payment of such interest has been made or duly provided for, and such interest shall also be payable on demand.]

Payment of the principal of (and premium, if any) and [if applicable, insert--any such] interest on this Security will be made at the office or agency of the Company maintained for that purpose in _____, in such coin or currency of the United States of America as at the time of payment is legal tender for payment on public and private debts [if applicable, insert--; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register].

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

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

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated:

EASTMAN KODAK COMPANY

By _____

Attest:

Section 203. Form of Reverse of Security.

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of January 1, 1988 (herein called the "Indenture"), between the Company and The Bank of New York, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof [, limited in aggregate principal amount to \$_____].

[If applicable, insert --The Securities of this series are subject to redemption upon not less than 30 days' notice by mail, [if applicable, insert--(1) on _____ in any year commencing with the year _____ and ending with the year _____ through operation of the sinking fund for this series at a Redemption Price equal to 100% of the principal amount, and (2)] at any time [on or after _____, 19____], as a whole or in part, at the election of the Company, at the following Redemption Prices (expressed as percentages of the principal amount): If redeemed [on or before _____, _____%, and if redeemed] during the 12-month period beginning _____ of the years indicated,

| YEAR | REDEMPTION PRICE | YEAR | REDEMPTION PRICE |
|------|---------------------|------|---------------------|
| ---- | ----- | ---- | ----- |

and thereafter at a Redemption Price equal to _____% of the principal amount, together in the case of any such redemption [if applicable, insert--(whether through operation of the sinking fund or otherwise)] with accrued interest to the Redemption Date, but interest installments whose Stated Maturity is on or

prior to such Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.]

[If applicable, insert--The Securities of this series are subject to redemption upon not less than 30 days' notice by mail, (1) on _____ in any year commencing with the year _____ and ending with the year _____ through operation of the sinking fund for this series at the Redemption Prices for redemption through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below, and (2) at any time [on or after _____], as a whole or in part, at the election of the Company, at the Redemption Prices for redemption otherwise than through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below: If redeemed during the 12-month period beginning _____ of the years indicated,

| YEAR ---- | REDEMPTION PRICE FOR REDEMPTION THROUGH OPERATION OF THE SINKING FUND ----- | REDEMPTION PRICE FOR REDEMPTION OTHERWISE THAN THROUGH OPERATION OF THE SINKING FUND ----- |
|--------------|--|--|
|--------------|--|--|

and thereafter at a Redemption Price equal to _____% of the principal amount, together in the case of any such redemption (whether through operation of the sinking fund or otherwise) with accrued interest to the Redemption Date, but interest instalments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.]

[Notwithstanding the foregoing, the Company may not, prior to _____, redeem any Securities of this series as contemplated by [Clause

(2) of] the preceding paragraph as a part of, or in anticipation of, any refunding operation by the application, directly or indirectly, of moneys borrowed having an interest cost to the Company (calculated in accordance with generally accepted financial practice) of less than _____% per annum.]

[The sinking fund for this series provides for the redemption on _____ in each year beginning with the year _____ and ending with the year _____ of [not less than] \$_____ [("mandatory sinking fund") and not more than \$_____] aggregate principal amount of Securities of this series. [Securities of this series acquired or redeemed by the Company otherwise than through [mandatory] sinking fund payments may be credited against subsequent [mandatory] sinking fund payments otherwise required to be made--in the inverse order in which they become due.]

In the event of redemption of this Security in part only, a new Security or Securities of this series for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

The Indenture contains provisions for defeasance at any time of (a) the entire indebtedness of this Security and (b) certain other obligations, in each case upon compliance by the Company with certain conditions set forth therein, which provisions apply to this Security.

[If the Security is not an Original Issue Discount Security,--If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.]

[If the Security is an Original Issue Discount Security,--If an Event of Default with respect to Securities of this series shall occur and be continuing an amount of principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture. Such amount shall be equal to--insert formula for determining the amount. Upon payment (i) of the amount of principal so declared due and payable and (ii) of interest on any overdue principal and overdue interest (in each case to the extent that the payment of such interest shall be legally enforceable), all of the Company's obligations in respect of the payment of the principal of and interest, if any, on the Securities of this series shall terminate.]

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holder of 66 2/3% in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders

of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of \$_____ and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

Section 204. Form of Trustee's Certificate of Authentication.

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

THE BANK OF NEW YORK,
as Trustee

By

Authorized Signature

ARTICLE THREE

The Securities

Section 301. Amount Unlimited; Issuable in Series.

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

The Securities may be issued in one or more series. There shall be established in or pursuant to a Board Resolution, and set forth in an Officers' Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series,

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

(2) the currency or currencies, including composite currencies, in which payment of the principal of (and premium, if any) and interest on the Securities of the series shall be payable (if other than the currency of the United States of America);

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

(4) if the amount of payments of principal of (and premium, if any) or interest on the Securities of the series may be determined with reference to an index, the manner in which such amounts shall be determined;

(5) the date or dates on which the principal of the Securities of the series is payable;

(6) the rate or rates at which the Securities of the series shall bear interest, if any, the date or dates from which such interest shall accrue, the Interest Payment Dates on which such interest shall be payable and

301, 302

the Regular Record Date for the interest payable on any Interest Payment Date;

(7) the place or places where the principal of (and premium, if any) and interest on Securities of the series shall be payable;

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

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

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

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

(12) whether the Securities of the series shall be issued in the form of one or more Global Securities and in such case, the Depositary for such Global Security or Securities; and

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

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to such Board Resolution and set forth in such Officers' Certificate or in any such indenture supplemental hereto.

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

Section 302. Denominations.

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

Section 303. Execution, Authentication, Delivery and Dating.

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

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

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities, and the Trustee in accordance with the Company Order shall authenticate and deliver such Securities. If the form or terms of the Securities of the series have been established in or pursuant to one or more Board Resolutions as permitted by Sections 201 and 301, in authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating,

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

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

(c) that such Securities, when authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting the enforcement of creditors' rights and to general equity principles.

If the Company shall establish pursuant to Section 301 that the Securities of a series are to be issued in the form of one or more Global Securities, then the Company shall execute and the Trustee shall, in accordance with this Section and the Company Order with respect to such series, authenticate and

303, 304

deliver one or more Global Securities that (i) shall represent and shall be denominated in an amount equal to the aggregate principal amount of all of the Securities of such series issued and not yet cancelled, (ii) shall be registered in the name of the Depositary for such Global Security or Securities or the nominee of such depositary, (iii) shall be delivered by the Trustee to such Depositary or pursuant to such Depositary's instruction and (iv) shall bear a legend substantially to the following effect: "Unless and until it is exchanged in whole or in part for Securities in definitive registered form, this Security may not be transferred except as a whole by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary."

Each Depositary designated pursuant to Section 301 must, at the time of its designation and at all times while it serves as Depositary, be a clearing agency registered under the Securities Exchange Act of 1934 and any other applicable statute or regulation.

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

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture.

Section 304. Temporary Securities.

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

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

Section 305. Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office and in any another office or agency of the Company in a Place of Payment being herein sometimes collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

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

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

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

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

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

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

If at any time the Depositary for the Securities of a series notifies the Company that it is unwilling or unable to continue as Depositary for the Securities of such series or if at any time the Depositary for the Securities of such series shall no longer be eligible under Section 303, the Company shall appoint a successor Depositary with respect to the Securities of such series. If a successor Depositary for the Securities of such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility, the Company's election pursuant to Section 301(12) shall no longer be effective with respect to the Securities of such series and the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Securities of such series, will authenticate and deliver, Securities of such series in definitive registered form without coupons, in authorized denominations, in an aggregate principal amount equal to the principal amount of the Global Security or Securities representing such series in exchange for such Global Security or Securities.

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

If specified by the Company pursuant to Section 301 with respect to a series of Securities, the Depositary for such series of Securities may surrender a Global

Security for such series of Securities in exchange in whole or in part for Securities of such series in definitive registered form on such terms as are acceptable to the Company and such Depositary. Thereupon, the Company shall execute, and the Trustee shall authenticate and deliver, without service charge,

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

(ii) to such Depositary a new Global Security in a denomination equal to the difference, if any, between the principal amount of the surrendered Global Security and the Aggregate principal amount of Securities delivered to Holders thereof.

Upon the exchange of a Global Security for Securities in definitive registered form without coupons, in authorized denominations, such Global Security shall be cancelled by the Trustee. Securities in definitive registered form issued in exchange for a Global Security pursuant to this Section shall be registered in such names and in such authorized denominations as the Depositary for such Global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Securities to the persons in whose names such Securities are so registered.

The Company shall not be required (i) to issue, register the transfer of or exchange Securities of any series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities of that series selected for redemption under Section 1103 and ending at the close of business on the day of such mailing, or (ii) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

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

If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and upon its request the Trustee shall

authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

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

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

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

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

Section 307. Payment of Interest; Interest Rights Preserved.

Interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

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

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

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

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

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

Section 308. Persons Deemed Owners.

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

309, 310, 401

Section 309. Cancellation.

All Securities surrendered for payment, redemption, registration of transfer or exchange or for credit against any sinking fund payment shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be disposed of as directed by a Company Order.

Section 310. Computation of Interest.

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

ARTICLE FOUR

Satisfaction and Discharge

Section 401. Satisfaction and Discharge of Indenture.

This Indenture shall upon Company Request cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Securities herein expressly provided for), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(1) either

(A) all Securities theretofore authenticated and delivered (other than (i) Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 306 and (ii) Securities for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharge from such trust as provided in Section 1003) have been delivered to the Trustee for cancellation; or

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

(i) have become due and payable, or

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

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

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

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

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

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

Section 402. Application of Trust Money.

(a) Subject to the provisions of the last paragraph of Section 1003, all money deposited with the Trustee pursuant to Section 401, all money and U.S. Government Obligations deposited with the Trustee pursuant to Section 403 or 1009 and all money received by the Trustee in respect of U.S. Government Obligations deposited with the Trustee pursuant to Section 403 or 1009 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for the payment of which such money and U.S. Government Obligations have been deposited with or received by the Trustee.

(b) The Company shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against U.S. Government

402, 403

Obligations deposited pursuant to Section 403 or 1009 or the interest and principle received in respect of such obligations other than any payable by or on behalf of Holders.

(c) The Trustee shall deliver or pay to the Company from time to time upon Company Request any U.S. Government Obligations or money held by it as provided in Section 403 or 1009 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are then in excess of the amount thereof which then would have been required to be deposited for the purpose for which such U.S. Government Obligations or money were deposited or received.

Section 403. Defeasance and Discharge of Securities.

Notwithstanding Section 401, the Company shall be deemed to have paid and discharged the entire indebtedness on all the Outstanding Securities of any series on the 91st day after the date of the deposit referred to in subparagraph (1) below, the provisions of this Indenture (except as to the rights of Holders of such Securities to receive, from the trust funds described in subparagraph (1) below, payment of the principal of (and premium, if any) and each instalment of interest on such Outstanding Securities on the Stated Maturity of such principal or instalment of interest, the Company's obligations with respect to such Securities under Sections 305, 306, 1002 and 1003, and the rights, powers, trusts, duties and immunities of the Trustee hereunder) shall no longer be in effect, and the Trustee, upon Company Request and at the expense of the Company, shall execute proper instruments acknowledging the same, provided that the following conditions shall have been satisfied:

(1) the Company has deposited or caused to be deposited with the Trustee (or another trustee satisfying the requirements of Section 609), irrevocably (irrespective of whether the conditions in subparagraphs (2), (3), (4) and (5) below have been satisfied and except as provided in Section 402(c), as trust funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities, with reference to this Section, (i) money in an amount, or (ii) U.S. Government Obligations which through the payment of interest and principal in respect thereof in accordance with their terms will provide not later than the close of business on the day prior to the due date of any payment referred to in this paragraph (1) money in an amount, or (iii) a combination thereof, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge the principal of (and premium, if any) and each instalment of interest on such Outstanding Securities on the

Stated Maturity of such principal or instalment of interest on the day on which such payments are due and payable in accordance with the terms of this Indenture and of such Securities;

(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 is a party or by which it is bound;

(3) no Event of Default or event which, after notice or lapse of time or both, would become an Event of Default shall have occurred and be continuing on the date of such deposit, and no Event of Default under Section 501(5) or 501(6) or event which, after notice or lapse of time or both, would become an Event of Default under Section 501(5) or 501(6) shall have occurred and be continuing on the 91st day after such date;

(4) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel to the effect that the Company has received from, or there has been published by, the Internal Revenue Service a ruling to the effect that Holders of such Securities will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to Federal income tax on the same amounts and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred; and

(5) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for relating to the defeasance and discharge of the entire indebtedness on all such Outstanding Securities as contemplated by this Section have been complied with.

Notwithstanding the cessation, termination and discharge of all obligations, covenants and agreements (except as provided above in this Section 403) of the Company under this Indenture with respect to any series of Securities, the obligations of the Company to the Trustee under Section 607, the obligations of the Trustee to any Authenticating Agent under Section 614 and the obligations of the Trustee under Section 402 and the last paragraph of Section 1003 shall survive with respect to such series of Securities.

ARTICLE FIVE

Remedies

Section 501. Events of Default.

"Event of Default", wherever used herein with respect to Securities of any series, means any one of the following events (whatever the reason for such

Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

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

(2) default in the payment of the principal of (or premium, if any, on) any Security of that series at its Maturity; or

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

(4) default in the performance, or breach, of any covenant or warranty of the Company in this indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section specifically dealt with or which has expressly been included in this Indenture solely for the benefit of series of Securities other than that series), and continuance of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of a least 10% in principal amount of the Outstanding Securities of that series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(5) a default under any bond, debenture, note or other evidence of indebtedness for money borrowed by the Company (including a default with respect to securities of any series other than that series) or under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by the Company (including this Indenture), whether such indebtedness now exists or shall hereafter be created, which default shall constitute a failure to pay any portion of the principal of such indebtedness when due and payable after the expiration of any applicable grace period with respect thereto or shall have resulted in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, and the amount of any issue of such indebtedness exceeds \$10,000,000 (without being aggregated with any other issue of indebtedness), without such indebtedness having been discharged, or such acceleration having been rescinded or annulled, within a period of 10 days after there shall have been given, by registered or certified mail, to the Company by the Trustee or to the Company and the

Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of that series a written notice specifying such default and requiring the Company to cause such indebtedness to be discharged or cause such acceleration to be rescinded or annulled and stating that such notice is a "Notice of Default" hereunder; provided, however, that, subject to the provisions of Sections 601 and 602, the Trustee shall not be deemed to have knowledge of such default unless either (A) a Responsible Officer of the Trustee shall have actual knowledge of such default or (B) the Trustee shall have received written notice thereof from the Company, from any Holder from the holder of any such indebtedness or from the trustee under any such mortgage, indenture or other instrument; or

(6) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 90 consecutive days; or

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

501, 502

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

Section 502. Acceleration of Maturity; Rescission and Annulment.

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

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

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

(A) all overdue interest on all Securities of that series,

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

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

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

and

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

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

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

The Company covenants that if

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

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

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

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities, wherever situated.

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

Section 504. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their

504, 505

creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

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

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

Section 506. Application of Money Collected.

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

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

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

Section 507. Limitation on Suits.

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

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

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

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

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

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

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any

507, 508, 509, 510

provision of this Indenture to affect, disturb or prejudice the rights of any other of such Holders, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all of such Holders.

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

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of (and premium, if any) and (subject to Section 307) interest on such Security on the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

Section 509. Restoration of Rights and Remedies.

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

Section 510. Rights and Remedies Cumulative.

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

Section 511. Delay or Omission Not Waiver.

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

Section 512. Control by Holders.

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

(1) such direction shall not be in conflict with any rule of law or with this Indenture, and

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

Section 513. Waiver of Past Defaults.

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

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

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

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

514, 515, 601

Section 514. Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities of any series, or to any suit instituted by any Holder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Security on or after the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date).

Section 515. Waiver of Stay or Extension Laws.

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

ARTICLE SIX

The Trustee

Section 601. Certain Duties and Responsibilities.

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

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied

covenants or obligations shall be read into this Indenture against the Trustee; and

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

(b) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

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

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

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

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Securities of any series, determined as provided in Section 512, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Securities of such series; and

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

601, 602, 603

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

Section 602. Notice of Defaults.

Within 90 days after the occurrence of any default hereunder with respect to the Securities of any series, the Trustee shall transmit by mail to all Holders of Securities of such series, as their names and addresses appear in the Security Register, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Security of such series or in the payment of any sinking fund installment with respect to Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interest of the Holders of Securities of such series; and provided, further, that in the case of any default of the character specified in Section 501(4) with respect to securities of such series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.

Section 603. Certain Rights of Trustee.

Subject to the provisions of Section 601:

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

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

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking,

suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

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

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

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

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

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

The recitals contained herein and in the Securities, except the Trustee's certificate of authentication, shall be taken as the statements of the Company, and the Trustee or any Authenticating Agent assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this Indenture or of the Securities. The Trustee or any Authenticating Agent shall not be accountable for the use or application by the Company of Securities or the proceeds thereof.

605, 606, 607, 608

Section 605. May Hold Securities.

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

Section 606. Money Held in Trust.

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

Section 607. Compensation and Reimbursement.

The Company agrees

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

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

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

Section 608. Disqualification; Conflicting Interests.

(a) If the Trustee has or shall acquire any conflicting interest, as defined in this Section, with respect to the Securities of any series, it shall, within 90 days after ascertaining that it has such conflicting interest, either eliminate such

conflicting interest or resign with respect to the Securities of that series in the manner and with the effect hereinafter specified in this Article.

(b) In the event that the Trustee shall fail to comply with the provisions of Subsection (a) of this Section with respect to the Securities of any series, the Trustee shall, within 10 days after the expiration of such 90-day period, transmit by mail to all Holders of Securities of that series, as their names and addresses appear in the Security Register, notice of such failure.

(c) For the purposes of this Section, the Trustee shall be deemed to have a conflicting interest with respect to the Securities of any series if

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

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

(ii) the Company shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that trusteeship under this Indenture with respect to the Securities of that series and such other series or such other indenture or indentures is not so likely to involve a material conflict of interest

as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under this Indenture with respect to the Securities of that series and such other series or under such other indenture or indentures;

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

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

(4) the Trustee or any of its directors or executive officers is a director, officer, partner, employee, appointee or representative of the Company, or of an underwriter (other than the Trustee itself) for the Company who is currently engaged in the business of underwriting, except that (i) one individual may be a director or an executive officer, or both, of the Trustee and a director or an executive officer, or both, of the Company but may not be at the same time an executive officer of both the Trustee and the Company; (ii) if and so long as the number of directors of the Trustee in office is more than nine, one additional individual may be a director or an executive officer, or both, of the Trustee and a director of the Company; and (iii) the Trustee may be designated by the Company or by any underwriter for the Company to act in the capacity of transfer agent, registrar, custodian, paying agent, fiscal agent, escrow agent or depository, or in any other similar capacity, or, subject to the provisions of paragraph (1) of this Subsection, to act as trustee, whether under an indenture or otherwise;

(5) 10% or more of the voting securities of the Trustee is beneficially owned either by the Company or by any director, partner or executive officer thereof, or 20% or more of such voting securities is beneficially owned, collectively, by any two or more of such persons, or 10% or more of the voting securities of the Trustee is beneficially owned either by an underwriter for the Company or by any director, partner or executive officer thereof, or is beneficially owned, collectively, by any two or more such persons;

(6) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default (as hereinafter in this Subsection defined), (i) 5% or more of the voting securities, or 10% or more of any other class of security, of the Company not including the

Securities issued under this Indenture and securities issued under any other indenture under which the Trustee is also trustee, or (ii) 10% or more of any class of security of an underwriter for the Company;

(7) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default (as hereinafter in this Subsection defined), 5% or more of the voting securities of any person who, to the knowledge of the Trustee, owns 10% or more of the voting securities of, or controls directly or indirectly or is under direct or indirect common control with, the Company;

(8) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default (as hereinafter in this Subsection defined), 10% or more of any class of security of any person who, to the knowledge of the Trustee, owns 50% or more of the voting securities of the Company; or

(9) the Trustee owns on May 15 in any calendar year, in the capacity of executor, administrator, testamentary or inter vivos trustee, guardian, committee or conservator, or in any other similar capacity, an aggregate of 25% or more of the voting securities, or of any class of security, of any person, the beneficial ownership of a specified percentage of which would have constituted a conflicting interest under paragraph (6), (7) or (8) of this Subsection. As to any such securities of which the Trustee acquired ownership through becoming executor, administrator or testamentary trustee of an estate which included them, the provisions of the preceding sentence shall not apply, for a period of two years from the date of such acquisition, to the extent that such securities included in such estate do not exceed 25% of such voting securities or 25% of any such class of security. Promptly after May 15 in each calendar year, the Trustee shall make a check of its holdings of such securities in any of the above-mentioned capacities as of such May 15. If the Company fails to make payment in full of the principal of (or premium, if any) or interest on any of the Securities when and as the same becomes due and payable, and such failure continues for 30 days thereafter, the Trustee shall make a prompt check of its holdings of such securities in any of the above-mentioned capacities as of the date of the expiration of such 30-day period, and after such date, notwithstanding the foregoing provisions of this paragraph, all such securities so held by the Trustee, with sole or joint control over such securities vested in it, shall, but only so long as such failure shall continue, be considered as though beneficially owned by the Trustee for the purposes of paragraphs (6), (7) and (8) of this Subsection.

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

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

(d) For the purposes of this Section:

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

(2) The term "director" means any director of a corporation or any individual performing similar functions with respect to any organization, whether incorporated or unincorporated.

(3) The term "person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust, an unincorporated organization or a government or political subdivision thereof. As

used in this paragraph, the term "trust" shall include only a trust where the interest or interests of the beneficiary or beneficiaries are evidenced by a security.

(4) The term "voting security" means any security presently entitling the owner or holder thereof to vote in the direction or management of the affairs of a person, or any security issued under or pursuant to any trust, agreement or arrangement whereby a trustee or trustees or agent or agents for the owner or holder of such security are presently entitled to vote in the direction or management of the affairs of a person.

(5) the term "Company" means any obligor upon the Securities.

(6) The term "executive officer" means the president, every vice president, every trust officer, the cashier, the secretary and the treasurer of a corporation, and any individual customarily performing similar functions with respect to any organization whether incorporated or unincorporated, but shall not include the chairman of the board of directors.

(e) The percentages of voting securities and other securities specified in this Section shall be calculated in accordance with the following provisions:

(1) A specified percentage of the voting securities of the Trustee, the Company or any other person referred to in this Section (each of whom is referred to as a "person" in this paragraph) means such amount of the outstanding voting securities of such person as entitles the holder or holders thereof to cast such specified percentage of the aggregate votes which the holders of all the outstanding voting securities of such person are entitled to cast in the direction or management of the affairs of such person.

(2) A specified percentage of a class of securities of a person means such percentage of the aggregate amount of securities of the class outstanding.

(3) The term "amount", when used in regard to securities, means the principal amount if relating to evidence of indebtedness, the number of shares if relating to capital shares and the number of units if relating to any other kind of security.

(4) The term "outstanding" means issued and not held by or for the account of the issuer. The following securities shall not be deemed outstanding within the meaning of this definition:

(i) securities of an issuer held in a sinking fund relating to securities of the issuer of the same class;

(ii) securities of an issuer held in a sinking fund relating to another class of securities of the issuer, if the obligation evidenced by such other class of securities is not in default as to principal or interest or otherwise;

(iii) securities pledged by the issuer thereof as security for an obligation of the issuer not in default as to principal or interest or otherwise; and

(iv) securities held in escrow if placed in escrow by the issuer thereof;

provided, however, that any voting securities of an issuer shall be deemed outstanding if any person other than the issuer is entitled to exercise the voting rights thereof.

(5) A security shall be deemed to be of the same class as another security if both securities confer upon the holder or holders thereof substantially the same rights and privileges; provided, however, that, in the case of secured evidences of indebtedness, all of which are issued under a single indenture, differences in the interest rates or maturity dates of various series thereof shall not be deemed sufficient to constitute such series different classes and provided, further, that, in the case of unsecured evidences of indebtedness, differences in the interest rates or maturity dates thereof shall not be deemed sufficient to constitute them securities of different classes, whether or not they are issued under a single indenture.

Section 609. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000 subject to supervision or examination by Federal or State authority and having a Corporate Trust Office in The City of New York. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 610. Resignation and Removal; Appointment of Successor.

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

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

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

(d) If at any time:

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

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

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

(4) the Company shall determine that the Trustee has failed to perform its obligations under this Indenture in any material respect;

then, in any such case, (i) the Company by a Board Resolution may remove the Trustee with respect to all Securities, or (ii) subject to Section 514, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect

610, 611

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

(f) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series by mailing written notice of such event by first-class mail, postage prepaid, to all Holders of Securities of such series as their names and addresses appear in the Security Register. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

Section 611. Acceptance of Appointment by Successor.

(a) In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall,

upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor trustee all property and money held by such retiring Trustee hereunder.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

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

611, 612, 613

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

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

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

Section 613. Preferential Collection of Claims Against Company.

(a) Subject to Subsection (b) of this Section, if the Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Company within four months prior to a default, as defined in Subsection (c) of this Section, or subsequent to such a default, then, unless and until such default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually, the Holders of the Securities and the holders of other indenture securities, as defined in Subsection (c) of this Section:

(1) an amount equal to any and all reductions in the amount due and owing upon any claim as such creditor in respect of principal or interest, effected after the beginning of such four months' period and valid as against the Company and its other creditors, except any such reduction resulting from the receipt or disposition of any property described in paragraph (2) of this Subsection, or from the exercise of any right of set-off which the Trustee could have exercised if a petition in bankruptcy had been filed by or against the Company upon the date of such default; and

(2) all property received by the Trustee in respect of any claims as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such four months' period, or

an amount equal to the proceeds of any such property, if disposed of, subject, however, to the rights, if any, of the Company and its other creditors in such property or such proceeds.

Nothing herein contained, however, shall affect the right of the Trustee:

(A) to retain for its own account (i) payments made on account of any such claim by any Person (other than the Company) who is liable thereon, and (ii) the proceeds of the bona fide sale of any such claim by the Trustee to a third Person, and (iii) distributions made in cash, securities or other property in respect of claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable State law;

(B) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such four months' period;

(C) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such four months' period and such property was received as security therefor simultaneously with the creation thereof, and if the Trustee shall sustain the burden of proving that at the time such property was so received the Trustee had no reasonable cause to believe that a default, as defined in Subsection (c) of this Section, would occur within four months; or

(D) to receive payment on any claim referred to in paragraph (B) or (C), against the release of any property held as security for such claim as provided in paragraph (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purposes of paragraphs (B), (C) and (D), property substituted after the beginning of such four months' period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and, to the extent that any claim referred to in any of such paragraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any pre-existing claim of the Trustee as such creditor, such claim shall have the same status as such pre-existing claim.

If the Trustee shall be required to account for the funds and property held in such special account and the proceeds thereof shall be apportioned among the Trustee, the Holders and the holders of other indenture securities in such

manner that the Trustee, the Holders and the holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable State law, the same percentage of their respective claims, figured before crediting to the claim of the Trustee anything on account of the receipt by it from the Company of the funds and property in such special account and before crediting to the respective claims of the Trustee and the Holders and the holders of other indenture securities dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable State law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim, in bankruptcy or receivership or proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable State law, whether such distribution is made in cash, securities or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership or proceedings for reorganization is pending shall have jurisdiction (i) to apportion among the Trustee, the Holders and the holders of other indenture securities, in accordance with the provisions of this paragraph, the funds and property held in such special account and proceeds thereof, or (ii) in lieu of such apportionment, in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to the Trustee and the Holders and the holders of other indenture securities with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of such distributions as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any Trustee which has resigned or been removed after the beginning of such four months' period shall be subject to the provisions of this Subsection as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such four months' period, it shall be subject to the provisions of this Subsection if and only if the following conditions exist:

(i) the receipt of property or reduction of claim, which would have given rise to the obligation to account, if such Trustee had continued as Trustee, occurred after the beginning of such four months' period; and

(ii) such receipt of property or reduction of claim occurred within four months after such resignation or removal.

(b) There shall be excluded from the operation of Subsection (a) of this Section a creditor relationship arising from:

(1) the ownership or acquisition of securities issued under any indenture, or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee;

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction or by this Indenture, for the purpose of preserving any property which shall at any time be subject to the lien of this Indenture or of discharging tax liens or other prior liens or encumbrances thereon, if notice of such advances and of the circumstances surrounding the making thereof is given to the Holders at the time and in the manner provided in this Indenture;

(3) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, paying agent, fiscal agent or depository, or other similar capacity;

(4) an indebtedness created as a result of services rendered or premises rented; or an indebtedness created as a result of goods or securities sold in a cash transaction, as defined in Subsection (c) of this Section;

(5) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Company; and

(6) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of self-liquidating paper, as defined in Subsection (c) of this Section.

(c) For the purposes of this Section only:

(1) the term "default" means any failure to make payment in full of the principal of or interest on any of the Securities or upon the other indenture securities when and as such principal or interest becomes due and payable;

(2) the term "other indenture securities" means securities upon which the Company is an obligor outstanding under any other indenture (i) under which the Trustee is also trustee, (ii) which contains provisions substantially similar to the provisions of this Section, and (iii) under which a default exists at the time of the apportionment of the funds and property held in such special account;

(3) the term "cash transaction" means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand;

(4) the term "self-liquidating paper" means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Company arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation;

(5) the term "Company" means any obligor upon the Securities; and

(6) the term "Federal Bankruptcy Act" means the Bankruptcy Act or Title 11 of the United States Code.

Section 614. Appointment of Authenticating Agent.

At any time when any of the Securities remain Outstanding the Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon exchange, registration of transfer or partial redemption thereof or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Whenever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate

of authentication, executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

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

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of the Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall mail written notice of such appointment by first-class mail, postage prepaid, to the Holders of Securities of the series with respect to which such Authenticating Agent will serve, as their names and addresses appear in the Security Register. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

614, 701

The Trustee agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section, and the Trustee shall be entitled to be reimbursed for such payments, subject to the provisions of Section 607.

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

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

The Bank of New York
As Trustee

By
As Authenticating Agent

By
Authorized Signature

ARTICLE SEVEN

Holder's Lists And Reports By Trustee And Company

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

The Company will furnish or cause to be furnished to the Trustee

(a) semi-annually, not later than June 20 and December 20 in each year, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of the preceding June 15 or December 15, as the case may be, and

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

excluding from any such list names and addresses received by the Trustee in its capacity as Security Registrar.

Section 702. Preservation of Information; Communications to Holders.

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

(b) If three or more Holders (herein referred to as "applicants") apply in writing to the Trustee, and furnished to the Trustee reasonable proof that each such applicant has owned a Security for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders with respect to their rights under this Indenture or under the Securities and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Trustee shall, within five business days after the receipt of such application, at its election, either

(i) afford such applicants access to the information preserved at the time by the Trustee in accordance with Section 702(a), or

(ii) inform such applicants as to the approximate number of Holders whose names and addresses appear in the information preserved at the time by the Trustee in accordance with Section 702(a), and as to the approximate cost of mailing to such Holders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Holder whose name and address appear in the information preserved at the time by the Trustee in accordance with Section 702(a) a copy of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless within five days after such tender the Trustee shall mail to such applicants and file with the Commission, together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interest of the Holders or would

702, 703

be in violation of applicable law. Such written statement shall specify the basis of such opinion. If the Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, the Commission shall find, after notice and opportunity for hearing, that all the objections so sustained have been met and shall enter an order so declaring, the Trustee shall mail copies of such material to all such Holders with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(c) Every Holder of securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of either of them shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders in accordance with Section 702(b), regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 702(b).

Section 703. Reports by Trustee.

(a) Within 60 days after May 15 of each year commencing with the year 1988, the Trustee shall transmit by mail to all Holders, as their names and addresses appear in the Security Register, a brief report dated as of such May 15 with respect to:

(1) its eligibility under Section 609 and its qualifications under Section 608, or in lieu thereof, if to the best of its knowledge it has continued to be eligible and qualified under said Sections, a written statement to such effect;

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

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

(4) the property and funds, if any, physically in the possession of the Trustee as such on the date of such report;

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

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

(b) The Trustee shall transmit by mail to all Holders, as their names and addresses appear in the Security Register, a brief report with respect to the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) since the date of the last report transmitted pursuant to Subsection (a) of this Section (or if no such report has yet been so transmitted, since the date of execution of this instrument) for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Securities, on property or funds held or collected by it as Trustee and which it has not previously reported pursuant to this Subsection, except that the Trustee shall not be required (but may elect) to report such advances if such advances remaining unpaid at any time aggregate 10% or less of the principal amount of the Securities Outstanding at such time, such report to be transmitted within 90 days after such time.

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

704, 801

Section 704. Reports by Company.

The Company shall:

(1) file with the Trustee, within 15 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by the rules and regulations prescribe) which the Company may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934; or, if the Company is not required to file information, documents or reports pursuant to either of said Sections, then it shall file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Securities Exchange Act of 1934 in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(2) file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations; and

(3) transmit by mail to all Holders, as their names and addresses appear in the Security Register, within 30 days after the filing thereof with the Trustee, such summaries of any information, documents and reports required to be filed by the Company pursuant to paragraphs (1) and (2) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

ARTICLE EIGHT

Consolidation, Merger, Conveyance, Transfer or Lease

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

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

to consolidate with or merge into the Company or convey, transfer or lease its properties and assets substantially as an entirety to the Company, unless:

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

(2) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the Company or a Subsidiary as a result of such transaction as having been incurred by the Company or such Subsidiary at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing;

(3) if, as a result of any such consolidation or merger or such conveyance, transfer or lease, properties or assets of the Company would become subject to a mortgage, pledge, lien, security interest or other encumbrance which would not be permitted by this Indenture, the Company or such successor corporation or Person, as the case may be, shall take such steps as shall be necessary effectively to secure the Securities equally and ratably with (or prior to) all indebtedness secured thereby; and

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

802, 901

Section 802. Successor Corporation Substituted.

Upon any consolidation by the Company with or merger by the Company into any other corporation or any conveyance, transfer or lease of the properties and assets of the Company substantially as an entirety in accordance with Section 801, the successor corporation formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor corporation had been named as the Company herein, and thereafter, except in the case of a lease, the predecessor corporation shall be relieved of all obligations and covenants under this Indenture and the Securities.

ARTICLE NINE

Supplemental Indentures

Section 901. Supplemental Indentures Without Consent of Holders.

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

- (1) to evidence the succession of another corporation to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities; or
- (2) to add to the covenants of the company for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the company; or
- (3) to add any additional Events of Default; or
- (4) to add to or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities in bearer form, registrable or not registrable as to principal, and with or without interest coupons; or
- (5) to change or eliminate any of the provisions of this Indenture, provided that any such change or elimination shall become effective only when there is no Security Outstanding of any series created prior to the

execution of such supplemental indenture which is entitled to the benefit of such provision; or

(6) to secure the Securities; or

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

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

(9) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture, provided such action shall not adversely affect the interests of the Holders of Securities of any series in any material respect.

Section 902. Supplemental Indentures with Consent of Holders.

With the consent of the Holders of not less than 66 2/3% in principal amount of the Outstanding Securities of each series affected by such supplemental indenture, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby,

(1) change the Stated Maturity of the principal of, or any instalment of principal of or interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof or reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502, or change any Place of Payment where, or the coin or currency in which, any Security or any premium or the interest thereon is payable, or impair the right to

902, 903

institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or

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

(3) modify any of the provisions of this Section, Section 513 or Section 1008, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby; provided, however, that this clause shall not be deemed to require the consent of any Holder with respect to changes in the references to "the Trustee" and concomitant changes in this Section and Section 1008, or the deletion of this proviso, in accordance with the requirements of Sections 611(b) and 901(8).

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

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

Section 903. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 904. Effect of Supplemental Indentures.

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

Section 905. Conformity with Trust Indenture Act.

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

Section 906. Reference in Securities to Supplemental Indentures.

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

ARTICLE TEN

Covenants

Section 1001. Payment of Principal, Premium and Interest.

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

Section 1002. Maintenance of Office or Agency.

The Company will maintain in each Place of Payment for any series of Securities an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at

1002, 1003

any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

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

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

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

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

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

(1) hold all sums held by it for the payment of the principal of (and premium, if any) or interest on Securities of that series in trust for the

benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise dispose of as herein provided;

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

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

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

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

Section 1004. Corporate Existence.

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

1004, 1005, 1006, 1007

rights (charter and statutory) and franchises; provided, however, that the Company shall not be required to preserve any such right or franchise if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Holders.

Section 1005. Maintenance of Properties.

The Company will cause all properties used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterment's and improvements thereof, all as in the judgment of the Company may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this section shall prevent the Company from discontinuing the operation or maintenance of any of such properties if such discontinuance is, in the judgment of the Company, desirable in the conduct of its business or the business of any Subsidiary and not disadvantageous in any material respect to the Holders.

Section 1006. Payment of Taxes and Other Claims.

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

Section 1007. Statement by Officers as to Default.

The Company will deliver to the Trustee, within 120 days after the end of each fiscal year of the Company ending after the date hereof, an Officers' Certificate, stating whether or not to the best knowledge of the signers thereof the Company is in default in the performance and observance of any of the terms, provisions and conditions of Sections 1001 to 1006 and 1010 to 1011,

inclusive, and if the Company shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge.

Section 1008. Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with any term, provision or condition set forth in Sections 1005, 1006, 1010 or 1011 with respect to the Securities of any series if before the time for such compliance the Holders of at least 66 2/3% in principal amount of the Outstanding Securities of such series shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

Section 1009. Defeasance of Certain Obligations.

Section 501(5) shall not be deemed to be an Event of Default with respect to any series of Securities, provided that the following conditions shall have been satisfied:

(1) The Company has deposited or caused to be deposited with the Trustee (or another trustee satisfying the requirements of Section 609), irrevocably (irrespective of whether the conditions in subparagraphs (2), (3), (4) and (5) below have been satisfied and except as provided in Section 402(c)), as trust funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such series of Securities, with reference to this Section, (i) money in an amount, or (ii) U.S. Government Obligations which through the payment of interest and principal in respect thereof in accordance with their terms will provide not later than the close of business on the day prior to the due date of any payment referred to in this subparagraph (1) money in an amount, or (iii) a combination thereof, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge the principal of (and premium, if any) and each installment of interest on such Outstanding Securities on the Stated Maturity of such principal or installment of interest on the day on which such payments are due and payable in accordance with the terms of this Indenture and of such Securities;

1009, 1010

(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 is a party or by which it is bound;

(3) no Event of Default or event which after notice or lapse of time or both, would become an Event of Default shall have occurred and be continuing on the date of such deposit, and no Event of Default under Section 501(6) or 501(7) or event which, after notice or lapse of time or both, would become an Event of Default under Section 501(6) or 501(7) shall have occurred and be continuing on the 31st day after such date;

(4) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel to the effect that Holders of such Securities will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance of certain obligations and will be subject to Federal income tax on the same amounts and in the same manner and at the same times, as would have been the case if such deposit and defeasance had not occurred; and

(5) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for relating to the defeasance contemplated by this Section have been complied with.

Section 1010. Limitation on Liens. (a) The Company will not, nor will it permit any Restricted Subsidiary to, issue, assume or guarantee any debt for money borrowed (hereinafter in Sections 1010 and 1011 referred to as "Debt"), secured by a mortgage, security interest, pledge, lien or other encumbrance (mortgages, security interests, pledges, liens and other encumbrances being hereinafter called "mortgage" or "mortgages") upon any Principal Property of the Company or any Restricted Subsidiary or upon any shares of stock or indebtedness of any Restricted Subsidiary (whether such Principal Property, shares of stock or indebtedness are now owned or hereafter acquired) without in any such case effectively providing concurrently with the issuance, assumption or guaranty of any such Debt that the Outstanding Securities (together with, if the Company shall so determine, any other indebtedness of or guarantee by the Company or such Restricted Subsidiary ranking equally with the Outstanding Securities and then existing or thereafter created) shall be secured equally and ratably with such Debt; provided, however, that the foregoing restrictions shall not apply to Debt secured by

(i) mortgages on property, shares of stock or indebtedness of any corporation existing at the time such corporation becomes a Restricted Subsidiary;

(ii) mortgages on property existing at the time of acquisition of such property by the Company or a Restricted Subsidiary, or mortgages to secure the payment of all or any part of the purchase price of such property upon the acquisition of such property by the Company or a Restricted Subsidiary or to secure any Debt incurred prior to, at the time of, or within 180 days after, the acquisition of such property for the purpose of financing all or any part of the purchase price thereof, or mortgages to secure any debt incurred for the purpose of financing all or any part of the cost to the Company or a Restricted Subsidiary of improvements to such acquired property;

(iii) mortgages securing Debt of a Restricted Subsidiary owing to the Company or to another Restricted Subsidiary;

(iv) mortgages existing at the date of this Indenture;

(v) mortgages on property of a corporation existing at the time such corporation is merged into or consolidated with the Company or a Restricted Subsidiary or at the time of a sale, lease or other disposition of the properties of a corporation as an entirety or substantially as an entirety to the company or a Restricted Subsidiary;

(vi) mortgages on or other conveyances of property owned by the Company or a Restricted Subsidiary in favor of the United States of America or any State thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any State thereof, or in favor of any other country, or any political subdivision thereof, to secure partial, progress, advance or other payments pursuant to any contract or statute or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of construction of the property subject to such mortgages; or

(vii) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any mortgage referred to in the foregoing clauses (i) to (vi), inclusive, provided, however, that such extension, renewal or replacement shall be limited to all or a part of the property which secured the mortgage so extended, renewed or replaced (plus improvements on such property).

(b) Notwithstanding the foregoing provisions of this Section 1010, the Company and any one or more Restricted Subsidiaries may issue, assume or

1010, 1011

guarantee Debt secured by a mortgage which, would otherwise be subject to the foregoing restrictions in an aggregate amount which, together with all other outstanding Debt of the Company and its Restricted Subsidiaries which (if originally issued, assumed or guaranteed at such time) would otherwise be subject to the foregoing restrictions (not including Debt permitted to be secured under clauses (i) through (vii) above), does not at the time exceed 10% of Consolidated Net Tangible Assets of the Company and its consolidated Subsidiaries as shown on the most recent consolidated financial statements of the Company and its consolidated Subsidiaries.

Section 1011. Limitation on Sale and Lease-Back. The Company will not, nor will it permit any Restricted Subsidiary to enter into any arrangement with any person that provides for the leasing to the Company or any Restricted Subsidiary of any Principal Property (except for leases for a term of not more than three years and except for leases between the Company and a Restricted Subsidiary or between Restricted Subsidiaries), which Principal Property has been or is to be sold or transferred by the Company or such Restricted Subsidiary to such person, unless (a) the Company or such Restricted Subsidiary would be entitled, pursuant to the provisions of Section 1010, to issue, assume or guarantee Debt secured by a mortgage upon such property at least equal in amount to the Attributable Debt in respect of such arrangement without equally and ratably securing the Outstanding Securities, provided, however, that from and after the date on which such arrangement becomes effective the Attributable Debt in respect of such arrangement shall be deemed for all purposes under Sections 1010 and 1011 to be Debt subject to the provisions of Section 1010; or (b) the Company shall apply an amount in cash equal to the greater of the net proceeds of such sale or the Attributable Debt in respect of such arrangement to the retirement (other than any mandatory retirement or by way of payment at maturity), within 120 days of the effective date of any such arrangement, of Debt (except as otherwise provided by the terms of any series of Outstanding Securities) of the Company or any Restricted Subsidiary (other than Debt owed by the Company or any Restricted Subsidiary to the Company or any Restricted Subsidiary) which by its terms matures at or is extendible or renewable at the option of the obligor to a date more than twelve months after the date of the creation of such Debt.

For the purposes of this Section 1011, the term "Attributable Debt" means, at the time of determination, the lesser of (a) the fair value of such property (as determined by the Board of Directors of the Company) or (b) the present value (discounted at the annual rate of 9%,

compounded semi-annually) of the obligation of the lessee for net rental payments during the remaining term of the lease (including any period for which such lease has been extended).

ARTICLE ELEVEN

Redemption of Securities

Section 1101. Applicability of Article.

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

Section 1102. Election to Redeem; Notice to Trustee.

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

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

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

1103, 1104, 1105

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

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

Section 1104. Notice of Redemption.

Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his address appearing in the Security Register.

All notices of redemption shall state:

- (1) the Redemption Date,
- (2) the Redemption Price,
- (3) if less than all the Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Securities to be redeemed,
- (4) that on the Redemption Date the Redemption Price will become due and payable upon each such Security to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date,
- (5) the place or places where such Securities are to be surrendered for payment of the Redemption Price, and
- (6) that the redemption is for a sinking fund, if such is the case.

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

Section 1105. Deposit of Redemption Price.

Prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date

shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date.

Section 1106. Securities Payable on Redemption Date.

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

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

Section 1107. Securities Redeemed in Part.

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

1201, 1202, 1203

ARTICLE TWELVE

Sinking Funds

Section 1201. Applicability of Article.

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

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

Section 1202. Satisfaction of Sinking Fund Payments with Securities.

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

Section 1203. Redemption of Securities for Sinking Fund.

Not less than 60 days prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which

is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities of that series pursuant to Section 1202 and will also deliver to the Trustee any Securities to be so delivered. Not less than 30 days before each such sinking fund payment date the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 1103 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 1104. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 1106 and 1107.

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

In Witness Whereof, the parties hereto have caused this indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

EASTMAN KODAK COMPANY

By:

Attest:

THE BANK OF NEW YORK

By:

Attest:

State Of New York)
) ss.:
County Of Monroe)

On the _____ day of January, 1988, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he is _____ of Eastman Kodak Company, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

State of New York)
) ss.:
County of New York)

On the _____ day of January, 1988, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he is _____ of The Bank of New York, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

=====

EASTMAN KODAK COMPANY

TO

THE BANK OF NEW YORK
Trustee

FIRST SUPPLEMENTAL INDENTURE
Dated as of September 6, 1991

To

INDENTURE
Dated as of January 1, 1988

=====

FIRST SUPPLEMENTAL INDENTURE, dated as of September 6, 1991, between EASTMAN KODAK COMPANY, a corporation duly organized and existing under the laws of the State of New Jersey (the "Company"), having its principal offices at 343 State Street, Rochester, New York 14650, and THE BANK OF NEW YORK, a corporation duly organized and existing under the laws of the State of New York, as Trustee (the "Trustee").

WHEREAS, the Company has heretofore executed and delivered to the Trustee an Indenture, dated as of January 1, 1988 (the "Indenture"), providing for the issuance from time to time of its unsecured debentures, notes or other evidences of indebtedness (herein and therein called the "Securities"), to be issued in one or more series as the Indenture provided;

WHEREAS, Section 901(9) of the Indenture provides that, without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental to the Indenture for the purpose of curing any ambiguity, correcting or supplementing any provision in the Indenture which may be inconsistent with any other provision therein, or making any other 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 series in any material respect;

WHEREAS, the Company, pursuant to the foregoing authority, proposes in and by this First Supplemental Indenture to amend and supplement the Indenture in certain respects with respect to the Securities of series that may be created on or after the date hereof; and

WHEREAS, all things necessary to make this First Supplemental Indenture a valid agreement of the Company, and a valid amendment of and supplement to the Indenture, have been done.

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

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

1. Section 301 of the Indenture is hereby amended by:

(i) redesignating clauses (12) and (13) as clauses (13) and (14); and

(ii) inserting after clause (11) the following new clause:

"(12) whether the Securities may be exchanged at the option of the Holders thereof for equity or debt securities of an issuer other than the Company and, if so, the issuer and the class of such equity or debt securities, the rate or rates of such exchange, the period or periods within which such exchange may be made, the manner of exchange, and the other terms and provisions relating to any such exchange;"

2. The Indenture is hereby amended by adding after Article Twelve the following new Article:

"ARTICLE THIRTEEN
EXCHANGE OF SECURITIES"

Section 1301. Exchange of Securities.

Securities of any series which are exchangeable at the option of the Holders thereof for equity or debt securities of an issuer other than the Company shall be so exchangeable as specified as contemplated by Section 301 for Securities of such series. Without limiting the generality of the foregoing, (a) Securities of such series shall be exchangeable for equity or debt securities of such issuer (other than the Company) as shall be specified in the manner contemplated by Section 301, (b) Securities of such series shall be exchangeable during such time period or periods and at such exchange rate or rates as shall be determined as specified in the manner contemplated by Section 301, (c) if specified in the manner contemplated by Section 301, in lieu of delivering such equity or debt securities upon exchange, the Company may elect to pay to the Holders in cash an amount representing the market value of such equity or debt securities, such market value to be determined as specified in the manner contemplated by Section 301, and (d) if specified in the manner

contemplated by Section 301, the Company shall deposit any such equity or debt securities with an escrow agent pursuant to the terms of an escrow agreement to be entered into between the Company and the escrow agent."

3. The Trustee accepts the trusts created by the Indenture, as supplemented by this First Supplemental Indenture, and agrees to perform the same upon the terms and conditions of the Indenture, as supplemented by this First Supplemental Indenture.

4. The recitals contained herein shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this First Supplemental Indenture.

5. All capitalized terms used and not defined herein shall have the respective meanings assigned to them in the Indenture.

6. Each of the Company and the Trustee makes and reaffirms as of the date of execution of this First Supplemental Indenture all of its respective representations, warranties, covenants and agreements set forth in the Indenture.

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

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

9. Nothing in this First Supplemental Indenture, express or implied, shall give to any Person, other than the parties hereto and their successors under the Indenture and the Holders, any benefit or any legal or equitable right, remedy or claim under the Indenture.

10. If any provision hereof limits, qualifies or conflicts with a provision of the Trust Indenture Act of 1939, as may be amended from time to time, that is required under such Act to be a part of and govern this First Supplemental Indenture, the later provision shall control. If any provision hereof modifies or excludes any provision

of such Act that may be so modified or excluded, the latter provision shall be deemed to apply to this First Supplemental Indenture as so modified or excluded, as the case may be.

11. This First Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

12. All amendments to the Indenture made hereby shall have effect only with respect to the Securities of any series originally issued on or after the date hereof, and not with respect to the Securities of any series originally issued prior to the date hereof.

13. All provisions of this First Supplemental Indenture shall be deemed to be incorporated in, and made a part of, the Indenture; and the Indenture, as supplemented by this First Supplemental Indenture, shall be read, taken and construed as one and the same instrument.

* * * * *

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

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

EASTMAN KODAK COMPANY

By -----
Title:

Attest:

Title:

THE BANK OF NEW YORK

By -----
Title:

Attest:

Title:

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

On the 18th day of September, 1991, before me personally came C. Michael Hamilton, to me known, who, being duly sworn, did depose and say that he is Treasurer of EASTMAN KODAK COMPANY, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

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

On the ____ day of September, 1991, before me personally came _____, to me known, who, being duly sworn, did depose and say that he is _____ of THE BANK OF NEW YORK, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

=====

EASTMAN KODAK COMPANY

TO

THE BANK OF NEW YORK
Trustee

SECOND SUPPLEMENTAL INDENTURE
Dated as of September 20, 1991

To

INDENTURE
Dated as of January 1, 1988

=====

TABLE OF CONTENTS

| | Page |
|-------------------------------------|---|
| ARTICLE ONE | |
| DEFINITIONS | |
| SECTION 101 | Definitions.....2 |
| SECTION 102 | Other Definitions.....6 |
| ARTICLE TWO | |
| THE SERIES OF SECURITIES | |
| SECTION 201 | Title and Terms.....7 |
| SECTION 202 | Form of Debentures and Global Securities.....9 |
| SECTION 203 | Remedies.....9 |
| SECTION 204 | Satisfaction and Discharge.....11 |
| SECTION 205 | Consolidation, Merger, Conveyance, Transfer or Lease.....11 |
| SECTION 206 | Supplemental Indentures.....12 |
| SECTION 207 | Other Provisions.....13 |
| SECTION 208 | Global Securities.....15 |
| ARTICLE THREE | |
| REDEMPTION OF DEBENTURES | |
| SECTION 301 | Right to Redeem; Notice to Trustee.....16 |
| SECTION 302 | Selection of Debentures to be Redeemed.....17 |
| SECTION 303 | Notice of Redemption.....17 |
| SECTION 304 | Effect of Notice of Redemption.....18 |
| SECTION 305 | Deposit of Redemption Price.....19 |
| SECTION 306 | Debentures Redeemed in Part.....19 |
| SECTION 307 | Exchange Arrangement on Call for Redemption.....19 |
| ARTICLE FOUR | |
| REPURCHASE AT THE OPTION OF HOLDERS | |
| SECTION 401 | Purchase of Debentures at the Option of the Holder.....20 |
| SECTION 402 | Effect of Purchase Notice.....26 |

- - - - -
Note: This Table of Contents shall not, for any purpose, be deemed to be a part of the Second Supplemental Indenture.

| | Page |
|-------------|-------------------------------------|
| SECTION 403 | Deposit of Purchase Price.....28 |
| SECTION 404 | Debentures Purchased in Part.....28 |
| SECTION 405 | Repayment to the Company.....29 |

ARTICLE FIVE

EXCHANGE OF DEBENTURES

| | |
|-------------|--|
| SECTION 501 | Right of Exchange.....29 |
| SECTION 502 | Method of Exchange.....30 |
| SECTION 503 | Fractional Interest.....32 |
| SECTION 504 | Adjustment of Exchange Rate.....33 |
| SECTION 505 | Certain Tender or Exchange Offers for Exchange Securities.....38 |
| SECTION 506 | Investment of Cash Proceeds.....41 |
| SECTION 507 | Escrow Agreement.....41 |
| SECTION 508 | Notice of Certain Events.....43 |
| SECTION 509 | Covenant by the Company.....44 |
| SECTION 510 | Taxes.....44 |
| SECTION 511 | Shares Free and Clear.....45 |
| SECTION 512 | Cancellation of Debentures.....45 |
| SECTION 513 | Consolidation, Etc. of Sun and the Company.....45 |
| SECTION 514 | Exchange Subject to Applicable Law.....46 |

ARTICLE SIX

MISCELLANEOUS

| | |
|-------------|-------------------------|
| SECTION 601 | Miscellaneous.....47 |
| EXHIBIT A | Form of Debenture |
| EXHIBIT B | Form of Global Security |

- - - - -
Note: This Table of Contents shall not, for any purpose, be deemed to be a part of the Second Supplemental Indenture.

SECOND SUPPLEMENTAL INDENTURE, dated as of September 20, 1991, between EASTMAN KODAK COMPANY, a corporation duly organized and existing under the laws of the State of New Jersey (the "Company"), having its principal offices at 343 State Street, Rochester, New York 14650, and THE BANK OF NEW YORK, a corporation duly organized and existing under the laws of the State of New York, as Trustee (the "Trustee").

WHEREAS, the Company has heretofore executed and delivered to the Trustee an Indenture, dated as of January 1, 1988, as supplemented by First Supplemental Indenture thereto, dated as of September 6, 1991 (as so supplemented, the "Basic Indenture"), providing for the issuance from time to time of its unsecured debentures, notes or other evidences of indebtedness (herein and therein called the "Securities"), to be issued in one or more series as the Indenture provided;

WHEREAS, Section 201 of the Basic Indenture permits the form of the Securities of any series to be established pursuant to an indenture supplemental to the Indenture;

WHEREAS, Section 301 of the Basic Indenture permits the terms of the Securities of any series to be established in an indenture supplemental to the Indenture;

WHEREAS, Section 901(9) of the Basic Indenture provides that, without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental to the Indenture for the purpose of curing any ambiguity, correcting or supplementing any provision in the Indenture which may be inconsistent with any other provision therein, or making any other 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 series in any material respect;

WHEREAS, the Company, pursuant to the foregoing authority, proposes in and by this Second Supplemental Indenture to establish the terms and form of the Securities of a new series and to amend and supplement the Indenture in certain respects with respect to the Securities of such series; and

WHEREAS, all things necessary to make this Second Supplemental Indenture a valid agreement of the Company, and a valid amendment of and supplement to the Indenture, have been done.

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL INDENTURE WITNESSETH:

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

ARTICLE ONE

DEFINITIONS

SECTION 101. Definitions

(a) For all purposes of this Second Supplemental Indenture:

(1) Capitalized terms used herein without definition shall have the meaning specified in the Indenture;

(2) All references herein to Articles and Sections, unless otherwise specified, refer to the corresponding Articles and Sections of this Second Supplemental Indenture; and

(3) The terms "hereof", "herein" "hereby", "hereto", "hereunder" and "herewith" refer to this Second Supplemental Indenture.

(b) For all purposes of this Second Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires:

"Capital Stock" of any corporation or other entity means any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of or interests in (however designated) stock issued by that corporation or other entity.

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

"Company Common Stock" means the common stock, par value \$2.50 per share, of the Company as it exists on the date of this Second Supplemental Indenture or any other shares of Capital Stock of the Company into which the Common Stock shall be reclassified or changed.

"Escrow Agent" means The First National Bank of Boston, as escrow agent under the Escrow Agreement, and shall also include any successor as Escrow Agent thereunder pursuant to the provisions thereof.

"Escrow Agreement" means the Escrow Agreement, dated as of September 20, 1991, between the Company and the Escrow Agent entered into pursuant to the provisions of Section 507 hereof, as the same may be supplemented or amended from time to time.

"Exchange Property" means any Exchange Security and any cash or other property that is apportioned thereto, or otherwise deliverable upon the surrender of Debentures for exchange, in accordance with the provisions of Article Five hereof.

"Exchange Security" means any security, including Sun Common Stock, deliverable upon the surrender of the Debentures for exchange in accordance with the provisions of Article Five hereof.

"Investment Bankers' Certificate" means a certificate or opinion in writing, signed by an independent investment banking firm, which may be regularly employed by the Company and which is reasonably satisfactory to the Trustee.

"Issue Date" of any Debenture means the date on which the Debenture was originally issued or deemed issued as set forth on the face of the Debenture.

"Issue Price" of any Debenture means, in connection with the original issuance of such Debenture, the initial issue price at which the Debenture is sold as set forth on the face of the Debenture.

"Issuer" means any issuer, from time to time, of an Exchange Security.

"Market Price" means the average of the Sale Prices of the Sun Common Stock (or any other Exchange Securities) for the five Business Day period ending on the third Business Day prior to the Purchase Date.

"Non-Equity Security" means any security or property which is not (i) Common Stock or (ii) a security convertible into Common Stock or participating without limitation in earnings and dividends in parity with Common Stock or (iii) a warrant or option to purchase Common Stock.

"Original Issue Discount" of any Debenture means the difference between the Issue Price and the principal amount at Stated Maturity of the Debenture as provided in Section 201 hereof.

"Permitted Investments" means investments in (i) obligations issued or guaranteed by the United States Government or any agency thereof, for which the full faith and credit of the United States are pledged, (ii) certificates of deposit and fixed time deposits from any bank or trust company organized under the laws of the United States of America or any state thereof, having a capital, surplus and undivided profits of not less than \$500,000,000, (iii) commercial paper issued by corporations and given a rating of P-1 or A-1 or better (or a comparable rating if such rating system is changed), by Moody's Investors Service, Inc. or Standard & Poor's Corporation, respectively, or their successors or a similar rating agency service substituted therefor, or (iv) securities of a state, county, city, town, village, tax district or other civil division of a state of the United States which securities are direct and general obligations for which the full faith and credit of the issuing entity are pledged and which securities are given one of the top three ratings by two or more standard rating services recognized as such by the financial community.

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

"Sale Price" means (i) with respect to the Sun Common Stock (or any other Exchange Security), for any given day, the closing sale price (or, if no closing sale price is reported, the average of the bid and asked prices or, if more than one bid or asked price, the average of the average bid and average asked prices) on such day of the Sun Common Stock (or other Exchange Security), reported on the New York Stock Exchange Composite Tape or, in the event the Sun

Common Stock (or other Exchange Security) is not listed on the New York Stock Exchange, such other national or regional securities exchange upon which the Sun Common Stock (or other Exchange Security) is listed and principally traded, or, in the event the Sun Common Stock (or other Exchange Security) is not listed on a national or regional securities exchange, as reported by the National Association of Securities Dealers Automated Quotation System, or, if no such price is available, the market value of the Sun Common Stock (or other Exchange Security) on such day determined in such manner as shall be satisfactory to the Company, which shall be entitled to rely for such purpose on the advice of any firm of investment bankers or securities dealers having familiarity with the Sun Common Stock (or other Exchange Security), and (ii) with respect to any other Exchange Property, for any given day, the market value of such Exchange Property on such day determined in such manner as shall be satisfactory to the Company, which shall be entitled to rely for such purpose on the advice of any independent professional advisor having familiarity with such Exchange Property. Notwithstanding the foregoing, the Sale Price shall be adjusted to reflect the occurrence of any of the events specified in Section 504 hereof that has resulted in an adjustment of the Exchange Rate if the Sale Price as calculated above has not been appropriately adjusted to reflect the occurrence of such event.

"Sun" means Sun Microsystems, Inc., a Delaware corporation and, upon the exchange or substitution of Common Stock of any Issuer for all shares of Sun Common Stock, shall mean the Issuer of such Common Stock.

"Sun Common Stock" means the common stock of Sun of the class authorized and designated as common stock, par value \$0.00067 per share, at the date of this Second Supplemental Indenture, held by the Escrow Agent under the Escrow Agreement, or the Common Stock of any Issuer so held by the Escrow Agent that is issued in exchange or substitution for all outstanding shares of such Common Stock, as such shares of Common Stock may be changed or reclassified from time to time by any combination, subdivision or reclassification thereof to which Section 504 hereof applies.

"Trading Day" means each day on which the securities exchange or quotation system that would be used to determine the Sale Price is open for trading or quotation.

(c) For all purposes of this Second Supplemental Indenture and the Basic Indenture, when used with respect to

the Debentures and except as otherwise expressly provided or unless the context otherwise requires:

"Business Day" has the meaning assigned thereto in the Basic Indenture; provided, however, that, when such term is used with respect to any exchange of Debentures pursuant to Article Five hereof, such term means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in the Borough of Manhattan, The City of New York are authorized or obligated by law to close.

"Global Security" means a Global Security (defined in the Basic Indenture) evidencing all or a part of the Debentures.

"Outstanding" has the meaning assigned thereto in the Basic Indenture, subject to Sections 207 and 502(b) of this Second Supplemental Indenture.

"Principal" or "principal amount" of a Debenture means the principal amount at Stated Maturity as set forth on the face of the Debenture; and, for the purpose of this Second Supplemental Indenture and the Basic Indenture, the Purchase Price, the Issue Price or any accrued Original Issue Discount shall be deemed a portion of such principal or principal amount of the Debenture.

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

"Redemption Price" or "redemption price", when used with respect to any Debenture to be redeemed, means the price at which it is to be redeemed pursuant to this Second Supplemental Indenture.

SECTION 102. Other Definitions

| Term - - - - | Defined in Section ----- |
|--------------------------------|--------------------------------|
| "cash"..... | 401 |
| "Cash Exchange Price"..... | 501 |
| "Company Exchange Notice"..... | 502 |
| "Company Notice"..... | 401 |
| "Debentures"..... | 201 |
| "Exchange Date"..... | 502 |
| "Exchange Rate"..... | 501 |
| "Notice Date"..... | 401 |

| | |
|---------------------------------|-----|
| "Notice of Tender"..... | 505 |
| "Notice of Withdrawal"..... | 505 |
| "Offer"..... | 505 |
| "Participant"..... | 208 |
| "Purchase Date"..... | 401 |
| "Purchase Notice"..... | 401 |
| "Purchase Price"..... | 401 |
| "Rule 144A Information"..... | 207 |
| "Securities Act"..... | 207 |
| "Suspension Date"..... | 505 |
| "Suspension Exchange Date"..... | 505 |

ARTICLE TWO

THE SERIES OF SECURITIES

SECTION 201. Title and Terms

There shall be a series of Securities designated the "Zero Coupon Exchangeable Senior Debentures due 2006" of the Company (the "Debentures").

The aggregate principal amount at Stated Maturity of Debentures which may be authenticated and delivered under this Second Supplemental Indenture is limited to \$256,365,000 (except for Debentures authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities pursuant to Section 304, 305, 306, 906 or 1107 of the Basic Indenture or Section 502 of this Second Supplemental Indenture).

The Stated Maturity of the Debentures shall be September 20, 2006. There will be no periodic interest payment on the Debentures.

The principal of and interest on the Debentures shall be payable at the office or agency of the Company in The Borough of Manhattan, The City of New York, maintained for such purpose and at any other office or agency maintained by the Company for such purpose.

The Debentures may be redeemed, in whole or in part, at the option of the Company in accordance with the provisions of Article Three of this Second Supplemental Indenture. As contemplated by Section 1101 of the Basic Indenture, the terms of redemption of the Debentures shall be as set forth in the Debentures and this Second Supplemental Indenture. Any terms of Article Eleven of the Basic Indenture that are inconsistent with the terms of the

Debentures or this Second Supplemental Indenture shall be inapplicable to the Debentures.

The Debentures are not subject to a sinking fund.

The Debentures shall be purchased by the Company at the option of the Holders thereof in accordance with the provisions of Article Four of this Second Supplemental Indenture.

The Debentures shall be issued in denominations of \$1,000 principal amount at Stated Maturity and any integral multiple thereof.

The Debentures shall have an Issue Price of \$427.27 per \$1,000 principal amount at Stated Maturity of Debentures, which represents an Original Issue Discount of \$572.73 per \$1,000 principal amount at Stated Maturity of Debentures.

Original Issue Discount, in the period during which a Debenture remains Outstanding, shall accrue at 5.75% per annum, on a semiannual bond equivalent basis using a 360-day year consisting of twelve 30-day months, commencing on the Issue Date of the Debenture. For federal income tax purposes, original issue discount will accrue as described in the legend on the face of the Debenture referring to Sections 1273 and 1275 of the Internal Revenue Code.

The Debentures shall be exchangeable at the option of the Holders thereof in accordance with the provisions of Article Five of this Second Supplemental Indenture.

The portion of the principal amount of the Debentures which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 502 of the Basic Indenture shall be limited to the Issue Price plus accrued Original Issue Discount to the date of such declaration.

The Debentures may be issued in the form of one or more Global Securities in accordance with Section 208 hereof and other provisions of the Indenture. The Depository for such Global Securities shall initially be The Depository Trust Company.

SECTION 202. Form of Debentures and Global Securities

The Debentures shall be in substantially the form set forth in Exhibit A hereto.

The Global Securities shall be in substantially the form set forth in Exhibit B hereto.

SECTION 203. Remedies

(a) In addition to the Events of Default set forth in Section 501 of the Basic Indenture, the following event (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) shall constitute an Event of Default with respect to the Debentures:

"default in the performance, or breach, of any covenant or warranty of the Company in the Escrow Agreement, and continuance of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 10% in principal amount of the Outstanding Debentures a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder."

(b) Upon receipt by the Trustee of any written notice from a Holder (or a duly designated proxy of a Holder) stating that a default with respect to the Debentures under Section 501 of the Basic Indenture or Section 203(a) hereof has occurred and requiring that the Company remedy the same at any time when a Global Security is outstanding, a record date shall be established for determining Holders of Outstanding Debentures entitled to join in such notice, which record date shall be at the close of business on the day the Trustee receives such notice. The Holders on such record date, or their duly designated proxies, shall be entitled to join in such notice, whether or not such Holders remain Holders after such record date, and no Person who becomes a Holder after such record date (nor any Proxy designated by such a Person) shall be entitled to join in such notice in respect of such Debentures. Notwithstanding the foregoing, unless Holders of at least 10% or 25%, as applicable, in principal amount at Stated Maturity of the Outstanding Debentures, or their proxies shall have joined in such notice prior to the day

which is 90 days after such record date, the written notice from a Holder (or a duly designated proxy of a Holder) received by the Trustee stating that a default has occurred and requiring that the Company remedy the same shall automatically and without further action by any Holder be canceled and of no further effect. Nothing in this paragraph shall prevent the Holder of a Debenture, or a proxy of such a Holder, from giving, after expiration of the applicable 90-day period, a new notice identical to a notice which has been canceled pursuant to the preceding sentence, in which event a new record date shall be established with respect to the Holders of Debentures pursuant to the provisions of this Section 203(b).

(c) Upon receipt by the Trustee of any written notice from a Holder (or a duly designated proxy of a Holder) declaring an acceleration, or rescission and annulment thereof pursuant to Section 502 of the Basic Indenture, with respect to the Debentures at any time when a Global Security is Outstanding, a record date shall be established for determining Holders of Outstanding Debentures entitled to join in such notice, which record date shall be at the close of business on the day the Trustee receives such notice. The Holders on such record date, or their duly designated proxies, shall be entitled to join in such notice, whether or not such Holders remain Holders after such record date, and no Person who becomes a Holder after such record date (nor any proxy designated by such a Person) shall be entitled to join in such notice in respect of such Debentures. Notwithstanding the foregoing, unless (i) any such declaration of acceleration shall have become effective by virtue of the Holders of not less than 25% in principal amount at Stated Maturity of the Outstanding Debentures having joined in such notice prior to the day which is 90 days after such record date, or (ii) any such declaration of rescission and annulment shall have become effective by virtue of the Holders of a majority in principal amount at Stated Maturity of the Outstanding Debentures having joined in such notice prior to the day which is 90 days after such record date, such notice of declaration of acceleration, or rescission and annulment, as the case may be, shall automatically and without further action by any Holder be canceled and of no further effect. Nothing in this paragraph shall prevent the Holder of a Debenture, or a proxy of such a Holder, from giving, after expiration of such 90-day period, a new written notice of declaration of acceleration, or rescission and annulment thereof, as the case may be, that is identical to a written notice which has been canceled pursuant to the preceding sentence, in which event a new record date shall be established with respect to

the Holders of Debentures pursuant to the provisions of this Section 203(c).

(d) Upon receipt by the Trustee of any written notice from a Holder (or a duly designated proxy of a Holder) directing the time, method or place of conducting any proceeding or exercising any trust or power pursuant to Section 512 of the Basic Indenture with respect to the Debentures at any time when a Global Security is Outstanding, a record date shall be established for determining Holders of Outstanding Debentures entitled to join in such notice, which record date shall be at the close of business on the day the Trustee receives such notice. The Holders on such record date, or their duly designated proxies, shall be entitled to join in such notice, whether or not such Holders remain Holders after such record date, and no Person who becomes a Holder after such record date (nor any proxy designated by such a Person) shall be entitled to join in such notice in respect of such Debentures. Notwithstanding the foregoing, unless the Holders of a majority in principal amount at Stated Maturity of the Outstanding Debentures shall have joined in such notice prior to the day which is 90 days after such record date, such notice shall automatically and without further action by any Holder be canceled and of no further effect. Nothing in this paragraph shall prevent a Holder, or a proxy of a Holder, from giving, after expiration of such 90-day period, a new notice identical to a notice which has been canceled pursuant to the preceding sentence, in which event a new record date shall be established with respect to the Holders of Debentures pursuant to the provisions of this Section 203(d).

SECTION 204. Satisfaction and Discharge

The provisions of Section 403 of the Indenture shall not be applicable to the Debentures.

SECTION 205. Consolidation, Merger, Conveyance, Transfer or Lease

With respect to the Debentures, paragraph (1) of Section 801 of the Indenture shall be amended to read in its entirety as follows:

"(1) in case the Company shall consolidate with or merge into another corporation or convey, transfer or lease its properties and assets substantially as an entirety to any Person, the corporation formed by such consolidation or into which the Company is merged or the Person which

acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of (and premium, if any) and interest on all the Securities and the performance of every covenant of this Indenture on the part of the Company to be performed or observed and shall expressly assume, by agreement executed and delivered to the Escrow Agent, the obligations of the Company under the Escrow Agreement."

SECTION 206. Supplemental Indentures

(a) With respect to the Debentures, no supplemental indenture shall, without the consent of the Holder of each Outstanding Debenture affected thereby,

(1) adversely affect the right to exchange any Debenture for Exchange Property as provided in Article Five of this Second Supplemental Indenture;

(2) modify the provisions of Section 207(b) of this Second Supplemental Indenture in a manner adverse to the Holders; or

(3) modify the provisions of Article Four of this Second Supplemental Indenture in a manner adverse to the Holders.

(b) The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to consent to any supplemental indenture pursuant to Section 902 of the Basic Indenture. If a record date is fixed, the Holders on such record date, or their duly designated proxies, shall be entitled to consent by written consent to such supplemental indenture, whether or not such Holders remain Holders after such record date and no Person who becomes a Holder after such record date (nor any proxy designated by such a Person) shall be entitled to consent by written consent to any such supplemental indenture with respect to the Debentures. Notwithstanding the foregoing, unless the Holders of not less than 66 2/3% in principal amount at Stated Maturity of the Outstanding Debentures shall have consented by written consent to such

supplemental indenture prior to the date which is 90 days after such record date, any such consent previously given shall automatically and without further action by any Holder be canceled and of no further effect.

SECTION 207. Other Provisions

(a) If the Trustee or any Paying Agent other than the Company holds (or if the Company sets aside and segregates), in accordance with this Second Supplemental Indenture and the Basic Indenture, on the Business Day following a Purchase Date, money or securities, if permitted hereunder, sufficient to pay Debentures required to be purchased on that date, then on and after that date such Debentures shall cease to be Outstanding.

If a Debenture is exchanged in accordance with Article Five hereof, then from and after the Exchange Date such Debenture shall cease to be Outstanding.

(b) At any time when the Company is not subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, upon the request of a Holder of a Debenture, the Company will promptly furnish or cause to be furnished Rule 144A Information (as defined below) to such Holder or to a prospective purchaser of such Debenture designated by such Holder, as the case may be, in order to permit compliance by such Holder with Rule 144A under the Securities Act of 1933, as amended (the "Securities Act") (or any successor provision thereto) in connection with the resale of such Debenture by such Holder; provided, however, that the Company shall not be required to furnish such information in connection with any request made on or after the date which is three years from the later of (i) the date such Debenture (or any Predecessor Debenture) was acquired from the Company or (ii) the date such Debenture (or any Predecessor Debenture) was last acquired from an "affiliate" of the Company within the meaning of Rule 144 under the Securities Act (or any successor provision thereto); and provided, further, that the Company shall not be required to furnish such information at any time to a prospective purchaser located outside the United States who is not a "U.S. Person" within the meaning of Regulation S under the Securities Act if such Debenture may then be sold to such prospective purchaser in accordance with Rule 904 under the Securities Act (or any successor provision thereto). "Rule 144A Information" shall be such information as is specified pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto).

(c) The restrictions on transfer provided in the legend required to be set forth on the face of each Debenture pursuant to Exhibit A hereto shall cease and terminate on September 20, 1994 or (if earlier) if and when such Debenture has been sold pursuant to an effective registration statement under the Securities Act. Any Debenture as to which such restrictions on transfer shall have expired or terminated may, upon surrender of such Debenture for exchange to the Trustee in accordance with the provisions of Section 305 of the Basic Indenture, be exchanged for a new Debenture, of like tenor and aggregate principal amount, which shall bear only the fourth paragraph of the legends required to be set forth on the face of each Debenture pursuant to Exhibit A hereto. The Company shall inform the Trustee of the effective date of any registration statement registering the Debentures under the Securities Act. The Trustee shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the aforementioned registration statement.

On or after September 20, 1994, or at such earlier time as a registration statement under the Securities Act covering the Debentures shall be effective, the Depository may surrender the Global Securities for exchange to the Trustee in accordance with the provisions of Section 305 of the Basic Indenture, and the Global Securities shall thereupon be exchanged for new Global Securities, of like tenor and aggregate principal amount, which shall bear only the fourth through seventh paragraphs of the legends required to be set forth on the face of the Global Securities pursuant to Exhibit B hereto. In the event that the Global Securities shall be exchanged for Debentures registered in the names of Persons other than the Depository or its nominee on or after September 20, 1994, or at such earlier time as a registration statement under the Securities Act covering the Debentures shall be effective, the Debentures issued upon any such exchange shall bear only the fourth paragraph of the legends required to be set forth on the face of the Debentures pursuant to Exhibit A hereto.

Prior to three years from September 20, 1991, the Company will not, and will not permit any of its "affiliates" (as defined in Rule 144 under the Securities Act) to, resell any of the Debentures which constitute "restricted securities" under Rule 144 that have been reacquired by any of them.

(d) The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to waive any term, provision or condition pursuant to Section 1008 of the Basic Indenture. If a

record date is fixed, the Holders on such record date, or their duly designated proxies, shall be entitled to waive any such term, provision or condition thereunder, whether or not such Holders remain Holders after such record date and no Person who becomes a Holder after such record date (nor any proxy designated by such a Person) shall be entitled to waive any such term, provision or condition hereunder in respect of the Debentures. Notwithstanding the foregoing, unless the Holders of at least 66 2/3% in principal amount at Stated Maturity of the Outstanding Debentures shall have waived such term, provision or condition prior to the date which is 90 days after such record date, any such waiver previously given shall automatically and without further action by any Holder be canceled and of no further effect.

SECTION 208. Global Securities

Debentures may be transferred at the option of the Holder thereof to the Depositary for credit to the account of any Person or Persons that have accounts pursuant to a contractual arrangement with the Depositary or its nominee (each a "Participant") at any time after the issuance of the Global Securities. Thereafter, the Depositary or its nominee shall be the Holders of the Global Securities evidencing any Debentures so transferred, and a Participant's beneficial ownership of any such Debentures will be shown on, and the transfer of such ownership interests shall be effected only through, records maintained by the Depositary or its nominee.

The Global Securities may be exchanged at the option of beneficial owners of the Debentures for Debentures in definitive form registered in the names of Persons other than the Depositary or its nominee. Upon such exchange, the Company shall execute and the Trustee shall authenticate and deliver to the Person specified by the Depositary a new Debenture or Debentures registered in such names and in such authorized dominations as the Depositary, pursuant to the instruction of the beneficial owner of the Debentures requesting the exchange, shall instruct the Trustee. Thereupon, the beneficial ownership of such Debentures shown on the records maintained by the Depositary or its nominee shall be reduced by the amounts so exchanged and an appropriate endorsement shall be made by or on behalf of the Trustee on the Global Securities. The tenth and eleventh paragraphs of Section 305 of the Basic Indenture, to the extent inconsistent with the provisions of this Second Supplemental Indenture, shall be inapplicable to the Debentures.

Except as otherwise set forth in the Indenture or the Global Securities, owners of beneficial interests in the Debentures evidenced by the Global Securities will not be entitled to any rights under the Indenture with respect to the Global Securities, and the Depositary may be treated by the Company, the Trustee, and any agent of the Company or the Trustee as the owner of the Global Securities for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee, or any agent of the Company or the Trustee, from giving effect to any written certification, proxy or other authorization furnished by the Depositary or its nominee or impair, as between the Depositary or its nominee and such owners of beneficial interests, the operation of customary practices governing the exercise of the rights of the Depositary or its nominee as Holder of any Debenture.

The Depositary shall be a clearing agency registered under the Securities Exchange Act of 1934. Initially, the Global Securities shall be issued to the Depositary, registered in the name of Cede & Co., as the nominee of the Depositary, and deposited with the Trustee, as custodian for Cede & Co.

ARTICLE THREE

REDEMPTION OF DEBENTURES

SECTION 301. Right to Redeem; Notice to Trustee

The Company, at its option, may redeem as a whole or from time to time in part, the Debentures at the Redemption Prices specified in and in accordance with the provisions of paragraphs 2 and 4 of the Debentures.

If the Company elects to redeem Debentures pursuant to paragraph 2 of the Debentures, it shall notify the Trustee in writing of the Redemption Date, the principal amount of the Debentures to be redeemed and the Redemption Price.

The Company shall give the notice to the Trustee provided for in this Section 301 at least 60 days before the Redemption Date (unless a shorter notice shall be satisfactory to the Trustee). If fewer than all the Debentures are to be redeemed, the record date relating to such redemption shall be selected by the Company and given to the Trustee, which record date shall be not less than 10 days after the date of notice to the Trustee.

SECTION 302. Selection of Debentures to be Redeemed

If fewer than all the Debentures are to be redeemed, the Trustee shall select the Debentures to be redeemed pro rata or by lot or by a method the Trustee considers fair and appropriate. The Trustee shall make the selection from outstanding Debentures not previously called for redemption. The Trustee may select for redemption portions of the principal of Debentures that have denominations larger than \$1,000. Debentures and portions of those that the Trustee selects shall be in principal amounts at Stated Maturity of \$1,000 or an integral multiple of \$1,000. Provisions of this Second Supplemental Indenture that apply to Debentures called for redemption also apply to portions of Debentures called for redemption. The Trustee shall notify the Company promptly of the Debentures or portions of Debentures to be redeemed.

If any Debenture selected for partial redemption is thereafter exchanged in part for Exchange Property pursuant to Article Five hereof, the exchanged portion of such Debenture shall be deemed (so far as may be) to be the portion selected for redemption. Debentures which have been exchanged after notice of redemption has been given by the Company may be treated by the Trustee as Outstanding for the purpose of such selection.

SECTION 303. Notice of Redemption

At least 30 days but not more than 60 days before a Redemption Date, the Company shall mail a notice of redemption by first-class mail, postage prepaid, to each Holder of Debentures to be redeemed.

The notice shall identify the Debentures to be redeemed (including the CUSIP number of the Debentures) and shall state:

- (1) the Redemption Date;
- (2) the Redemption Price;
- (3) the name and address of the Paying Agent and the Escrow Agent;
- (4) that Debentures called for redemption may be exchanged for Exchange Securities or other Exchange Property at any time before the close of business on the Redemption Date, and that Debentures may be so exchanged after the Redemption Date only in the event

that the Company defaults in making the redemption payment;

(5) that Holders who wish to exchange Debentures for Exchange Securities or other Exchange Property must satisfy the requirements of paragraph 5 of the Debentures;

(6) the name of the Issuer of the Exchange Securities, the current Exchange Rate at which Debentures may be exchanged for Exchange Securities or other Exchange Property and the date upon which the right to exchange such Debentures shall expire and shall also state that gain or loss for Federal income tax purposes may be realized upon the exchange;

(7) that Debentures called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(8) if fewer than all the Outstanding Debentures are to be redeemed, the identification and principal amounts of the particular Debentures to be redeemed; and

(9) that, unless the Company defaults in making such redemption payment, Original Issue Discount on Debentures called for redemption ceases to accrue on and after the Redemption Date.

At the Company's request, the Trustee shall give the notice of redemption in the Company's name and at the Company's expense.

If the redemption occurs prior to September 20, 1993, the Company shall, prior to mailing the foregoing notice, deliver to the Trustee an Officers' Certificate stating that the restrictions on such redemption contained in paragraph 2 of the Debentures have been complied with; provided, however, that the Sale Price as stated in paragraph 2 of the Debentures shall be adjusted, if appropriate, to reflect the occurrence of certain events which would result in an adjustment of the Exchange Rate in accordance with Article Five of this Second Supplemental Indenture.

SECTION 304. Effect of Notice of Redemption

Once notice of redemption is mailed, Debentures called for redemption become due and payable on the Redemption Date and at the Redemption Price stated in the notice except for Debentures (A) that are exchanged in accordance

with the terms of Article Five of this Second Supplemental Indenture or (B) as to which the Holder has, on or prior to the Redemption Date, delivered a Purchase Notice to the Paying Agent in accordance with Section 401 of this Second Supplemental Indenture (which has not been withdrawn). Upon surrender to the Paying Agent, such Debentures shall be paid at the Redemption Price stated in the notice.

SECTION 305. Deposit of Redemption Price

Prior to or on the Redemption Date, the Company shall deposit with the Paying Agent (or if the Company is acting as its own Paying Agent, shall segregate and hold in trust as provided in Section 1003 of the Basic Indenture) money sufficient to pay the Redemption Price of all Debentures to be redeemed on that date other than Securities or portions of Debentures called for redemption that prior thereto have been delivered by the Company to the Trustee for cancellation or purchase or have been exchanged. The Paying Agent shall immediately return to the Company any money not required for that purpose. If such money is then held by the Company in trust and is not required for such purpose it shall be discharged from such trust.

SECTION 306. Debentures Redeemed in Part

Upon surrender of a Debenture that is redeemed in part, the Company shall execute and the Trustee shall authenticate for the Holder a new Debenture equal in principal amount at Stated Maturity to the unredeemed portion of the Debenture surrendered.

SECTION 307. Exchange Arrangement on Call for Redemption

In connection with any redemption of Debentures, the Company may arrange for the purchase and exchange for Exchange Securities or other Exchange Property pursuant to Article Five of this Second Supplemental Indenture of any Debentures by an agreement with one or more investment bankers or other purchasers to purchase Debentures called for redemption by paying to Holders thereof, or to the Trustee in trust for such Holders, on or before the close of business on the Redemption Date, an amount not less than the Redemption Price. Notwithstanding anything to the contrary contained in this Article Three, the obligation of the Company to pay the Redemption Price of such Debentures shall be deemed to be satisfied and discharged to the extent such amount is so paid by such purchasers. If such an agreement is entered into, any Debenture to be purchased pursuant to such agreement that is not duly surrendered by the Holder thereof on the Redemption Date may, at the option of the

Company, be deemed, to the fullest extent permitted by law, to be not redeemed and paid, but acquired by such purchasers from such Holder and (notwithstanding anything to the contrary contained in Article Five hereof) surrendered by such purchasers for exchange, all as of immediately prior to the close of business on the Redemption Date, subject to payment of the above amount as aforesaid. In the event that Debentures subject to such agreement are surrendered for exchange for Exchange Securities and other Exchange Property by Holders thereof (other than by such purchasers) on or before the close of business on the Redemption Date, the amounts so paid to the Trustee in trust for the Holders of the Debentures so surrendered for exchange shall be returned to such purchasers.

ARTICLE FOUR

REPURCHASE AT THE OPTION OF HOLDERS

SECTION 401. Purchase of Debentures at the Option of the Holders

(a) Debentures shall be purchased by the Company pursuant to paragraph 3 of the Debentures on September 20, 1996 and September 20, 2001 (each a "Purchase Date") at the respective purchase prices specified therein (each a "Purchase Price"), at the option of the Holder thereof, upon:

(1) delivery to the Paying Agent of a written notice of purchase (a "Purchase Notice"), at any time prior to the close of business on a Purchase Date (but not earlier than 60 days preceding the applicable Purchase Date), stating:

(A) the certificate number of the Debenture that the Holder will deliver to be purchased,

(B) the portion of the principal amount at Stated Maturity of the Debenture that the Holder will deliver to be purchased, which portion must be \$1,000 or an integral multiple thereof,

(C) that such Debenture shall be purchased on the Purchase Date pursuant to the terms and conditions specified in paragraph 3 of the Debentures, and

(D) if the Company elects in the Company Notice to pay a specified percentage of the Purchase Price in Sun Common Stock, but all or a

portion of such specified percentage of the Purchase Price which would otherwise have been paid in Sun Common Stock shall ultimately be payable in cash because any of the conditions to payment of such specified percentage of the Purchase Price in Sun Common Stock is not satisfied prior to the close of business on the Purchase Date, as set forth in Section 401(d) hereof, whether such Holder elects to withdraw such Purchase Notice as to all or a specified percentage of the Debentures to which such Purchase Notice relates, and, if such Holder does elect to make such a conditional withdrawal of such Holder's Purchase Notice, such Holder shall include in such Purchase Notice the information referred to in paragraphs (1) through (3) of Section 402(b) hereof in respect of such conditional withdrawal; and

(2) surrender of such Debenture to the Paying Agent prior to, on or after the Purchase Date (together with all necessary endorsements) at the offices of the Paying Agent; provided, however, that such Purchase Price shall be so paid pursuant to this Section 401 only if the Debenture so surrendered to the Paying Agent shall conform in all respects to the description thereof in the related Purchase Notice.

If the Holder fails to make an election pursuant to Section 401(a)(1)(D) and Section 402(b)(4) hereof, such Holder will be deemed to have made the election referred to in Section 402(c).

The Company shall purchase from the Holder thereof, pursuant to this Section 401, a portion of a Debenture if the principal amount at Stated Maturity of such portion is \$1,000 or an integral multiple of \$1,000. Provisions of this Second Supplemental Indenture that apply to the purchase of all of a Debenture also apply to the purchase of such portion of such Debenture.

Any purchase contemplated pursuant to the provisions hereof by the Company shall be consummated by delivery of the consideration to be received by the Holder promptly following the later of the Purchase Date and the date of surrender of the Debenture.

Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent the Purchase Notice contemplated by this Section 401(a) shall have the right to withdraw such Purchase Notice at any time prior to

the close of business on the Purchase Date by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 402 hereof.

(b) Company's Right to Elect Manner of Payment of Purchase Price. The Debentures to be purchased pursuant to Section 401(a) hereof may be paid for, at the election of the Company, in legal tender of the United States ("cash"), Sun Common Stock or any combination thereof, subject to the conditions set forth in this Section 401(b) and in Sections 401(c) and (d) hereof. The Purchase Price received by the Holder will represent two components of the Debentures surrendered. A portion of the Purchase Price by the Holder will represent payment of the accrued Original Issue Discount with respect to the Debentures and all or part of the remainder of the Purchase Price will represent repayment of the Issue Price of the Debentures. The accrued Original Issue Discount shall not be cancelled, extinguished or forfeited, but rather shall be deemed to be paid in full to the Holder thereof through delivery of the Purchase Price for the Debentures being purchased. If the Company elects to pay the Purchase Price in any combination of cash or Sun Common Stock, the Company shall designate, at its option, the portions of the Purchase Price for which it shall pay cash or Sun Common Stock. The Company shall pay cash in lieu of fractional shares of Sun Common Stock. For purposes of determining the existence of fractional shares of Sun Common Stock, all Debentures subject to purchase by the Company held by a single Holder shall be considered together (no matter how many separate certificates are to be presented). Each Holder whose Debentures are purchased on a Purchase Date pursuant to this Section 401 shall receive the same proportion of cash or Sun Common Stock in payment of the Purchase Price (except for cash paid in lieu of fractional shares of Sun Common Stock). The Company may not change its election with respect to the consideration to be paid once the Company has given notice thereof to Holders of Debentures except pursuant to Section 401(d) hereof, in the event of a failure to satisfy, prior to the close of business on the Purchase Date, any condition to the payment of the Purchase Price, in whole or in part, in Sun Common Stock.

At least three Business Days before the Notice Date (defined below), the Company shall deliver an Officers' Certificate to the Trustee specifying (i) the manner of payment selected by the Company, (ii) the information required by Section 401(e) hereof, (iii) that the conditions to such manner of payment set forth in Section 401(d) hereof have been or will be complied with, and (iv) whether the Company desires the Trustee to give the notice required by Section 401(e) hereof.

(c) Purchase with Cash. On the Purchase Date, at the option of the Company, the principal amount at Stated Maturity (or designated portion thereof) of the Debentures in respect of which a Purchase Notice pursuant to Section 401(a) hereof has been given, may be purchased by the Company with cash equal to the Purchase Price (or designated portion thereof) of such Debentures. If the Company elects to purchase Debentures with cash, notice as provided in Section 401(e) hereof shall be sent to Holders not less than 20 Business Days prior to the Purchase Date (the "Notice Date").

(d) Payment by Delivery of Sun Common Stock. On the Purchase Date, at the option of the Company, the principal amount at Stated Maturity (or designated portion thereof) of the Debentures in respect of which a Purchase Notice pursuant to Section 401(a) hereof has been given, may be purchased by the Company by the delivery of a number of shares of Sun Common Stock equal to the quotient of the Purchase Price (or designated portion thereof) of such Debentures divided by the Market Price of a share of Sun Common Stock.

If the Company elects to purchase the Debentures (or a designated portion of the principal amount at Stated Maturity of the Debentures) by the delivery of shares of Sun Common Stock, notice as provided in Section 401(e) hereof shall be sent to the Holders on or before the Notice Date.

The Company's right to exercise its election to purchase the Debentures (or a designated portion of the principal amount at Stated Maturity of the Debentures) pursuant to Section 401 through the delivery of shares of Sun Common Stock shall be conditioned upon (i) that portion of the Purchase Price (or designated portion thereof) represented by the amount, if any, by which the number of shares of Sun Common Stock deliverable per \$1,000 in principal amount at Stated Maturity of the Debentures exceeds the Exchange Rate in effect at the Purchase Date being paid in cash rather than Sun Common Stock; (ii) the Company's giving of timely notice of election to purchase with Sun Common Stock as provided herein; (iii) the registration of the Sun Common Stock under the Securities Act of 1933 or the Securities Exchange Act of 1934, if required; (iv) any necessary qualification or registration under applicable state law or the availability of an exemption from such qualification or registration; (v) the Company's having valid and unencumbered title to the shares of Sun Common Stock; and (vi) the receipt by the Trustee of an Officers' Certificate and an Opinion of Counsel each stating that the terms of the delivery of the Sun Common Stock are in conformity with the terms

of this Second Supplemental Indenture (including the conditions to the delivery of shares of Sun Common Stock provided in this paragraph). Such Officers' Certificate shall also set forth the number of shares of Sun Common Stock to be issued for each \$1,000 principal amount at Stated Maturity of Debentures and the Sale Price of a share of Sun Common Stock on each Business Day during the five Business Day period ending on the third Business Day prior to the Purchase Date. The Company may elect to pay in Sun Common Stock only if the information necessary to calculate the Market Price is reported in a daily newspaper of national circulation. Except as otherwise provided in clause (i) above, if such conditions are not satisfied prior to the close of business on the Purchase Date, the Company shall pay the entire Purchase Price in cash.

(e) Notice of Election. Notices of election to purchase with cash or Sun Common Stock shall be sent to the Holders in the manner provided in Section 106 of the Basic Indenture at the times specified in Section 401(c) or (d) hereof (the "Company Notices"). Such Company Notices shall state the manner of payment elected and shall contain the following information.

In the event the Company has elected to pay the Purchase Price (or designated portion thereof) with Sun Common Stock, the notice shall:

(1) state that each Holder will receive, as soon as practicable following the Purchase Date, Sun Common Stock with a Market Price (plus any cash amount to be paid in lieu of fractional shares) equal to the Purchase Price (or designated portion thereof) of the Debentures held by such Holder; and

(2) state that because the Market Price of Sun Common Stock will be determined prior to the Purchase Date, Holders will bear the market risk with respect to the value of the Sun Common Stock to be received from the date such Market Price is determined to the Purchase Date.

In any case, each notice shall state:

(1) the name and address of the Paying Agent and the Escrow Agent;

(2) that Debentures as to which a Purchase Notice has been given may be exchanged for Exchange Securities or other Exchange Property only if the Applicable Pur-

chase Notice has been withdrawn in accordance with the terms of this Second Supplemental Indenture;

(3) the name of the Issuer of the Exchange Securities, the current Exchange Rate at which Debentures may be exchanged for Exchange Securities or other Exchange Property and the date upon which the right to exchange such Debentures shall expire and shall also state that gain or loss for Federal income tax purposes may be realized upon the exchange;

(4) that Debentures must be surrendered to the Paying Agent to collect payment; and

(5) the procedures for withdrawing a Purchase Notice.

At the Company's request, the Trustee shall give such notice in the Company's name and at the Company's expense; provided, however, that, in all cases, the text of such notice shall be prepared by the Company.

Upon determination of the actual number of shares of Sun Common Stock deliverable per \$1,000 principal amount at Stated Maturity of Debentures surrendered for purchase, the Company will promptly publish such determination in a daily newspaper of national circulation or give notice of such determination to Holders of Debentures in the manner provided in Section 106 of the Indenture and furnish the Trustee with an affidavit of publication or notice, as the case may be.

(f) Covenants of the Company. All shares of Sun Common Stock delivered upon purchase of any Debenture shall be fully paid and non-assessable and shall be free from preemptive rights, and the Company now has, and upon purchase of such Debenture the Holder thereof shall receive, marketable title to such shares, free of any lien, claim, charge or encumbrance and free of any restrictions on transfer under the Securities Act.

The Company shall use its best efforts to comply with all Federal and state securities laws regulating the offer and delivery of shares of Sun Common Stock upon purchase of the Debentures.

(g) Procedure Upon Purchase. The Company shall deposit with the Paying Agent (i) cash (in respect of a cash purchase under Section 401(c) hereof on the Business Day following the Purchase Date, or (ii) shares of Sun Common Stock and cash (in lieu of fractional shares of Sun Common

Stock) as soon as practicable following the Purchase Date, as applicable, sufficient to pay the amount due and owing as of the close of business on the Purchase Date of the Debentures to be purchased pursuant to this Section 401. As soon as practicable after the Purchase Date, the Company shall deliver (or cause the Paying Agent to deliver) to each Holder entitled to receive Sun Common Stock a certificate for the number of full shares of Sun Common Stock deliverable in payment of the Purchase Price and cash in lieu of any fractional share of Sun Common Stock. The person in whose name the certificate is registered shall be treated as a holder of record after the Purchase Date. No payment or adjustment will be made for dividends on any Sun Common Stock delivered.

(h) Fractional Shares. The Company will not deliver a fractional share of Sun Common Stock in payment of any portion of the Purchase Price. Instead the Company will pay cash for the current market value of the fractional share. The current market value of a fraction of share shall be determined by multiplying the Market Price by such fraction and rounding the product to the nearest whole cent. If a Holder elects to have more than one Debenture purchased, the number of shares of Sun Common Stock shall be based on the aggregate amount of Debentures to be purchased from such Holder.

(i) Taxes. If a Holder of a Debenture is paid in Sun Common Stock, the Company shall pay any documentary, stamp or similar issue or transfer tax due on the issuance or transfer of such shares of Sun Common Stock. However, the Holder shall pay any such tax which is due because the Holder requests the shares to be issued in a name other than the Holder's name. The Paying Agent may refuse to deliver the certificates representing the Sun Common Stock being issued in a name other than the Holder's name until the Paying Agent receives a sum sufficient to pay any tax which will be due because the shares are to be issued in a name other than the Holder's name. Nothing herein shall preclude any income tax withholding required by applicable law or regulations.

SECTION 402. Effect of Purchase Notice

(a) Upon receipt by the Company of the Purchase Notice specified in Section 401(a)(1) hereof, the Holder of the Debenture in respect of which such Purchase Notice was given shall (unless such Purchase Notice is withdrawn as specified in the following paragraph) thereafter be entitled to receive solely the Purchase Price with respect to such

Debenture. Such Purchase Price shall be paid to such Holder promptly following the later of (i) the Purchase Date with respect to such Debenture (provided the conditions in Section 401(a)(2) hereof have been satisfied) and (ii) the date of surrender of such Debenture to the Company through the Paying Agent by the Holder thereof in the manner required by Section 401(a)(2) hereof. Debentures in respect of which a Purchase Notice has been given by the Holder thereof may not be exchanged for Exchange Securities or other Exchange Property on or after the date of the delivery of such Purchase Notice unless such Purchase Notice has been validly withdrawn as specified in the following paragraph.

(b) A Purchase Notice may be withdrawn by means of a written notice of withdrawal delivered to the office of the Paying Agent at any time prior to the close of business on the Purchase Date specifying:

(1) the certificate number of the Debenture in respect of which such notice of withdrawal is being submitted,

(2) the principal amount at Stated Maturity of the Debenture with respect to which such notice of withdrawal is being submitted (which amount must be \$1,000 or an integral multiple thereof),

(3) the principal amount at Stated Maturity, if any, of such Debenture that remains subject to the original Purchase Notice and that has been or will be delivered for purchase by the Company (which amount must be \$1,000 or an integral multiple thereof), and

(4) if the Company elects in the Company Notice to pay a specified percentage of the Purchase Price in Sun Common Stock but all or a portion of such specified percentage of the Purchase Price which would otherwise have been paid in Sun Common Stock shall ultimately be payable in cash because any of the conditions to payment of such specified percentage of the Purchase Price in Sun Common Stock is not satisfied prior to the close of business on such Purchase Date, as set forth in Section 401(d) hereof, and such Holder did not, in the original Purchase Notice, indicate such Holder's choice with respect to the election set forth in clause (D) of Section 401(a)(1) hereof, whether such Holder elects to withdraw such Purchase Notice as to all or a specified percentage of the Debentures remaining subject to such Purchase Notice, and, if such Holder does elect to make such a conditional withdrawal of such Holder's Purchase

Notice, such Holder shall include in such notice of withdrawal the information referred to in paragraphs (1) through (3) above in respect of such conditional withdrawal.

(c) If a Holder, in such Holder's Purchase Notice, fails to indicate such Holder's choice with respect to the election set forth in clause (D) of Section 401(a)(1) hereof and if such Holder in such Holder's notice of withdrawal (if any) fails to indicate such Holder's choice with respect to the election set forth in Section 402(b)(4) hereof, such Holder shall be deemed to have elected to receive cash for the specified percentage of the Purchase Price otherwise payable in Sun Common Stock in respect of all Debentures remaining, at the close of business on any Purchase Date, subject to such Purchase Notice under the circumstances described in Sections 401(a)(1)(D) and 402(b)(4) hereof.

(d) There shall be no purchase of any Debentures pursuant to Section 401 hereof, if there has occurred (whether prior to or after the giving, by the Holders of such Debentures, of the required Purchase Notice) and is continuing an Event of Default (other than a default in the payment of the Purchase Price with respect to such Debentures).

SECTION 403. Deposit of Purchase Price

On or before the Business Day following the Purchase Date, the Company shall deposit with the Paying Agent (or, if the Company is acting as Paying Agent, segregate and hold in trust as provided in Section 1003 of the Basic Indenture) an amount of money or securities if permitted hereunder sufficient to pay the aggregate Purchase Price of all the Debentures or portions thereof which are to be purchased.

SECTION 404. Debentures Purchased in Part

Any Debenture which is to be purchased only in part shall be surrendered at the office of the Paying Agent (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Debenture without service charge, a new Debenture or Debentures, of any authorized denomination as requested by such Holder in aggregate principal amount at Stated Maturity

equal to and in exchange for the portion of the principal amount at Stated Maturity of the Debenture so surrendered which is not purchased.

SECTION 405. Repayment to the Company

The Trustee and the Paying Agent shall pay to the Company any cash or Sun Common Stock held by them for the payment of the Purchase Price of the Debentures that remain unclaimed as provided in Section 1003 of the Basic Indenture.

ARTICLE FIVE

EXCHANGE OF DEBENTURES

SECTION 501. Right of Exchange

A Holder of a Debenture may surrender it for exchange for Exchange Securities and other Exchange Property, if any, at any time prior to maturity. The number of shares of Sun Common Stock deliverable upon exchange of a Debenture per \$1,000 of principal amount thereof at Stated Maturity (the "Exchange Rate") shall be that set forth in paragraph 5 of the Debentures, subject to adjustment as herein set forth. The initial Exchange Rate is stated in paragraph 5 of the Debentures.

In lieu of delivering Exchange Property upon exchange of any Debentures, the Company may elect to pay the Holder surrendering such Debentures an amount in cash equal to the Cash Exchange Price of the Exchange Property into which such Debentures are exchangeable. "Cash Exchange Price" means the average of the Sale Prices of the Exchange Property for the five Business Days (appropriately adjusted to take into account the occurrence during such period of certain events that will result in an adjustment of the Exchange Rate) commencing on and including the eleventh Business Day after the Exchange Date (as defined in Section 502(a) hereof).

A Holder may exchange a portion of the principal amount at Stated Maturity of a Debenture if the portion is \$1,000 or an integral multiple of \$1,000. Provisions of this Second Supplemental Indenture that apply to exchange of all of a Debenture also apply to exchange of a portion of it.

Nothing in this Second Supplemental Indenture, the Basic Indenture, the Escrow Agreement, or any of the Deben-

tures shall grant, and the Trustee and the Holders of the Debentures shall not assert, any lien, pledge, charge, encumbrance, preferential right or mortgage on, or with respect to, the Exchange Securities or other Exchange Property deliverable upon exchange of the Debentures as security for the Debentures, any other indebtedness or otherwise.

SECTION 502. Method of Exchange

(a) In order to exercise the right of exchange, the Holder of any Debenture to be exchanged shall surrender such Debenture to the Escrow Agent at the office or agency of the Escrow Agent, maintained for that purpose pursuant to Section 507 hereof, accompanied by written notice to the Escrow Agent that the Holder elects to exchange such Debenture or, if less than the entire principal amount at Stated Maturity of the Debenture is to be exchanged, the portion thereof to be exchanged. Such notice shall also state the name or names (with address) in which the certificate or certificates for Exchange Securities issuable on such exchange shall be issued. Such notice shall be irrevocable. Debentures surrendered for exchange shall be accompanied (if so required by the Escrow Agent) by proper assignments thereof to the Company or in blank for transfer. Any Debentures so surrendered shall be delivered to the Trustee for cancellation. No later than the sixteenth Business Day following the Exchange Date (as hereinafter defined), subject, however, to Section 502(c) hereof, the Company shall deliver or cause the Escrow Agent to deliver at said office or agency to such Holder, or on his written order, a certificate or certificates for the number of full shares or other units of Exchange Securities or other Exchange Property (to the extent that such other Exchange Property can be partitioned) deliverable upon the exchange of any such Debenture (or specified portion thereof) and a check for any cash or proceeds of the sale of other Exchange Property (to the extent that such other Exchange Property cannot be partitioned) apportioned to such shares or units (and any fractional interest) as provided in this Article Five, and provision shall be made for any fraction of a share or unit as provided in Section 503 hereof. In lieu thereof, within five Business Days after the Exchange Date, the Company may send or cause to be sent to such Holder, or on his written order, a written notice in the manner provided in Section 106 of the Indenture that the Company has elected to pay such Holder an amount in cash equal to the cash Exchange Price of the Exchange Property deliverable upon the exchange (such notice referred to herein as the "Company Exchange Notice"). If the Company elects to pay a Holder cash, the Company shall cause the Escrow Agent to pay the aggregate

Cash Exchange Price due and owing no later than the sixteenth Business Day following the Exchange Date.

(b) The exchange referred to in Section 502(a) above shall be deemed to have been effected on the close of business on the date on which such notice by such Holder shall have been received by the Escrow Agent and such Debenture shall have been properly surrendered as aforesaid (such date hereinafter referred to as the "Exchange Date"), and at such time the rights of the Holder of such Debenture as a Holder shall cease and the person or persons in whose name or names any certificate or certificates for Exchange Securities shall be deliverable upon such exchange shall, as between such person or persons and the Escrow Agent and the Company, be deemed to have become the holder or holders of record of the Exchange Securities represented thereby. In the event that the Company shall default on its obligation to deliver to the Holder of any Debenture surrendered for exchange the Exchange Securities and other Exchange Property apportioned to such Debenture pursuant to the terms hereof and of such Debenture, then such Debenture shall be restored to the status of an Outstanding Debenture and shall bear interest (and accrue Original Issue Discount, as applicable) in accordance with its terms from the Exchange Date.

(c) Delivery of (i) such certificate or proceeds of the sale of certificates and any such check for any cash or the proceeds of the sale of other Exchange Property and for cash in lieu of fractional shares as aforesaid, or (ii) the Cash Exchange Price, may be delayed for a reasonable period of time at the request of the Company in order to effectuate the calculation of the adjustments of the Exchange Rate pursuant to this Article Five, or to obtain any certificate representing Exchange Securities to be delivered but only if and to the extent that such delay shall be reasonably necessary after the Company and the Escrow Agent have exhausted any practicable means to effect the delivery in time. If, between any date on which an exchange under this Section 502 is deemed effected and the date of delivery of an applicable Exchange Security, such Exchange Security shall cease to have any or certain rights or a record date or effective date of a transaction to which Section 504 hereof applies shall occur, the person or entity entitled to receive such Exchange Security shall be entitled only to receive such Exchange Security as so modified and any proceeds received thereon on or after the date such an exchange is deemed effected, and the Company, the Trustee and the Escrow Agent shall not be otherwise liable with respect to the modification, from the date such an exchange is deemed effected to the date of such delivery, of such Exchange Security.

(d) Except as otherwise expressly provided in this Second Supplemental Indenture or the Debentures, no payment or adjustment shall be made upon any exchange on account of any dividends or interest on Exchange Securities delivered upon such exchange. Upon exchange, the Exchanged Property or Cash Exchange Price received by the Holder will represent at least two components of the Debentures surrendered (i) a portion of the Exchange Property or Cash Exchange Price will be exchanged as payment of the accrued Original Issue Discount with respect to the Debentures and (ii) all or part of the remainder of the Exchange Property or Cash Exchange Price will be exchanged as repayment of the Issue Price of the Debentures. The accrued Original Issue Discount shall not be canceled, extinguished or forfeited, but rather shall be deemed to be paid in full to the Holder thereof through delivery of Exchange Property or Cash Exchange Price for the Debenture being exchanged.

(e) In the case of any Debenture that is exchanged in part only, upon such exchange the Company shall execute and the Trustee shall authenticate and deliver to the Holder thereof, at the expense of the Company, a new Debenture or Debentures of authorized denominations in principal amount at Stated Maturity equal to the unexchanged portion of such Debenture.

SECTION 503. Fractional Interest

No fractional shares or other units of Exchange Securities shall be delivered upon exchanges of Debentures. If more than one Debenture shall be surrendered for exchange at one time by the same Holder, the number of full shares or other units of Exchange Securities that shall be delivered upon exchange shall be computed on the basis of the aggregate principal amount at Stated Maturity of the Debentures (or specified portions thereof to the extent permitted hereby) so surrendered. Instead of any fractional share or other unit of Exchange Securities that would otherwise be deliverable upon exchange of any Debenture or Debentures (or specified portions thereof), the Escrow Agent on behalf of the Company shall pay a cash adjustment in respect of such fractional interest in an amount equal to the same fraction of the Sale Price per share or other unit of the Exchange Securities on the Business Day next preceding the Exchange Date. The Company may elect, upon exchange of any Debenture, to provide cash to the Escrow Agent in an amount equal to the cash adjustment payable with respect to any fractional shares or other units of any Exchange Security deliverable upon exchange of such Debenture, and to receive in consideration therefor such fractional shares or other units. If the Company fails to so elect, the Escrow Agent

shall obtain the funds for payment of such fractional interests by the sale of Exchange Securities held by it, but only to the extent that after such sale the number of shares or other units of Exchange Securities remaining on deposit with the Escrow Agent (other than those Exchange Securities that are to be delivered to Holders of Debentures which have been surrendered for exchange) shall be sufficient to allow the exchange of all Outstanding Debentures for Exchange Securities on the basis of the then applicable Exchange Rate. The Company agrees to furnish to the Escrow Agent any additional moneys required to permit such payments.

SECTION 504. Adjustment of Exchange Rate

The Exchange Rate (and, as appropriate, the amount of Exchange Securities and other Exchange Property deliverable upon exchange of the Debentures) shall be subject to adjustment as follows:

(a) If Sun, at any time any Debentures are Outstanding, shall (i) pay a dividend on Sun Common Stock in shares of such stock, (ii) subdivide outstanding shares of Sun Common Stock into a greater number of shares of such stock, (iii) combine outstanding shares of Sun Common Stock into a smaller number of shares of such stock, or (iv) issue by reclassification of shares of Sun Common Stock any shares or securities, the Exchange Rate in effect immediately prior thereto shall be proportionately adjusted so that the Holder of any Debentures thereafter exchanged shall be entitled to receive upon such exchange the number and kind of shares of Sun Common Stock and other shares or securities as he would have owned or have been entitled to receive immediately after the happening of any of the events described above, had such Debentures been exchanged immediately prior to the record date (or if there is no record date, the effective date) of such event. Such adjustment shall be made whenever any of the events listed above shall occur and shall become effective as of immediately after the close of business on the record date in the case of a dividend and the effective date in the case of a subdivision or combination or reclassification. Any Holder exchanging any Debentures after such record date or such effective date, as the case may be, shall be entitled to receive shares of Sun Common Stock, and any Exchange Property apportioned thereto, at the Exchange Rate as so adjusted pursuant to this Section 504(a).

(b) If at any time any Debentures are Outstanding, Common Stock of any Issuer, alone or together with any other securities, cash or other property, is received by the Company in exchange or substitution for shares of Sun Common

Stock in connection with the consolidation, merger, sale, transfer or lease of all or substantially all of the assets of Sun or an Offer as defined in Section 505 hereof (in a transaction that applies to shares of Sun Common Stock), the Exchange Rate in effect immediately prior to the effective date of such transaction shall be adjusted so that the Holder of any Debentures thereafter exchanged shall be entitled to receive upon exchange of Debentures that number of shares of Sun Common Stock determined by multiplying such Exchange Rate by a fraction (i) in the case of any such transaction in which the Common Stock of such Issuer is exchanged or substituted for all shares of Sun Common Stock, the numerator of which is the number of shares of Common Stock received by the Company is exchanged or substituted and (ii) in any other case, the numerator of which is the number of shares of Sun Common Stock so held immediately after the effective date of such transaction and the denominator of which is the number of shares of Sun Common Stock so held immediately prior to such effective date. Any other securities, cash or other property received by the Company in such transaction allocable to shares of Sun Common Stock shall be held by the Escrow Agent for the benefit of the Holders and shall be apportioned equally among the shares of Sun Common Stock for which outstanding Debentures are exchangeable as of immediately after the effective date of such transaction. Any Holder exchanging any Debentures after such effective date shall be entitled to receive the shares of Sun Common Stock for which such Debentures are exchangeable and the amount of cash, securities or other property so apportioned to such shares. Notwithstanding the foregoing, the Company shall be entitled to all cash dividends paid on the Exchange Securities prior to the delivery thereof upon exchange of Debentures except to the extent that such dividends are paid pursuant to a plan of liquidation or partial liquidation and to all periodic interest payments made on any debt securities included in Exchange Securities prior to the delivery thereof upon exchange of Debentures; provided that the Escrow Agent shall not be required to make any such distribution of dividends or interest until receipt of an Officers' Certificate to the effect that the Company is entitled to such dividends or interest pursuant hereto. The Escrow Agent shall hold and apply as provided in this Section 504 all other dividends paid on all Exchange Securities.

(c) If, with respect to any class of Exchange Securities, at any time any Debentures are Outstanding, any Issuer or other person shall, other than pursuant to a

transaction described in paragraph (a) or (b) of this Section 504, (i) pay or make any dividend or other distribution of cash, securities or other property (other than any subscription rights, options, warrants or other similar rights described in paragraphs (d) or (e) of this Section 504) or (ii) pay any cash or issue any other securities or property in respect of, or in exchange for, any such class of Exchange Securities, then all such cash, securities or other property shall be held by the Escrow Agent under the Escrow Agreement for the benefit of the Holders and shall be apportioned equally among the shares or other units of Exchange Securities for which Outstanding Debentures are exchangeable as of immediately after the close of business on the record date for the dividend or distribution or, if there is no such record date, the effective date of any such other event to which this paragraph (c) applies. Any Holder exchanging any Debentures after such record date, or effective date, as the case may be, shall be entitled to receive the Exchange Securities for which such Debentures are exchangeable, and the amount of cash, securities or other property so apportioned to such Exchange Securities. Notwithstanding the foregoing, the Company shall be entitled to all cash dividends paid on the Exchange Securities prior to the delivery thereof upon exchange of Debentures except to the extent that such dividends are paid pursuant to a plan of liquidation or partial liquidation and to all periodic interest payments made on any debt securities included in Exchange Securities prior to the delivery thereof upon exchange of Debentures; provided that the Escrow Agent shall not be required to make any such distribution of dividends or interest until receipt of an Officers' Certificate to the effect that the Company is entitled to such dividends or interest pursuant hereto. The Escrow Agent shall hold and apply as provided in this Section 504 all other dividends paid on all Exchange Securities.

(d) If any Issuer, at any time any Debentures are Outstanding, shall distribute or grant to holders of any Exchange Securities, any transferable subscription rights, options, warrants or other similar transferable rights, the Company shall, as soon as reasonably practicable after such distribution or grant, direct the Escrow Agent, to the extent legally permissible, to sell all such rights for cash in such manner as the Company shall instruct in writing and to hold the proceeds therefrom under the Escrow Agreement for the benefit of Holders. The amount of such proceeds shall be apportioned equally among the shares or other units of Exchange Securities for which Outstanding Debentures are exchangeable as of immediately after the close of business on the record date for the distribution or grant to which this paragraph (d) applies or, if there is no such record

date, the effective date of such distribution or grant. Any Holder exchanging any Debentures after such record date, effective date or date of sale, as the case may be, shall be entitled to receive the Exchange Securities for which such Debentures are exchangeable and the amount of cash so apportioned to such Exchange Securities.

(e) If any Issuer, at any time any Debentures are Outstanding, shall distribute or grant to holders of any Exchange Securities, any nontransferable subscription rights, options, warrants or other similar nontransferable rights, the Company, in its sole discretion, shall (i) to the extent permissible by the terms of said subscription rights, options, warrants or other similar nontransferable rights, cause such rights to be distributed pro rata by the Escrow Agent to the Holders of record of Debentures shown on the Security Register as of immediately after the close of business on the record date (or if there is no record date, the close of business on the effective date) for such distribution or grant, (ii) provide to the Escrow Agent the necessary funds and direct the Escrow Agent to exercise such options, warrants or rights and to hold the securities or other property received upon such exercise for the benefit of Holders or (iii) direct the Escrow Agent to retain such options, warrants or rights for delivery to the Holders of Debentures upon the exchange of such Debentures for Exchange Securities. Any options, warrants or rights retained pursuant to clause (iii) above and the amount of any proceeds received by the Escrow Agent pursuant to clause (ii) above (less any proceeds (as determined pursuant to the last three sentences of this paragraph (e)) delivered to or sold or segregated for the benefit of the Company) shall be apportioned equally among the shares or other units of Exchange Securities for which Outstanding Debentures are exchangeable as of immediately after the close of business on the record date for the distribution or grant to which this paragraph (e) applies or, if there is no such record date, the effective date of such distribution or grant. Any Holder exchanging any Debentures after such record date, or such effective date, as the case may be, shall be entitled to receive the Exchange Securities for which such Debentures are exchangeable and the amount of cash, or any such options, warrants or rights, so apportioned to such Exchange Securities, but subject to the provisions of the last three sentences of this paragraph. Notwithstanding the foregoing, any such options, warrants or rights that may expire prior to September 20, 2006 may not be retained pursuant to clause (iii) of this paragraph (e) beyond the expiration date thereof, but must be distributed (if not prohibited) or exercised pursuant to clause (i) or (ii) of this paragraph (e). The Company shall be promptly repaid

any amounts supplied by it pursuant to the foregoing clause (ii) of this paragraph (e). If the Company is entitled to any amount because of an exercise pursuant to clause (ii) of this paragraph (e), it shall receive such amount in cash held by the Escrow Agent and apportioned or to be apportioned to Exchange Property, but if the amount of cash apportioned or to be apportioned to the Exchange Property shall be less than the amount due the Company because of such exercise, the Escrow Agent shall (i) as soon as reasonably practicable and to the extent legally permissible, sell in accordance with written instructions received from the Company such number of shares or other units of Exchange Securities or other property apportioned or to be apportioned to Exchange Securities as may be necessary to realize an amount of proceeds that shall equal the amount of any such insufficiency, or (ii) if the opinion of the Company such sale is not advisable or legally permissible, segregate for the benefit of the Company or deliver to the Company an amount of property apportioned or to be apportioned to Exchange Property having a market value, as determined by an Officers' Certificate, equal to the amount of such insufficiency. Following such sale, segregation or delivery, the Exchange Property held by the Escrow Agent shall be proportionately adjusted so as to be apportioned equally to the Debentures Outstanding as of immediately after the close of business on the record date for the distribution or grant to which this paragraph (e) applies or, if there is no record date, the effective date of such distribution or grant.

(f) If, at any time any Debentures are Outstanding, any Non-Equity Securities are held by the Escrow Agent for delivery on exchange of the Debentures, to the extent legally permissible, the Company may, at its option, direct the Escrow Agent to sell any or all such Non-Equity Securities for cash in such manner as the Company shall instruct in writing and to hold the proceeds therefrom for the benefit of Holders. The amount of such proceeds shall be apportioned equally among the shares or other units of Exchange Securities for which Outstanding Debentures are exchangeable as of immediately after the close of business on the date of such sale. Any Holder exchanging any Debentures after such date shall be entitled to receive the Exchange Securities for which such Debentures are exchangeable, and the amount of cash so apportioned to such Exchange Securities.

(g) Notwithstanding the provisions of paragraphs (a) and (b) of this Section 504, no adjustment in the Exchange Rate shall be required unless such adjustment would require an increase or decrease in the Exchange Rate of more

than 1%; provided, however, that any adjustments which by reason of this paragraph (g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(h) All calculations under this Section 504 shall be made to the nearest .001 of a share.

(i) Whenever the Exchange Rate is adjusted as herein provided, (1) the Treasurer or Assistant Treasurer of the Company shall determine the adjusted Exchange Rate and the amount of Exchange Securities and other Exchange Property deliverable upon exchange of Debentures in accordance with this Section 504 and shall prepare a certificate setting forth such adjusted Exchange Rate and the amount any such Exchange Securities and other Exchange Property, showing in detail the facts upon which such adjustment is based, (2) such certificate shall forthwith be filed with the Trustee and Escrow Agent and (3) a notice stating that the Exchange Rate has been adjusted and setting forth the adjusted Exchange Rate and the amount of any cash and other Exchange Property apportioned to the Exchange Securities shall as soon as practicable be mailed by or on behalf of the Company to the Holders at their last addresses as they shall appear upon the Security Register. Subject to the provisions of Section 601 of the Basic Indenture, the Trustee and the Escrow Agent shall be under no duty or responsibility with respect to any such certificate or notice except to exhibit such certificate from time to time to any Holders of Debentures requesting inspection thereof.

SECTION 505. Certain Tender or Exchange Offers for Exchange Securities

(a) In the event that a tender offer or exchange offer ("Offer") for any class of securities that includes Exchange Securities is commenced by any person (including the Issuer of such security), and the Company or any Subsidiary owns shares or other units of the class of securities subject to the Offer and not subject to the Escrow Agreement, the Company, subject to the terms and conditions hereinafter set forth, shall cause the Escrow Agent to tender shares or other units of such securities that are subject to the Escrow Agreement at the same time and in the same proportion as the Company tenders or causes a Subsidiary to tender shares or other units of such securities owned by the Company or such Subsidiary and not subject to the Escrow Agreement, determined as of the date of tender by the Company or such Subsidiary. If the Company owns shares or units of such class of securities that are not subject to the Escrow Agreement but tenders no such shares, then no

shares of such security that are subject to the Escrow Agreement shall be tendered by the Company or otherwise. If at the time of an Offer neither the Company nor any Subsidiary owns any shares or other units of the class of securities subject to the Offer and not subject to the Escrow Agreement, then the Company, subject to the terms and conditions hereinafter set forth, may, at its option, elect to cause the Escrow Agent to tender all or any portion of such class of Exchange Securities held by the Escrow Agent at the time of such tender. Notwithstanding the foregoing, the Escrow Agent shall not tender shares or other units of Exchange Securities required for the exchange of Debentures duly surrendered and accepted for exchange pursuant to this Article Five prior to the close of business on the date one Business Day preceding the date of such tender (such preceding Business Day being hereinafter referred to as the "Suspension Date").

(b) Upon receipt by the Company of written notice stating that an Offer has commenced, it may (but shall not be obligated to) mail or cause to be mailed notice to Holders of Debentures at their addresses appearing in the Security Register of the existence of such Offer, the right, if applicable, of the Company to cause the tender of Exchange Securities in response to such Offer in accordance with this Section 505, the limitations contained in this Section 505 with respect to the right of Holders of Debentures to exchange pursuant to Article Five, and the kind and amount of Exchange Property apportioned thereto to be received in exchange for a Debenture. Such notice shall not be required to contain any description of the applicable Offer other than, if known to the Company, the name of the tender offeror or its agent and such offeror's or agent's address where information concerning such Offer may be obtained. If the Company shall deliver a Notice of Tender (as defined in paragraph (c) below) or Notice of Withdrawal (as defined in paragraph (d) below), it shall cause notice of the same to be published promptly, at least once on each of two different Business Days in a newspaper of national circulation or, in lieu of such publication, shall mail or cause to be mailed to each Holder of Debentures at the address appearing in the Security Register a copy of such Notice of Tender or Notice of Withdrawal.

(c) The Company may cause the Escrow Agent to tender Exchange Securities pursuant to paragraph (a) of this Section 505 by delivering to the Escrow Agent an Officers' Certificate instructing the Escrow Agent to tender the applicable Exchange Securities and stating that such tender is in accordance with the terms and conditions of this Second Supplemental Indenture (a "Notice of Tender"),

together with such evidence of authority and other documentation as may be required by the terms of the Offer to enable the Escrow Agent to tender the Exchange Securities on behalf of the Company.

(d) The Company may instruct the Escrow Agent by notice contained in an Officers' Certificate after the Escrow Agent has tendered Exchange Securities pursuant to paragraph (c) to withdraw Exchange Securities tendered (a "Notice of Withdrawal") and upon receipt thereof the Escrow Agent shall, if permitted by the terms of the Offer or applicable law, withdraw the shares so tendered; provided, however, that if the Company or any Subsidiary owns Exchange Securities subject to the Offer and not subject to the Escrow Agreement, then tendered Exchange Securities may be withdrawn pursuant to the terms of this paragraph (d) only at the same time and in the same proportion as the Company withdraws or causes such Subsidiary to withdraw such Exchange Securities owned by the Company or such Subsidiary that are not subject to the Escrow Agreement.

(e) The Escrow Agent shall hold the proceeds from any tender for the benefit of Holders of Debentures. The proceeds received pursuant to an Offer shall be apportioned equally among the remaining shares of the Exchange Securities, or if all such Exchange Securities are purchased or exchanged pursuant to the Offer, substituted for such purchased or exchanged Exchange Securities. In the event that for any reason all or any of the Exchange Securities tendered by the Escrow Agent are not purchased or exchanged pursuant to the Offer, the remaining such Exchange Securities shall be redeposited with the Escrow Agent and held pursuant to the Escrow Agreement and this Article Five. Promptly upon a receipt of proceeds pursuant to any Offer or a redeposit, the Company shall mail or cause to be mailed to each Holder of a Debenture at the address appearing in the Security Register a written notice announcing the proceeds received from the Offer or the redeposit and stating that, subject to and in accordance with the provisions of this Article Five, Debentures are thereafter exchangeable, as applicable, for the Exchange Securities and other Exchange Property apportioned thereto, or if no Exchange Securities remain, solely for such other Exchange Property, on a pro rata basis, and subject to paragraph (f) of this Section 505. Debentures will be exchangeable as aforesaid from the date of such notice.

(f) After the close of business on a Suspension Date with respect to an Offer as to which the Company has not withdrawn its Notice of Tender, the Escrow Agent shall not accept any Debentures for exchange and the exchange

privilege shall be suspended until such time as the proceeds pursuant to such Offer have been deposited with the Escrow Agent and any remaining Exchange Securities have been redeposited. In the event that any Debenture is surrendered for exchange during such time as the exchange privilege is suspended pursuant to this Section 505, the Escrow Agent shall not accept such Debenture for exchange and shall not effect the exchange of such Debenture and shall so notify the Holder surrendering such Debenture and shall notify such Holder of the further provisions of this paragraph (f). The Holder of such Debentures may direct in writing, and the Escrow Agent shall comply with such written direction received by it, that the Escrow Agent either (i) return such Debenture and cancel the election to exchange it, provided that such direction is received by the Escrow Agent not later than the close of business on the Business Day preceding the Suspension Exchange Date as defined in clause (ii) of this sentence, or (ii) retain the Debenture for exchange at such time and on such date (which shall be the "Suspension Exchange Date" with respect to such exchange) as of which the Company shall, in an Officers' Certificate, state that such suspension of the exchange privilege has ceased and the exchange privilege has been reinstated, provided that such exchange is otherwise permitted at such time. Until and unless such Holder advises the Escrow Agent to the contrary, such Holder shall be deemed to have elected alternative (ii).

(g) The provisions of this Section 505 shall apply to successive or competing Offers.

SECTION 506. Investment of Cash Proceeds

All cash held by the Escrow Agent pursuant to Sections 504 and 505 hereof shall be invested by the Escrow Agent from time to time in Permitted Investments. Any interest or gain on such Permitted Investments shall be for the sole account of the Company and shall be paid over to the Company by the Escrow Agent on demand by the Company. Any loss on such Permitted Investments shall be for the account of the Company. The Company shall have the option either to furnish to the Escrow Agent all moneys payable to Holders upon any exchange of Debentures or to require the Escrow Agent to sell securities constituting Permitted Investments in an amount necessary to permit the Escrow Agent to make such payments.

SECTION 507. Escrow Agreement

(a) The Company simultaneously with the execution and delivery of this Second Supplemental Indenture is enter-

ing into the Escrow Agreement with the Escrow Agent, pursuant to which it is depositing with the Escrow Agent 2,999,984 shares of Sun Common Stock. The Company shall require the Escrow Agent to maintain an office where Debentures may be surrendered for exchange pursuant to this Article Five in The Borough of Manhattan, The City of New York or County of Suffolk, Commonwealth of Massachusetts, which office initially shall be the principal office of the Escrow Agent in the County of Suffolk where its corporate trust business shall be administered. The Company shall give notice of each resignation and each removal of the Escrow Agent, each appointment of a successor Escrow Agent and each change in the office of the Escrow Agent maintained to accept Debentures for exchange, by mailing written notice of such event by first-class mail, postage prepaid, to all Holders of Debentures as their names and address appear in the Security Register. The Escrow Agent shall be the exchange agent for the exchange of Debentures for Exchange Property hereunder. The Company shall deposit with the Escrow Agent from time to time such additional Exchange Securities not already held by the Escrow Agent as the Holders of all Outstanding Debentures shall from time to time be entitled to receive pursuant to this Article Five upon exchange thereof. All shares of stock held by the Escrow Agent under the Escrow Agreement shall be voted as provided in paragraph (b) below and in the Escrow Agreement.

(b) So long as no Event of Default has occurred and is continuing, the Company shall have the full and unqualified right and power to exercise any rights to vote, or to give consents or take any other action in respect of, Exchange Securities at any time held by the Escrow Agent, and neither the Escrow Agent nor the Trustee shall have any duty, right or privilege to exercise any such rights. The Company shall not be liable to the Escrow Agent, the Trustee or any Holder as a result of any vote or failure to vote, consent or failure to consent, by the Company in respect of the Exchange Securities. At any time that an Event of Default has occurred and is continuing, the Trustee shall have the full and unqualified right and power to exercise such rights to vote, to give consent or take other action in respect of Exchange Securities. The Company hereby irrevocably appoints the Trustee as proxy, with full power of substitution, to exercise any and all rights to vote, consent or take any other action in respect of any Exchange Securities at any time that an Event of Default has occurred and is continuing. The Company hereby agrees that, so long as any Debentures are Outstanding, it will execute and deliver such further proxies or other instruments or take such other actions as the Trustee may from time to time require in order to maintain or restore the appointment of

the Trustee as proxy made in the immediately preceding sentence.

(c) In the event of any reduction of the principal amount at Stated Maturity of Debentures Outstanding (other than as a result of surrender for exchange for Exchange Property pursuant to this Article Five), as evidenced by the delivery to the Trustee by the Company of Debentures for cancellation, the Company shall be entitled to the kind and amount of Exchange Property as shall at the time be in excess of the kind and amount of Exchange Property that would be required for the exchange of all Debentures then Outstanding for the Exchange Property on the basis of the then applicable Exchange Rate and other terms and provisions of this Article Five and of the Escrow Agreement. Upon expiration of the right to surrender Debentures for exchange pursuant to this Article Five and when all other obligations of the Company shall have been satisfied under the Escrow Agreement, the Escrow Agent will deliver to the Company, pursuant to the terms of the Escrow Agreement, all Exchange Securities and cash and investments and other property held by the Escrow Agent under the Escrow Agreement, other than any such property that is required to be delivered with respect to Debentures previously surrendered for exchange.

SECTION 508. Notice of Certain Events

In case at any time:

(a) any Issuer shall declare a dividend (or any other distribution) on or in respect of any Exchange Securities so that paragraph (a), (c), (d) or (e) of Section 504 shall apply; or

(b) any Issuer shall engage in or be a party to any transaction that will result in any Exchange Securities becoming in whole or in part Non-Equity Securities; or

(c) there shall occur any reclassification of Exchange Securities (other than a subdivision or combination of outstanding shares of any class of Capital Stock included in the Exchange Securities) or any consolidation, merger or reorganization to which any Issuer is a party and for which approval of any stockholders of such Issuer is required, or the sale or transfer of all or substantially all of the assets of any Issuer; or

(d) there shall occur the voluntary or involuntary dissolution, liquidation or winding up of any Issuer;

then the Company shall cause to be filed at the office or agency maintained for the purpose of exchange of Debentures pursuant to Section 507 hereof, and shall cause to be mailed to the Holders of Debentures at their last addresses as they shall appear upon the Security Register, at least twenty days (or ten days in any case specified in clause (a) or (b) above) prior to the record date or other applicable date hereinafter specified, or two Business Days after such date as it first has knowledge of such event, whichever is later, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or grant of rights, or, if a record is not to be taken, the date as of which the holders of Exchange Securities of record to be entitled to such dividend, distribution or grant of rights are to be determined, and (y) the date, if known by the Company, on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Exchange Securities of record shall be entitled to exchange their Exchange Securities for securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up.

SECTION 509. Covenant by the Company

So long as any Debentures shall be Outstanding and exchangeable for Exchange Property, the Company shall, to the extent lawful, use its best efforts to preserve unimpaired the right of each Holder of Debentures, upon exchange thereof, to receive such Exchange Property as such Holder shall from time to time be entitled to receive in accordance with the provisions hereof; provided, however, that nothing contained in this Section 509 shall limit the Company's right to cause the sale or tender of any Exchange Securities or other Exchange Property receivable by a Holder upon surrender of Debentures pursuant to the express provisions of Section 504 or 505 hereof.

SECTION 510. Taxes

The Company will pay any and all documentary, stamp, transfer or similar taxes that may be payable in respect of the transfer and delivery of Exchange Property pursuant hereto, provided, however, that the Company shall not be required to pay any such tax that may be payable in respect of any transfer involved in the delivery of Exchange Property in a name other than that in which the Debentures so exchanged were registered which would not have been payable but for such transfer, and no such transfer or delivery shall be made unless and until the person requesting such

transfer has paid to the Company the amount of any such tax, or has established, to the satisfaction of the Company, that such tax has been paid.

SECTION 511. Shares Free and Clear

The Company hereby warrants that (i) all shares of Sun Common Stock initially delivered to the Escrow Agent will be fully paid and non-assessable and free of preemptive rights, and (ii) the Company now has, and upon exchange of a Debenture pursuant to this Second Supplemental Indenture the Holders of the Debentures shall receive, marketable title to the Exchange Securities and any other Exchange Property for which such Debenture is at such time exchangeable pursuant to this Second Supplemental Indenture, free and clear of any and all liens, claims, charges and encumbrances (other than liens, claims, charges and encumbrances that may exist on any Exchange Property hereafter delivered to the Escrow Agent at the time the Company acquires such Exchange Property) and free and clear of any restrictions on transfer under the Securities Act. Except as otherwise provided in Section 510 hereof, the Company will pay all taxes and charges with respect to the delivery of Exchange Securities and any Exchange Property delivered in exchange for Debentures hereunder.

SECTION 512. Cancellation of Debentures

Upon receipt by the Trustee of Debentures delivered to the Escrow Agent for exchange under this Article Five, the Trustee shall cancel and dispose of the same as provided in Section 309 of the Indenture. Upon receipt of a Debenture that is exchanged in part, the Company shall execute and the Trustee shall authenticate for the holder a new Debenture equal in principal amount at Stated Maturity to the unexchanged portion of the Debentures received.

SECTION 513. Consolidation, Etc., of Sun and the Company

In case of any consolidation or merger of Sun with or into the Company or any Affiliate of the Company, or any sale, transfer or lease of all or substantially all of the assets of Sun to the Company or any such Affiliate, unless the fair value of the securities and other property for which the Debentures Outstanding immediately after such consolidation, merger, sale, transfer, or lease would be exchangeable in accordance with Section 504 hereof equals or exceeds the fair value of the Exchange Securities and Exchange Property for which the Debentures are exchangeable immediately prior to such consolidation, merger, sale,

transfer or lease, the Company shall forthwith redeem all of the Debentures in accordance with Article Three hereof at the Redemption Price at which the Debentures would be redeemable at the Company's option pursuant to paragraph 2 of the Debentures, without regard to the limitation set forth in the second sentence thereof.

In case of any such consolidation, merger, sale or transfer, the Company shall deliver to the Trustee an Officers' Certificate, an Opinion of Counsel and, if a question of fair value is involved, an Investment Bankers' Certificate, to the effect that, subject to the provisions of Article Six of the Indenture, the Trustee may rely on such Officers' Certificate, Opinion of Counsel and Investment Bankers' Certificate as conclusive evidence that the Debentures are or are not required to be redeemed by reason of such consolidation, merger, sale or transfer.

The provisions of this Section 513 shall similarly apply to any successive consolidation, merger, sale or transfer.

SECTION 514. Exchange Subject to Applicable Law

If the Company shall deliver an Officers' Certificate to the Escrow Agent to the effect that, in connection with a specific exchange or a category of exchanges or all exchanges, the transfer and delivery of any shares (or other units) of any Exchange Property upon the exchange of any Debenture would (in the opinion of counsel for the Company) violate any applicable law (including, without limitation, the Securities Act of 1933, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or any successors thereto), then the Escrow Agent shall not, and shall not be required to, accept such Debenture for exchange or effect the exchange of such Debenture and shall so notify the Holder surrendering such Debenture; provided, however, that the provisions of this Section 514 shall not relieve the Company of any of its obligations under this Second Supplemental Indenture. During any time when the exchange privilege of the Debentures is suspended pursuant to the provisions of this Second Supplemental Indenture, the Escrow Agent shall not accept any Debentures for exchange and shall not effect the exchange of any Debentures and shall give any notice required pursuant to this Second Supplemental Indenture to each Holder who shall have surrendered Debentures for exchange during such period.

ARTICLE SIX
MISCELLANEOUS

SECTION 601. Miscellaneous

(a) The Trustee accepts the trusts created by the Basic Indenture, as supplemented by this Second Supplemental Indenture, and agrees to perform the same upon the terms and conditions of the Basic Indenture, as supplemented by this Second Supplemental Indenture.

(b) The recitals contained herein shall be taken as statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Second Supplemental Indenture.

(c) All capitalized terms used and not defined herein shall have the respective meanings assigned to them in the Basic Indenture.

(d) Each of the Company and the Trustee makes and reaffirms as of the date of execution of this Second Supplemental Indenture all of its respective representations, warranties, covenants and agreements set forth in the Basic Indenture.

(e) All covenants and agreements in this Second Supplemental Indenture by the Company or the Trustee shall bind its respective successors and assigns, whether so expressed or not.

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

(g) Nothing in this Second Supplemental Indenture, express or implied, shall give to any Person, other than the parties hereto and their successors under the Basic Indenture and the Holders of the Debentures, any benefit or any legal or equitable right, remedy or claim under the Basic Indenture.

(h) If any provision hereof limits, qualifies or conflicts with a provision of the Trust Indenture Act of 1939, as may be amended from time to time, that is required under such Act to be a part of and govern this Second Supplemental Indenture, the latter provision shall control.

If any provision hereof modifies or excludes any provision of such Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Second Supplemental Indenture as so modified or excluded, as the case may be.

(i) This Second Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

(j) All amendments to the Basic Indenture made hereby shall have effect only with respect to the Debentures.

(k) All provisions of this Second Supplemental Indenture shall be deemed to be incorporated in, and made a part of, the Indenture; and the Indenture, as supplemented by this Second Supplemental Indenture, shall be read, taken and construed as one and the same instrument.

* * * * *

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

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

EASTMAN KODAK COMPANY

By _____
Title:

Attest:

Title:

THE BANK OF NEW YORK

By _____
Title:

Attest:

Title:

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

On the ____ day of September, 1991, before me personally came _____, to me known, who, being duly sworn, did depose and say that he is _____ of EASTMAN KODAK COMPANY, one of the corporations described in and which executed the foregoing instrument, that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

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

On the ____ day of September, 1991, before me personally came _____, to me known, who, being duly sworn, did depose and say that he is _____ of THE BANK OF NEW YORK, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation, that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

[FORM OF FACE OF DEBENTURE]

THIS DEBENTURE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. THE EXEMPTION PROVIDED BY RULE 144A UNDER THE ACT MAY BE AVAILABLE TO PERMIT SALE OR TRANSFER OF THIS DEBENTURE TO QUALIFIED INSTITUTIONAL BUYERS (WITHIN THE MEANING OF RULE 144A) WITHOUT REGISTRATION.

EACH INITIAL PURCHASER OF THIS DEBENTURE REPRESENTS TO THE ISSUER THAT SUCH PURCHASER WILL NOT SELL OR OTHERWISE TRANSFER THIS DEBENTURE (WITHOUT CONSENT OF THE ISSUER) PRIOR TO THREE YEARS FROM SEPTEMBER 20, 1991 OTHER THAN (i) TO A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION COMPLYING WITH RULE 144A, (ii) TO A NON-U.S. PERSON IN A TRANSACTION COMPLYING WITH REGULATION S UNDER THE ACT OR (iii) IN A TRANSACTION COMPLYING WITH RULE 144 UNDER THE ACT.

EACH SUBSEQUENT PURCHASER OF THIS DEBENTURE REPRESENTS TO THE ISSUER THAT SUCH PURCHASER WILL NOT SELL OR OTHERWISE TRANSFER THIS DEBENTURE (WITHOUT THE CONSENT OF THE ISSUER) PRIOR TO THREE YEARS FROM SEPTEMBER 20, 1991 OTHER THAN PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE ACT OR IN AN OFFSHORE TRANSACTION COMPLYING WITH REGULATION S UNDER THE ACT.

FOR PURPOSES OF SECTIONS 1273 AND 1275 OF THE INTERNAL REVENUE CODE, THE AMOUNT OF ORIGINAL ISSUE DISCOUNT WITH RESPECT TO EACH \$1,000 OF PRINCIPAL AMOUNT OF THIS DEBENTURE IS \$751.47. THE ISSUE DATE IS SEPTEMBER 20, 1991, AND THE YIELD TO MATURITY IS 9.5% (COMPUTED ON A SEMIANNUAL BOND EQUIVALENT BASIS).

EASTMAN KODAK COMPANY
ZERO COUPON EXCHANGEABLE SENIOR DEBENTURES
DUE 2006

| | |
|--------------------------------|--------------------------------------|
| No: _____ | Principal Amount |
| Issue Price: \$427.27 | at Stated Maturity: |
| Issue Date: September 20, 1991 | Original Issue Discount: |
| (for each \$1,000 Principal | \$572.73 (for each \$1,000 |
| Amount at Stated Maturity) | Principal Amount at Stated Maturity) |

EASTMAN KODAK COMPANY, a corporation duly organized and existing under the laws of the State of New Jersey (herein called the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars on September 20, 2006.

The principal of this Debenture shall not bear interest except in the case of a default in payment of principal or any portion thereof upon acceleration, upon redemption or at Stated Maturity and in such case the overdue principal of this Debenture shall bear interest at the rate of 5.75% per annum (to the extent that the payment of such interest shall be legally enforceable), which shall accrue from the date of such default in payment to the date payment of such principal or portion thereof has been made or duly provided for. Interest on any overdue principal shall be payable on demand. Any such interest on overdue principal that is not so paid on demand shall bear interest at the rate of 5.75% per annum (to the extent that the payment of such interest shall be legally enforceable), which shall accrue from the date of such demand for payment to the date payment of such interest has been made or duly provided for, and such interest shall also be payable on demand.

Original Issue Discount (the difference between the Issue Price and the principal amount of this Debenture at Stated Maturity), in the period during which this Debenture remains Outstanding, shall accrue at 5.75% per annum, on a semiannual bond equivalent basis using a 360-day year consisting of twelve 30-day months, commencing on this Issue Date of this Debenture. For Federal income tax purposes, an original issue discount will accrue as described in the legend on the face of this Debenture.

Payment of the principal and any such interest on this Debenture will be made at the office or agency of the Company maintained for that purpose in The Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Reference is hereby made to the further provisions of this Debenture set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

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

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

EASTMAN KODAK COMPANY

By _____

Attest:

TRUSTEES CERTIFICATE OF AUTHENTICATION

[seal]

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

Dated:

THE BANK OF NEW YORK
as Trustee

By _____
Authorized Signatory

[FORM OF REVERSE OF DEBENTURE]

EASTMAN KODAK COMPANY

ZERO COUPON EXCHANGEABLE SENIOR DEBENTURES
DUE 2006

1. This Debenture is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of January 1, 1988, between the Company and The Bank of New York, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), as supplemented by First Supplemental Indenture, dated as of September 6, 1991 and Second Supplemental Indenture (the "Second Supplemental Indenture"), dated as of September 20, 1991 (the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Debenture is one of the series designated on the face hereof (the "Debentures").

2. No sinking fund is provided for the Debentures. The Debentures are not redeemable prior to September 20, 1993 unless the Sale Price of the Sun Common Stock shall have equalled or exceeded \$54.77 per share for at least 20 Trading Days within a period of 30 consecutive Trading Days ending not more than five days prior to the date of the notice of redemption provided for in Section 303 of the Second Supplemental Indenture. The Debentures are redeemable in the event the Sale Price of the Sun Common Stock shall have so equalled or exceeded such amount for the requisite period and at any time on or after September 20, 1993 at the option of the Company as a whole, or from time to time in part at a Redemption Price equal to the Issue Price plus that portion of the Original Issue Discount accrued through the Redemption Date.

The table below shows, for illustrative purposes, the Redemption Prices of a Debenture per \$1,000 principal amount, on the Issue Date, on the dates shown below, and at stated Maturity, which reflect the accrued Original Issue Discount calculated to each such date. The Redemption Price of a Debenture redeemed between such dates would include an additional amount reflecting the additional Original Issue Discount accrued since the next preceding date in the table.

| Redemption Date | (1) Debtenture Issue Price | (2) Accrued Original Issue Discount at 5.75% | (3) Redemption Price (1)+(2) |
|-----------------|-------------------------------------|---|---------------------------------------|
| Issue Date | \$ 427.27 | \$ 0.00 | \$ 427.27 |
| Sep. 20, 1992 | 427.27 | 24.92 | 452.19 |
| Sep. 20, 1993 | 427.27 | 51.30 | 478.57 |
| Sep. 20, 1994 | 427.27 | 79.21 | 506.48 |
| Sep. 20, 1995 | 427.27 | 108.75 | 536.02 |
| Sep. 20, 1996 | 427.27 | 140.01 | 567.28 |
| Sep. 20, 1997 | 427.27 | 173.10 | 600.37 |
| Sep. 20, 1998 | 427.27 | 208.12 | 635.39 |
| Sep. 20, 1999 | 427.27 | 245.18 | 672.45 |
| Sep. 20, 2000 | 427.27 | 284.40 | 711.67 |
| Sep. 20, 2001 | 427.27 | 325.91 | 753.18 |
| Sep. 20, 2002 | 427.27 | 369.84 | 797.11 |
| Sep. 20, 2003 | 427.27 | 416.34 | 843.61 |
| Sep. 20, 2004 | 427.27 | 465.54 | 892.81 |
| Sep. 20, 2005 | 427.27 | 517.62 | 944.89 |
| Stated Maturity | 427.27 | 572.73 | 1,000.00 |

3. At the option of the Holder and subject to the terms and conditions of the Second Supplemental Indenture, the Company shall purchase the Debentures held by such Holder on September 20, 1996 for a Purchase Price of \$567.28 and on September 20, 2001 for a Purchase Price of \$753.18, respectively, per \$1,000 principal amount at Stated Maturity of such Debentures (equal to the Issue Price plus accrued Original Issue Discount to such date) upon delivery of a Purchase Notice containing the information set forth in the Second Supplemental Indenture and upon surrender of the Debentures to the Paying Agent by the Holder as set forth in the Second Supplemental Indenture. Such Purchase Price may be paid, at the option of the Company, in cash or Sun Common Stock, or any combination thereof, subject to certain conditions set forth in the Second Supplemental Indenture. The Purchase Price received by the Holder will represent at least two components of the Debenture surrendered: (1) a

portion of the Purchase Price will be paid as payment of the accrued Original Issue Discount with respect to the Debenture; and (2) all or part of the remainder of the Purchase Price will be paid as repayment of the Issue Price of the Debenture. The accrued Original Issue Discount shall be deemed to be paid rather than canceled, extinguished or forfeited.

Holders have the right to withdraw any Purchase Notice by delivering to the Paying Agent a written notice of withdrawal prior to the close of business on the Purchase Date in accordance with the provisions of the Second Supplemental Indenture. Any payment of the Purchase Price shall be consummated by the delivery of the consideration to be received by the Holder promptly following the later of the Purchase Date and the date of surrender of the Debenture to be purchased. If money (or securities if permitted under the Indenture) sufficient to pay the Purchase Price of all Debentures or portions thereof to be purchased on the Purchase Date is deposited with the Paying Agent on the Business Day following the Purchase Date, on and after such date Original Issue Discount will cease to accrue on such Debentures (or portions thereof) and the Holder shall have no other rights as such (other than the right to receive the Purchase Price upon surrender of this Debenture).

4. Notice of redemption will be mailed at least 30 days but not more than 60 days before the Redemption Date to each Holder of Debentures to be redeemed at the Holder's registered address. If money sufficient to pay the Redemption Price of all Debentures (or portions thereof) to be redeemed on the Redemption Date is deposited with the Paying Agent on the Redemption Date, on and after such date Original Issue Discount will cease to accrue on such Debentures (or portions thereof). Debentures in denominations larger than \$1,000 principal amount at Stated Maturity may be redeemed in part, but only in integral multiples of \$1,000.

5. At the option of the Holder and subject to the terms and conditions of the Second Supplemental Indenture, this Debenture (or any portion hereof the principal amount at Stated Maturity of which is an integral multiple of \$1,000) may be surrendered for exchange for shares of Sun Common Stock (calculated to the nearest .001 of a share) at a rate (the "Exchange Rate") of 11.702 shares of Sun Common Stock per \$1,000 principal amount at Stated Maturity hereof, subject to such adjustments, if any, of the Exchange Rate, and securities ("Exchange Securities") or other property deliverable upon exchange (the Exchange Securities and such other property collectively, the "Exchange Property") as may

be required by the provisions of the Second Supplemental Indenture.

The Company may, at its option, elect to pay the Cash Exchange Price for Debentures surrendered for exchange in accordance with Section 501 of the Second Supplemental Indenture in lieu of delivering Sun Common Stock, Exchange Securities or Exchange Property for Debentures so surrendered.

The right to surrender this Debenture for exchange shall terminate at the close of business on September 20, 2006, or if this Debenture or any portion hereof shall be called for redemption pursuant to Paragraph 2, then in respect of any portion so called for redemption, on the Redemption Date (unless in the case of any such redemption) the Company shall default in the payment due upon the redemption hereof, in which case this Debenture may be exchanged after the Redemption Date). A Debenture in respect of which a Holder has delivered a Purchase Notice may be exchanged only if such notice is withdrawn prior to the close of business on the relevant Purchase Date in accordance with the terms of the Second Supplemental Indenture. Except as otherwise expressly provided in the Second Supplemental Indenture, no payment or adjustment shall be made on account of any dividends or interest on Exchange Securities delivered upon such exchange. Upon exchange of this Debenture, the Exchange Property or Cash Exchange Price received by the Holder will represent at least two components of the Debenture surrendered: (1) a portion of the Exchange Property or Cash Exchange Price will be exchanged as payment of the accrued Original Issue Discount with respect to the Debenture; and (2) all or part of the remainder of the Exchange Property or Cash Exchange Price will be exchanged as repayment of the Issue Price of the Debenture. The accrued Original Issue Discount shall be deemed to be paid rather than canceled, extinguished or forfeited. No fractional share shall be delivered upon exchange, but the Escrow Agent on behalf of the Company shall pay a cash adjustment in lieu thereof equal to the current market value of such fractional share computed as provided in the Second Supplemental Indenture.

To exchange a Debenture, a Holder must (1) complete and sign the exchange notice on the back of the Debenture (or a facsimile thereof), (2) surrender the Debenture to the First National Bank of Boston, as Escrow Agent (herein called the "Escrow Agent", which term includes any successor thereto as escrow agent), (3) furnish appropriate endorsements and transfer documents if required by the Escrow Agent, and (4) pay any transfer or similar tax if

required. An exchange shall be deemed to have been effected on the close of business on the Exchange Date, as defined in the Second Supplemental Indenture. Such notice shall be irrevocable. A Holder may exchange a portion of a Debenture only if the portion is \$1,000 principal amount at Stated Maturity or an integral multiple of \$1,000.

The Exchange Rate and the amount of Exchange Property deliverable upon exchange are subject to adjustment as set forth in the Second Supplemental Indenture in certain events, including (i) the issuance of securities or the distribution of property (other than cash dividends, except liquidating cash dividends) of the Issuer as a dividend or distribution on any class of Exchange Securities; (ii) subdivisions and combinations of the shares or other units of any class of Exchange Securities; and (iii) certain tender offers, exchange offers, reclassifications, consolidations and mergers. No adjustment in the Exchange Rate will be required unless such adjustment would require a change of at least 1% in the rate then in effect; but any adjustment that would otherwise be required to be made shall be carried forward and taken into account in any subsequent adjustment.

Nothing in this Debenture shall grant, and the Trustee and the Holders of the Debentures shall not assert, any lien, pledge, charge, encumbrance, preferential right or mortgage on, or with respect to, the Exchange Securities or other Exchange Property deliverable upon exchange of the Debentures as security for the Debentures, any other indebtedness or otherwise.

6. Any Debentures called for redemption, unless surrendered for exchange before the close of business on the Redemption Date, may also be purchased from the Holders of such Debentures at a price not less than the Redemption Price by one or more investment bankers or other purchasers who may agree with the Company to purchase such Debentures from the Holders on the Redemption Date and to exchange them for Exchange Securities or other Exchange Property and to make payment for such Debentures to the Trustee to be held in trust for such Holders.

7. If an Event of Default with respect to the Debentures shall occur and be continuing, an amount of principal of the Debentures may be declared due and payable in the manner and with the effect provided in the Indenture. Such amount shall be equal to the Issue Price and accrued Original Issue Discount to the date of declaration. Upon payment (i) of the amount of principal so declared due and payable and (ii) of interest on any overdue principal and overdue interest (in each case to the extent that the payment of such interest shall be legally enforceable), all of

the Company's obligations in respect of the payment of the principal of and interest, if any, on the Debentures, shall terminate.

8. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of 66 2/3% in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Debenture shall be conclusive and binding upon such Holder and upon all future Holders of this Debenture and of any Debenture issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Debenture.

9. No reference herein to the Indenture and no provision of this Debenture or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Debenture at the time, place and rate, and in the coin or currency, herein prescribed.

10. As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Debenture is registrable in the Security Register, upon surrender of this Debenture for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Debenture are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Debentures, of authorized denominations and for the same aggregate principal amount at Stated Maturity, will be issued to the designated transferee or transferees.

11. The Debentures are issuable only in registered form without coupons in denominations of \$1,000 principal amount at Stated Maturity and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Debentures are exchangeable for a

like aggregate principal amount at Stated Maturity of Debentures of a different authorized denomination, as requested by the Holder surrendering the same.

12. No service charge shall be made for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

13. Prior to due presentment of this Debenture for registration of transfer, the Company, the Trustee and any agent of the company or the Trustee may treat the Person in whose name this Debenture is registered as the owner hereof for all purposes, whether or not this Debenture be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Debenture which are defined in the Indenture shall have the meanings assigned to them in the Indenture. In the case of terms used in this Debenture which are defined both in the Second Supplemental Indenture and elsewhere in the Indenture, the definition contained in the Second Supplemental Indenture shall govern.

EXCHANGE NOTICE

To irrevocably exercise the option to exchange this Security (or the portion hereof designated below) for Exchange Property (as defined in the Indenture), check the box:

[]

To exchange only part of this Security, state principal amount at Stated Maturity to be exchanged (all amounts must be \$1,000 or a multiple of \$1,000):

\$

If you want the Exchange Property registered in another person's name or otherwise delivered to another person, fill in the form below:

(Insert other person's soc. sec. or tax ID no.)

(Print or type other person's name, address and zip code)

Date: _____

Your signature:

(Sign exactly as your name appears on the other side of this Security)

[FORM OF GLOBAL SECURITY]

THE DEBENTURES EVIDENCED BY THIS GLOBAL SECURITY WERE ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. THE EXEMPTION PROVIDED BY RULE 144A UNDER THE ACT MAY BE AVAILABLE TO PERMIT SALE OR TRANSFER OF THE DEBENTURES EVIDENCED BY THIS GLOBAL SECURITY TO QUALIFIED INSTITUTIONAL BUYERS (WITHIN THE MEANING OF RULE 144A) WITHOUT REGISTRATION.

EACH INITIAL OWNER OF A BENEFICIAL INTEREST IN ANY OF THE DEBENTURES EVIDENCED BY THIS GLOBAL SECURITY (INCLUDING ANY PARTICIPANT IN THE DEPOSITORY HOLDING THE GLOBAL SECURITY THAT IS SHOWN AS HOLDING SUCH AN INTEREST ON THE RECORDS OF SUCH DEPOSITORY AND EACH BENEFICIAL OWNER THAT HOLDS THROUGH ANY SUCH PARTICIPANT) REPRESENTS TO THE ISSUER THAT SUCH OWNER WILL NOT SELL OR OTHERWISE TRANSFER SUCH DEBENTURES (WITHOUT CONSENT OF THE ISSUER) PRIOR TO THREE YEARS FROM SEPTEMBER 20, 1991 OTHER THAN (i) TO A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION COMPLYING WITH RULE 144A, (ii) TO A NON-U.S. PERSON IN A TRANSACTION COMPLYING WITH REGULATION S UNDER THE ACT OR (iii) IN A TRANSACTION COMPLYING WITH RULE 144 UNDER THE ACT.

EACH SUBSEQUENT OWNER OF A BENEFICIAL INTEREST IN ANY OF THE DEBENTURES EVIDENCED BY THIS GLOBAL SECURITY (INCLUDING ANY PARTICIPANT IN THE DEPOSITORY HOLDING THE GLOBAL SECURITY THAT IS SHOWN AS HOLDING SUCH AN INTEREST ON THE RECORDS OF SUCH DEPOSITORY AND EACH BENEFICIAL OWNER THAT HOLDS THROUGH ANY SUCH PARTICIPANT) REPRESENTS TO THE ISSUER THAT SUCH OWNER WILL NOT SELL OR OTHERWISE TRANSFER SUCH DEBENTURES (WITHOUT THE CONSENT OF THE ISSUER) PRIOR TO THREE YEARS FROM SEPTEMBER 20, 1991 OTHER THAN PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE ACT OR IN AN OFFSHORE TRANSACTION COMPLYING WITH REGULATION S UNDER THE ACT.

FOR PURPOSES OF SECTION 1273 AND 1275 OF THE INTERNAL REVENUE CODE, THE AMOUNT OF ORIGINAL ISSUE DISCOUNT WITH RESPECT TO EACH \$1,000 OF PRINCIPAL AMOUNT OF THE DEBENTURES EVIDENCED BY THIS GLOBAL SECURITY IS \$751.47. THE ISSUE DATE IS SEPTEMBER 20, 1991, AND THE YIELD TO MATURITY IS 9.5% (COMPUTED ON A SEMIANNUAL BOND EQUIVALENT BASIS).

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITORY OR A NOMINEE OF THE DEPOSITORY.

UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK

CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN EXCHANGE FOR THIS SECURITY IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR DEBENTURES IN DEFINITIVE REGISTERED FORM, THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

EASTMAN KODAK COMPANY

ZERO COUPON EXCHANGEABLE SENIOR DEBENTURES DUE 2006

GLOBAL SECURITY

EASTMAN KODAK COMPANY, a corporation duly organized and existing under the laws of the State of New Jersey (herein called the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received hereby promises to pay to Cede & Co., as the nominee of the Depository Trust Company, or registered assigns, the principal sum at Stated Maturity of the amounts transferred from time to time by Holders of Debentures to the Depository, less the principal sum at Stated Maturity of amounts exchanged for definitive Debentures or redeemed or repurchased, as indicated on the Schedule of Transfers, Exchanges, Redemptions and Repurchases attached hereto (the "Schedule"), on September 20, 2006, provided, that such principal sum at Stated Maturity shall not exceed \$_____.

The principal of the Debentures evidenced by this Global Security shall not bear interest except in the case of a default in payment of principal or any portion thereof upon acceleration, upon redemption or at Stated Maturity and in such case the overdue principal of such Debentures shall bear interest at the rate of 5.75% per annum (to the extent that the payment of such interest shall be legally enforceable), which shall accrue from the date of such default in

payment to the date payment of such principal or portion thereof has been made or duly provided for. Interest on any overdue principal shall be payable on demand. Any such interest on overdue principal that is not so paid on demand shall bear interest at the rate of 5.75% per annum (to the extent that the payment of such interest shall be legally enforceable), which shall accrue from the date of such demand for payment to the date payment of such interest has been made or duly provided for, and such interest shall also be payable on demand.

Original Issue Discount (the difference between the Issue Price and the principal amount of the Debentures evidenced by this Global Security at Stated Maturity), in the period during which such Debentures remain Outstanding, shall accrue at 5.75% per annum on a semiannual bond equivalent basis using a 360-day year consisting of twelve 30-day months, commencing on the Issue Date of such Debentures. For Federal income tax purposes, an original issue discount will accrue as described in the legend on the face of this Global Security and the Debentures in definitive form.

Payment of the principal and any such interest on this Global Security shall be made at the office or agency of the Company maintained for that purpose in The Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

This Global Security is one of a duly authorized issue of Securities of the Company designated as specified in the title hereof, issued under the Indenture, dated as of January 1, 1988 between the Company and The Bank of New York, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), as supplemented by First Supplemental Indenture, dated as of September 6, 1991 and Second Supplemental Indenture (the "Second Supplemental Indenture"), dated as of September 20, 1991 (the "Indenture"). Reference is hereby made to the Indenture (and all indentures supplemental thereto) and the Debentures in definitive form, as set forth in the Second Supplemental Indenture, for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee, and the Holders of the Debentures and of the terms upon which the Debentures are, and are to be, authenticated and delivered.

This Global Security shall be exchangeable for Debentures in definitive form registered in the names of Persons other than the Depository or its nominee. To the extent that the Global Security is exchanged pursuant to the

preceding sentence, it shall be exchangeable for Debentures registered in such names as the Depository shall direct.

Upon any transfer of a Debenture to the Depository or any exchange, redemption or repurchase of a part of this Global Security, the principal amount at Stated Maturity of any Debenture so transferred or the portion of the principal amount at Stated Maturity hereof so exchanged, redeemed or repurchased, shall be endorsed by the Trustee or its agent on the Schedule, and the principal amount at Stated Maturity hereof shall be increased or reduced, as the case may be, by the amount so transferred, exchanged, redeemed or repurchased.

Except as otherwise expressly provided in this Global Security, this Global Security shall in all respects be entitled to all benefits, and subject to the same terms and conditions, as definitive Debentures authenticated and delivered under the Indenture. Reference is hereby made to the Indenture in the form of definitive Debenture set forth in the Second Supplemental Indenture for a complete description of the terms and conditions of the Debentures, including this Global Security.

This Global Security shall be governed by and construed in accordance with the laws of the State of New York.

All terms used in this Global Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture. In the case of terms used in this Global Security which are defined both in the Second Supplemental Indenture and elsewhere in the Indenture, the definition contained in the Second Supplemental Indenture shall govern.

Unless the certificate of authentication hereon has been executed by the Trustee by the manual signature of one of its authorized officers, this Global Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this Global Security to be duly executed under its corporate seal.

EASTMAN KODAK COMPANY

[SEAL]

By _____

Attest:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Dated:

THE BANK OF NEW YORK
as Trustee

By _____
Authorized Signatory

SCHEDULE OF TRANSFERS, EXCHANGES, REDEMPTIONS AND REPURCHASES

| Date Made | Principal amount at Stated Maturity transferred to the Depository or its nominee (+) | Principal amount at Stated Maturity exchanged for definitive Debentures, redeemed or repurchased (-) | Principal amount at Stated Maturity of this Security following any such transfer, exchange or repurchase | Notation made on behalf of Trustee |
|-----------|--|--|--|------------------------------------|
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |

=====

EASTMAN KODAK COMPANY

TO

THE BANK OF NEW YORK
Trustee

THIRD SUPPLEMENTAL INDENTURE
Dated as of January 26, 1993

=====

THIRD SUPPLEMENTAL INDENTURE

THIRD SUPPLEMENTAL INDENTURE, dated as of January 26, 1993 (this "Third Supplemental Indenture"), between EASTMAN KODAK COMPANY, a corporation duly organized and existing under the laws of the State of New Jersey (the "Company"), having its principal offices at 343 State Street, Rochester, New York 14650, and THE BANK OF NEW YORK, a corporation duly organized and existing and existing under the laws of the State of New York, as Trustee (the "Trustee").

WHEREAS, the Company has heretofore executed and delivered to the Trustee an Indenture, dated as of January 1, 1988, which has been supplemented by the First Supplemental Indenture thereto, dated as of September 6, 1991 (as so supplemented, the "Basic Indenture"), and the Second Supplemental Indenture thereto, dated as of September 20, 1991 (the "Second Supplemental Indenture") (the Basic Indenture as so supplemented, the "Indenture"); and

WHEREAS, under and pursuant to the Second Supplemental Indenture the Company has issued Zero Coupon Exchangeable Senior Debentures due 2006 (the "Debentures"); and

WHEREAS, pursuant and subject to the terms of the Debentures and the Second Supplemental Indenture, each \$1000 principal amount at maturity of the Debentures is exchangeable at the option of the holder thereof for a number of shares of the common stock of Sun Microsystems, Inc. ("Sun Common Stock") at the Exchange Rate (as defined in the Second Supplemental Indenture); provided, that at the option of the Company, the Company may pay the Cash Exchange Price (as defined in the Second Supplemental Indenture) in lieu of delivering shares of Sun Common Stock, all as provided in the Second Supplemental Indenture; and

WHEREAS, pursuant to the Second Supplemental Indenture, the Company and The First National Bank of Boston have heretofore entered into the Escrow Agreement, dated as of September 20, 1991 (the "Escrow Agreement")

and in connection therewith, the Company deposited 2,999,984 shares of Sun Common Stock with the Escrow Agent; and

WHEREAS, Section 7(b) of the Escrow Agreement permits the Company to exercise its right to pay the Cash Exchange Price in lieu of delivering Exchange Property (as defined in the Second Supplemental Indenture) in respect of all exchanges made during a specified period or otherwise and indicates that notification thereof may be given to the Escrow Agent by facsimile or an Officers' Certificate (as defined in the Escrow Agreement); and

WHEREAS, Section 10 of the Escrow Agreement permits the Company to direct the Escrow Agent to sell for the account of the Company Escrowed Property (as defined in the Escrow Agreement) which is not then deliverable upon the exchange of the Securities then outstanding; and

WHEREAS, pursuant to Sections 7 and 10 of the Escrow Agreement, and in contemplation of entering into the Escrow Supplement (as hereinafter defined), the Company and the Escrow Agent have heretofore entered into a letter agreement, dated as of December 21, 1992 (the "Letter Agreement") under which the Company directed the Escrow Agent to settle all future exchanges of Debentures using the Cash Exchange Price, which Letter Agreement provided for the sale for the account of the Company of the 2,999,926 shares of the Sun Common Stock then remaining on deposit with the Escrow Agent, and which Letter Agreement required, among other things, that the Company maintain on deposit with the Escrow Agent pursuant to the Escrow Agreement cash at least equal in amount to the Cash Exchange Price with respect to the Securities outstanding and that the Company and the Escrow Agent agree forthwith on the details and mechanics of the foregoing arrangement; and

WHEREAS, Section 19 of the Escrow Agreement provides that, without the consent of any holders of any of the Debentures, the Company and the Escrow Agent may by mutual accord enter into supplemental agreements to, among other things, cure any ambiguity or otherwise amend any provision contained in the Escrow Agreement which may be defective or inconsistent with any other provision contained therein or the Indenture or any supplemental indenture, or make such other provisions in regard to

matters or questions arising under the Escrow Agreement, in each case so long as the interest of the holders of the Debentures, including the right of such holders to exchange any Debenture for Exchange Securities and Exchange Property (each as defined in the Second Supplemental Indenture) apportioned thereto at the rate and upon the terms set forth in the Securities and the Second Supplemental Indenture, shall not be adversely affected; and

WHEREAS, pursuant to the Letter Agreement and Section 19 of the Escrow Agreement the Company and the Escrow Agent propose to enter into a First Supplemental Agreement to the Escrow Agreement, substantially in the form set forth in Exhibit A hereto (the "Escrow Supplement") to establish the details and mechanics of the arrangement set forth in the Letter Agreement, to provide certain additional flexibility in respect thereof, and to such extent to supersede the terms thereof, and to amend and supplement the Escrow Agreement in certain respects in connection therewith; and

WHEREAS, Section 901(9) of the Basic Indenture provides that, without the consent of any holders of Securities of any Series, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental to the Indenture for the purpose of curing any ambiguity, correcting or supplementing any provision in the Indenture which may be inconsistent with any other provision therein, or making any other provisions with respect to matters or questions arising under the Indenture, provided such action shall not adversely affect the interests of holders of Securities of any series in any material respect or, pursuant to Section 206(a)(1) of the Second Supplemental Indenture, adversely affect the right to exchange any Debenture for Exchange Property as provided in Article Five of the Second Supplemental Indenture; and

WHEREAS, pursuant to the foregoing authority the Company and the Trustee propose in and by this Supplemental Indenture to amend and supplement the Second Supplemental Indenture in certain respects in connection with the effectiveness and implementation of the Escrow Supplement; and

WHEREAS, Section 22 of the Escrow Agreement, Section 501 of the Second Supplemental Indenture and paragraph 5 of the Debentures provide that nothing in the Escrow Agreement, the Indenture or any Securities shall grant, and the Escrow Agent or the Trustee, as applicable, and the holders of Debentures shall not assert, any lien, pledge, charge, encumbrance, preferential rights or mortgage on, or with respect to, the Escrowed Property as security for the Debentures, any other indebtedness or otherwise; and

WHEREAS, the description of the escrow arrangements set forth in the Offering Circular pursuant to which the Debentures were sold provides that the Exchange Property will remain the property of the Company and the right of the holders of Debentures to exchange their Debentures could be adversely affected in the event of the bankruptcy, insolvency or liquidation of the Company, in which event the Exchange Property could become subject to the claims of general creditors of the Company; and

WHEREAS, in light of the foregoing, it has been concluded that this Third Supplemental Indenture may be entered into by the Trustee and the Company in accordance with the above-referenced provisions of Section 901(9) of the Basic Indenture without the consent of the holders of the Debentures since their interests will not be adversely affected; and

WHEREAS, all things necessary to make this Third Supplemental Indenture a valid agreement of the Company, and a valid amendment and supplement amending the Second Supplemental Indenture, have been done.

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL INDENTURE WITNESSETH:

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

Section 1. Definitions

Capitalized terms used herein without definition shall have the meaning specified in the Second Supplemental Indenture.

Section 2. General Permission

(a) The Company and the Escrow Agent may enter into the Escrow Supplement, and the Indenture is hereby amended and supplemented so as to permit any actions or omissions which are permitted thereunder.

(b) Without limiting the generality of the foregoing provisions of this Section, in the event that any Exchange Property is substituted for other Exchange Property pursuant to Section 3 of the Escrow Supplement, from and after such date the Cash Exchange Price and adjustments to the Exchange Rate shall be calculated under Article Five of the Second Supplemental Indenture, and the Company will provide the information required by Section 508 of the Second Supplemental Indenture, as if no such substitution had occurred.

Section 3. Event of Default

Without limiting the generality of Section 203 of the Second Supplemental Indenture, the following event shall constitute an Event of Default with respect to the Debentures under Section 203(a) of the Second Supplemental Indenture:

"default in the performance, or breach, of the provisions of Section 3 of the First Supplemental Agreement, dated as of January 26, 1993, to the Escrow Agreement, and continuance of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 10% in principal amount of the Outstanding Debentures a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder."

Section 4. Company Election

It is hereby agreed that the Company has duly elected to settle exchanges by delivering in lieu of Exchange Property the Cash Exchange Price until such time as the Company shall have elected otherwise in the manner provided for elections to pay the Cash Exchange Price pursuant to Section 7(b) of the Escrow Agreement.

Section 5. No Lien Created Hereby

Nothing in this Third Supplemental Indenture, the Second Supplemental Indenture, the Escrow Agreement (as supplemented by the Escrow Supplement) or any of the Debentures shall grant, and the Trustee and the Holders of the Debentures shall not assert, any lien, pledge, charge, encumbrance, preferential right or mortgage on, or with respect to, any Escrowed Property held by the Escrow Agent pursuant to the Escrow Agreement as security for the Debentures, any other Indebtedness or otherwise.

Section 6. Miscellaneous

(a) The Trustee accepts the trusts created by the Indenture, including the Second Supplemental Indenture as amended and supplemented hereby, and agrees to perform the same upon the terms and conditions of the Indenture, including the Second Supplemental Indenture as amended and supplemented hereby.

(b) The recitals contained herein shall be taken as statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Third Supplemental Indenture.

(c) Each of the Company and the Trustee makes and reaffirms as of the date of execution of this Supplemental Indenture all of its respective representations, warranties, covenants and agreements set forth in the Indenture (including the Second Supplemental Indenture as amended and supplemented hereby).

(d) All covenants and agreements in this Third Supplemental Indenture by the Company or the Trustee shall bind its respective successors and assigns, whether so expressed or not.

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

(f) Nothing in this Third Supplemental Indenture, express or implied, shall give to any Person, other than the parties hereto and their successors under

the Indenture and the Holders of the Debentures, any benefit or any legal or equitable right, remedy or claim under the Indenture (including the Second Supplemental Indenture as supplemented hereby).

(g) If any provision hereof limits, qualifies or conflicts with a provision of the Trust Indenture Act of 1939, as may be amended from time to time, that is required under such Act to be a part of and govern this Third Supplemental Indenture, the latter provision shall control. If any provision hereof modifies or excludes any provision of such Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Third Supplemental Indenture as so modified or excluded, as the case may be.

(h) This Third Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

(i) All amendments and supplements to the Indenture made hereby shall have effect only with respect to the Debentures.

(j) All provisions of this Third Supplemental Indenture shall be deemed to be incorporated in, and made a part of, the Indenture; and the Indenture, as amended and supplemented by this Third Supplemental Indenture, shall be read, taken and construed as one and the same instrument.

* * * *

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

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

EASTMAN KODAK COMPANY

By: _____
Title:

Attest: _____
Title:

THE BANK OF NEW YORK

By: _____
Title:

Attest: _____
Title:

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

On the ____ day of January, 1993, before me personally came _____,
to me known, who, being duly sworn, did depose and say that he is _____
of EASTMAN KODAK COMPANY, one of the corporations described in and which
executed the foregoing instrument; that he knows the seal of said corporation;
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.

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

On the ____ day of January, 1993, before me personally came _____,
to me known, who, being duly sworn, did depose and say that he is _____
of THE BANK OF NEW YORK, one of the corporations described in
and which executed the foregoing instrument; that he knows the seal of said
corporation; that the seal affixed to said instrument is such corporate seal;
that it was so affixed by authority of the Board of Directors of said
corporation, and that he signed his name thereto by like authority.

=====

EASTMAN KODAK COMPANY

TO

THE BANK OF NEW YORK

Trustee

FOURTH SUPPLEMENTAL INDENTURE
Dated as of March 1, 1993

TO

INDENTURE
Dated as of January 1, 1988

=====

FOURTH SUPPLEMENTAL INDENTURE, dated as of March 1, 1993, between EASTMAN KODAK COMPANY, a corporation duly organized and existing under the laws of the State of New Jersey (the "Company"), having its principal office at 343 State Street, Rochester, New York 14650, and THE BANK OF NEW YORK, a corporation duly organized and existing under the laws of the State of New York, as trustee (the "Trustee").

WHEREAS, the Company has heretofore executed and delivered to the Trustee an Indenture, dated as of January 1, 1988, as supplemented by First Supplemental Indenture thereto, dated as of September 6, 1991, Second Supplemental Indenture thereto, dated as of September 20, 1991 and Third Supplemental Indenture thereto, dated as of January 26, 1993 (as so supplemented, the "Indenture"), providing for the issuance from time to time of its unsecured debentures, notes or other evidences of indebtedness (herein and therein called the "Securities"), to be issued in one or more series as in the Indenture provided;

WHEREAS, Section 901(9) of the Indenture provides that, without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental to the Indenture for the purpose of curing any ambiguity, correcting or supplementing any provision in the Indenture which may be inconsistent with any other provision therein, or making any other 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 series in any material respect;

WHEREAS, the Company, pursuant to the foregoing authority, proposes in and by this Fourth Supplemental Indenture to amend and supplement the Indenture in certain respects as set forth herein; and

WHEREAS, all things necessary to make this Fourth Supplemental Indenture a valid agreement of the Company, and a valid amendment of and supplement to the Indenture, have been done.

NOW, THEREFORE, THIS FOURTH SUPPLEMENTAL INDENTURE WITNESSETH:

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

ARTICLE ONE

Relation To Indenture; Definitions

SECTION 1.01. This Fourth Supplemental Indenture constitutes an integral part of the Indenture and shall be construed in connection with and as part of the Indenture.

SECTION 1.02. For all purposes of this Fourth Supplemental Indenture, capitalized terms used herein without definition shall have the meanings specified in the Indenture.

SECTION 1.03. The definition of "Trust Indenture Act" provided in Section 101 of the Indenture shall be amended to read in its entirety as follows:

"'Trust Indenture Act' means the Trust Indenture Act of 1939, as amended by the Trust Indenture Reform Act of 1990 as in effect at the date of the Fourth Supplemental Indenture to this Indenture."

SECTION 1.04. Section 104 of the Indenture is amended to add at the end thereof new subsections (e) and (f) as follows:

"(e) If any Security of a series is issuable in the form of a Global Security or Securities, the Depositary therefor may grant proxies and otherwise authorize participants to give or take any request, demand, authorization, direction, notice, consent, waiver or other action which the Holder of such Security is entitled to grant or take under this Indenture.

(f) The Company may set a record date for purposes of determining the identity of Holders entitled to vote or consent to any action by vote or consent authorized or permitted by the second paragraph of Section 502 or Section 512. Such record date shall be the later of 30 days prior to the first solicitation of such consent or the date of the most recent list of Holders furnished to the Trustee pursuant to Section 701 prior to such solicitation."

ARTICLE TWO

The Securities

SECTION 2.01. The Indenture is amended to add a new Section 205 as follows:

"SECTION 205. Securities in Global Form.

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

SECTION 2.02. Section 304 of the Indenture is amended by adding the phrase "a permanent Global Security or Securities or" before the words "definitive Securities" in the first line thereof; by adding the phrase "or one or more temporary Global Securities" before the words "which are printed" in the third line thereof; and by adding the phrase "or permanent Global Security or Securities, as the case may be", before the words "in lieu of" in the fifth line thereof.

SECTION 2.03. Section 308 of the Indenture is amended by inserting the following paragraph at the end thereof:

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

ARTICLE THREE

The Trustee

SECTION 3.01. Section 608 (a) of the Indenture is amended by inserting directly before the word "either" appearing in the third line thereof the following:

"and if the default (exclusive of any period of grace or requirement of notice) to which such conflicting interest relates has not been cured or waived or otherwise eliminated within 90 days after ascertaining that it has such conflicting interest,";

Section 608(a) is further amended by inserting directly before the word "resign" in the fourth line thereof the phrase "except as otherwise provided below in this Section".

SECTION 3.02. Section 608 (c) of the Indenture is hereby amended by inserting directly after the phrase "of any series" appearing in the second line thereof the following:

"if such Securities are in default (exclusive of any period of grace or requirement of notice) and".

SECTION 3.03. Section 608(c)(8) of the Indenture is amended by deleting the word "or" appearing in the last line thereof.

SECTION 3.04. Section 608(c)(9) of the Indenture is amended by deleting the words and punctuation "on May 15 in any calendar year," appearing in the first line thereof and inserting in their place the following:

"on the date of default upon Securities of any series (exclusive of any period of grace or requirement of notice) or any anniversary of such default while such default upon such Securities remains outstanding,";

Section 608(c)(9) is further amended by deleting the words and punctuation "May 15 in each calendar year," appearing in line thirteen thereof and inserting in their place the following:

"the dates of any such default upon a series of Securities and annually in each succeeding year that such series of Securities remains in default,";

Section 608(c)(9) is further amended by deleting the phrase "May 15" appearing in line fifteen thereof and inserting in its place the word "dates";

and Section 608(c)(9) is further amended by deleting the period appearing in the last line thereof and inserting in its place the following:

"; or

(10) the Trustee, except under the circumstances described in paragraphs (1), (3), (9), (5) or (6) of this Section 608(c), shall be or shall become a creditor of the Company.

For purposes of paragraph (1) of this subsection the term 'series of securities' or 'series' means a series, class or group of securities issuable under an indenture pursuant to the terms of which holders of one such series may vote to direct the Trustee, or otherwise take action pursuant to a vote of holders, separately from holders of another such series; provided that 'series of securities' or 'series' shall not include any series of securities issuable under an indenture if all such series rank equally and are wholly unsecured."

SECTION 3.05. Section 608(d)(1) of the Indenture is amended by deleting the phrase "three years" appearing in the second line thereof and inserting in its place the words "one year".

SECTION 3.06. Section 608 of the Indenture is amended by inserting at the end thereof the following:

"(f) Except in the case of a default in the payment of the principal of or interest on any series of Securities, or in the payment of any sinking or purchase fund installment, the Trustee shall not be required to resign as provided by Section 608(c) hereof if the Trustee shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon and in accordance with any applicable regulations of the Commission, that--

(i) the default under the Indenture may be cured or waived during a reasonable period and under the procedures described in such application, and

(ii) a stay of the Trustee's duty to resign will not be inconsistent with the

interests of holders of such series of Securities. The filing of such an application shall automatically stay the performance of the duty to resign until the Commission orders otherwise.

Any resignation of the Trustee shall become effective only upon the appointment of a successor trustee and such successor's acceptance of such an appointment."

SECTION 3.07. Section 609 of the Indenture is amended by inserting directly after the second sentence thereof the following:

"Neither the Company, nor any Person directly or indirectly controlling, controlled by or under common control with the Company shall serve as Trustee for the Securities of any series."

SECTION 3.08. Section 610(d)(1) of the Indenture is amended by inserting directly after the word and punctuation "months," in the third line thereof the following:

"unless the Trustee's duty to resign is stayed in accordance with the provisions of Section 608(f),"

SECTION 3.09. Section 613 of the Indenture is amended by deleting the phrases "four months" and "four-month" each place they appear therein and inserting in place thereof the phrases "three months" and "three-month", respectively.

ARTICLE FOUR

Holdings' Lists and Reports by Trustee and Company

SECTION 4.01. Section 703(a) of the Indenture is amended by inserting directly after the phrase "with respect to" appearing in the fourth line thereof the following:

"any of the following events which may have occurred within the previous twelve months (but if no such event has occurred within such period no report need be transmitted)".

SECTION 4.02. Section 703(a)(1) of the Indenture is amended by deleting the same in its entirety and inserting in its place the following: "any change to its eligibility under Section 609 and its qualifications under Section 608;"

SECTION 4.03. Section 703(a) of the Indenture is amended by adding a new subsection (2) as follows and by

redesignating subsections (2), (3), (4), (5) and (6) as subsections (3), (4), (5), (6) and (7), respectively:

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

SECTION 4.04. Section 703(a)(5) (as redesignated pursuant to Section 4.03 of this Fourth Supplemental Indenture) of the Indenture is amended by inserting at the beginning thereof the phrase "any change to".

SECTION 4.05. Section 704 of the Indenture is amended by adding a new subsection (4) at the end thereof as follows:

"(4) furnish to the Trustee, not less often than annually, a brief certificate from the principal executive officer, the principal financial officer or principal accounting officer as to his or her knowledge of the Company's compliance with all conditions and covenants under this Indenture. For purposes of this subsection (4), such compliance shall be determined without regard to any period of grace or requirement of notice provided under this Indenture."

ARTICLE FIVE

Covenants

SECTION 5.01. Section 1001 of the Indenture is amended by inserting the following paragraph at the end thereof:

"The interest, if any, due in respect of any Global Security, together with any additional amounts payable in respect thereof, as provided in the terms and conditions of the Securities represented thereby, shall be payable only upon presentation of such Global Security to the Trustee for notation thereon of the payment of such interest."

ARTICLE SIX

Redemption of Securities

SECTION 6.01. Section 1103 of the Indenture is amended by deleting the first word "If" and inserting in place thereof the words "Except as otherwise specified as contemplated by Section 301 for Securities of any series, if".

SECTION 6.02. Section 1107 is amended by inserting at the end thereof the words"; except that if a Global Security is so surrendered, the Company shall execute, and the Trustee shall authenticate and deliver to the Depository for such Global

Security, without service charge, a new Global Security in a denomination equal to and in exchange for the unredeemed portion of the principal of the Global Security so surrendered."

ARTICLE SEVEN

Securityholders' Meetings

SECTION 7.01. The Indenture is hereby amended by adding after Article Thirteen the following new Article:

"ARTICLE FOURTEEN SECURITYHOLDERS' MEETINGS"

Section 14.01. Purposes for Which Meetings May be Called.

A meeting of Holders of Securities of any or all series may be called at any time and from time to time pursuant to the provisions of this Article for any of the following purposes:

(1) to give any notice to the Company or to the Trustee, or to give any directions to the Trustee, or to consent to the waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by Holders of Securities of any or all Series, as the case may be, pursuant to any of the provisions of Article Five;

(2) to remove the Trustee and appoint a successor trustee pursuant to the provisions of Article Six;

(3) to consent to the execution of a Supplemental Indenture pursuant to the provisions of Section 902; or

(4) to take any other action authorized to be taken by or on behalf of the Holders of any specified principal amount of the Securities of any or all series, as the case may be, under any other provision of this Indenture or under applicable law.

Section 14.02. Manner of Calling Meetings.

The Trustee may at any time call a meeting of Holders of Securities to take any action specified in Section 1401, to be held at such time and at such place in The City of New York, State of New York, as the Trustee shall determine. Notice of every meeting of Holders of Securities, setting forth the time and place of such meeting and in general terms the action proposed to be taken at such meeting, shall be mailed not less than 20 nor more than 60 days prior to the date fixed for the meeting.

Section 14.03. Call of Meetings by Company or Securityholders.

In case at any time the Company, pursuant to a resolution of its Board of Directors, or the Holders of not less than ten percent in principal amount of the Securities of any or all series, as the case may be, then Outstanding, shall have requested the Trustee to call a meeting of Holders of Securities of any or all series, as the case may be, to take any action authorized in Section 1401 by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed notice of such meeting within 20 days after receipt of such request, then the Company or such Holders of Securities in the amount above specified may determine the time and place in The City of New York, New York for such meeting and may call such meeting to take any action authorized in Section 1401, by mailing notice thereof as provided in Section 1402.

Section 14.04. Who May Attend and Vote at Meetings.

To be entitled to vote at any meeting of Holders, a Person shall (a) be a Holder of one or more Outstanding Securities with respect to which the meeting is being held; or (b) be a Person appointed by an instrument in writing as proxy by such Holder of one or more Securities. The only Persons who shall be entitled to be present or to speak at any meeting of Holders shall be the Persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company or its counsel.

Section 14.05. Regulations May be Made by Trustee; Conduct of the Meeting; Voting Rights -- Adjournment.

Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders, in regard to proof of the holding of Securities and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 104 and the appointment of any proxy shall be proved in the manner specified in said Section 104; provided, however, that such regulations may provide that written instruments appointing proxies regular on their face, may be

presumed valid and genuine without the proof hereinabove or in said Section 104 specified.

The Trustee shall by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Holders as provided in Section 1403, in which case the Company or the Holders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by majority vote of the meeting.

At any meeting each Holder of an Outstanding Security or proxy therefor shall be entitled to one vote for each \$250,000 principal amount (in the case of Original Issue Discount Securities, such principal amount shall be equal to such portion of the principal amount as may be specified in the terms of such series) of Securities held or represented by such Holder; provided, however, that no vote shall be cast or counted at any meeting in respect of any Security challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Securities held by such Person or instruments in writing as aforesaid duly designating such Person as the Person to vote on behalf of other Holders. Any meeting of Holders duly called pursuant to the provisions of Section 1402 or 1403 may be adjourned from time to time and the meeting may be held so adjourned without further notice.

At any meeting of Holders, the presence of Persons holding or representing Securities in principal amount sufficient to take action on the business for the transaction of which such meeting was called shall constitute a quorum, but, if less than a quorum is present, the Persons holding or representing a majority in principal amount of the Securities represented at the meeting may adjourn such meeting with the same effect for all intents and purposes, as though a quorum had been present.

Section 1406. Manner of Voting at Meetings and Records to be Kept.

The vote upon any resolution submitted to any meeting of Holders shall be by written ballots on which shall be subscribed the signatures of the Holders of Securities or of their representatives by proxy and the principal amount or principal amounts of the Securities held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified

written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more Persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Section 1402. The record shall show the principal amount or principal amounts of the Securities voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 1407. Exercise of Rights to Trustee and Securityholders Not to be Hindered or Delayed.

Nothing in this Article contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Holders or any rights expressly or impliedly conferred hereunder to make such call, any hindrances or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Holders under any of the provisions of this Indenture or of the Securities.

ARTICLE EIGHT

Miscellaneous

SECTION 8.01. The Trustee accepts the trusts created by the Indenture, as supplemented by this Fourth Supplemental Indenture, and agrees to perform the same upon the terms and conditions of the Indenture, as supplemented by this Fourth Supplemental Indenture.

SECTION 8.02. The recitals contained herein shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Fourth Supplemental Indenture.

SECTION 8.03. Each of the Company and the Trustee makes and reaffirms as of the date of execution of this Fourth Supplemental Indenture all of its respective representations, warranties, covenants and agreements set forth in the Indenture.

SECTION 8.04. All covenants and agreements in this Fourth Supplemental Indenture by the Company or the Trustee shall bind its respective successors and assigns, whether so expressed or not.

SECTION 8.05. In case any provision in this Fourth Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 8.06. Nothing in this Fourth Supplemental Indenture, express or implied, shall give to any Person, other than the parties hereto and their successors under the Indenture and the Holders, any benefit or any legal or equitable right, remedy or claim under the Indenture.

SECTION 8.07. If any provision hereof limits, qualifies or conflicts with a provision of the Trust Indenture Act, as it may be amended from time to time, that is required under such Act to be a part of and govern this Fourth Supplemental Indenture, the latter provision shall control. If any provision hereof modifies or excludes any provision of such Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Fourth Supplemental Indenture as so modified or excluded, as the case may be.

SECTION 8.08. THIS FOURTH SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 8.09. All provisions of this Fourth Supplemental Indenture shall be deemed to be incorporated in, and made a part of, the Indenture; and the Indenture, as supplemented by this Fourth Supplemental Indenture, shall be read, taken and construed as one and the same instrument.

* * * * *

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

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

[Corporate Seal]

EASTMAN KODAK COMPANY

Attest:

By: _____
Title:

Title:

[Corporate Seal]

THE BANK OF NEW YORK

Attest:

By: _____
Title:

Title:

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

On the ____ day of _____, 1993, before me personally came _____, to me known, who being duly sworn, did depose and say that he is _____ of EASTMAN KODAK COMPANY, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; 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.

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

On the ____ day of _____, 1993, before me personally came _____, to me known, who being duly sworn, did depose and say that he is _____ of THE BANK OF NEW YORK, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; 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.

September 5, 2003

Eastman Kodak Company
343 State Street
Rochester, New York 14650

Ladies and Gentlemen:

This opinion is furnished in connection with the proposed issuance and sale by Eastman Kodak Company, a New Jersey corporation (the "Company"), of up to \$2,000,000,000 aggregate principal amount of its debt securities (the "Debt Securities") pursuant to:

(a) The Company's Registration Statement on Form S-3 relating to the Debt Securities (the "Registration Statement"); and

(b) The Indenture, dated as of January 1, 1988, between the Company and The Bank of New York (the "Trustee"), as Trustee, as heretofore amended by a First Supplemental Indenture dated as of September 6, 1991, a Second Supplemental Indenture dated as of September 20, 1991, a Third Supplemental Indenture dated as of January 26, 1993 and a Fourth Supplemental Indenture dated as of March 1, 1993, and as may hereafter be further supplemented by supplemental indentures as provided in Article Nine of such indenture or as modified by resolutions of the Board of Directors as provided in Section 301 of such indenture, pursuant to which the Debt Securities are to be issued (the indenture as so supplemented or modified being hereinafter referred to as the "Indenture").

I am Senior Vice President and General Counsel of the Company, and am familiar with and have examined, either personally or through attorneys under my supervision, direction and control, originals or copies certified or otherwise identified to my satisfaction, of the Registration Statement, the Indenture, the Restated Certificate of Incorporation and bylaws of the Company and such other corporate records, certificates of corporate officials as to certain matters of fact, and instruments and documents as I have deemed necessary or advisable as a basis for the opinions set forth herein.

In such examination, I have assumed the genuineness of all signatures (other than the signatures of persons signing on behalf of the Company), the authenticity and completeness of all documents, certificates, instruments and records submitted as originals and the conformity to the original instruments of all documents submitted as copies, and the authenticity and completeness of the originals of such copies. In addition, in rendering this opinion, as to certain matters of fact, I have relied solely upon certificates of officers of the Company and certificates or telegrams of public officials, without any independent investigation of such matters.

Based upon the foregoing, I am of the opinion that:

1. The Company is existing as a corporation under the laws of the State of New Jersey.

2. When the issuance of a Debt Security has been duly authorized by all necessary corporate action of the Company as contemplated by the Indenture, subject to the terms of such Debt Security being otherwise in compliance with then applicable law, and when such Debt Security has been duly executed, authenticated, sold and delivered in the form approved pursuant to and in accordance with the terms of the Indenture and as described in the Registration Statement, which Registration Statement shall have become effective, the supplement or supplements to the Prospectus constituting a part thereof and, if applicable, such agreement or agreements as may have been duly authorized and executed in connection with the sale of such Debt Security, such Debt Security will be a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except that (a) enforcement thereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws of general applicability relating to or affecting enforcement of creditors' rights or by general equity principles and (b) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought. To the extent that the obligations of the Company under such Debt Security may be dependent upon such matters, I assume for purposes of this opinion that the Trustee is a corporation at all times duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation with full power and authority to enter into and perform its obligations under the Indenture, and the Indenture, at the time of the issuance and sale of such Debt Security, will constitute the valid and legally binding obligation of the Trustee, enforceable against the Trustee in accordance with its terms.

The laws covered by the opinions expressed herein are limited to the laws of the State of New Jersey and, with respect to the opinions expressed in paragraph 2 above, the laws of the State of New York.

I consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to me under the heading "Legal Opinions" in the prospectus included in the Registration Statement. In giving such consent, I do not admit that I come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933 or the rules or regulations of the Securities and Exchange Commission thereunder.

This opinion is for the sole benefit of the addressee and, without my express prior written consent, may not be relied upon by any other person.

Very truly yours,

/s/ Gary P. Van Graafeiland

Gary P. Van Graafeiland
Senior Vice President and
General Counsel

EXHIBIT (12)

Eastman Kodak Company and Subsidiary Companies
 Computation of Ratio of Earnings to Fixed Charges
 (in millions, except for ratios)

| | Six Months | Years ended December 31, | | | | |
|---|---------------------------|--------------------------|--------|----------|----------|----------|
| | Ended June 30, 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
| Earnings from continuing operations before provision for income taxes | \$ 108 | \$ 946 | \$ 115 | \$ 2,132 | \$ 2,109 | \$ 2,106 |
| Adjustments: | | | | | | |
| Minority interest in income/(loss) of subsidiaries with fixed charges | 8 | 17 | (11) | 11 | (30) | 7 |
| Undistributed loss/(earnings) of equity method investees | 23 | 107 | 77 | 36 | (17) | (32) |
| Interest expense | 71 | 173 | 219 | 178 | 142 | 110 |
| Interest component of rental expense (1) | 27 | 53 | 42 | 52 | 47 | 50 |
| Amortization of capitalized interest | 13 | 28 | 28 | 28 | 24 | 24 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Earnings as adjusted | \$ 250 | \$ 1,324 | \$ 470 | \$ 2,437 | \$ 2,275 | \$ 2,265 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| Fixed charges: | | | | | | |
| Interest expense | 71 | 173 | 219 | 178 | 142 | 110 |
| Interest component of rental expense (1) | 27 | 53 | 42 | 52 | 47 | 50 |
| Capitalized interest | 1 | 3 | 12 | 40 | 36 | 41 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Total fixed charges | \$ 99 | \$ 229 | \$ 273 | \$ 270 | \$ 225 | \$ 201 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| Ratio of earnings to fixed charges | 2.5x | 5.8x | 1.7x | 9.0x | 10.1x | 11.3x |

(1) Interest component of rental expense is estimated to equal 1/3 of such expense, which is considered a reasonable approximation of the interest factor.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated March 13, 2003 relating to the financial statements and financial statement schedule, which appears in Eastman Kodak Company's Annual Report on Form 10-K for the year ended December 31, 2002. We also consent to the references to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Rochester, New York
September 5, 2003

=====

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(b)(2) []

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

| | |
|---|---|
| New York (State of incorporation if not a U.S. national bank) | 13-5160382 (I.R.S. employer identification no.) |
| One Wall Street, New York, N.Y. (Address of principal executive offices) | 10286 (Zip code) |

EASTMAN KODAK COMPANY

(Exact name of obligor as specified in its charter)

| | |
|---|---|
| New Jersey (State or other jurisdiction of incorporation or organization) | 16-0417150 (I.R.S. employer identification no.) |
| 343 State Street Rochester, New York (Address of principal executive offices) | 14650 (Zip code) |

Debt Securities

(Title of the indenture securities)

=====

1. General information. Furnish the following information as to the Trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Name

Address

Superintendent of Banks of the State
of New York

2 Rector Street, New York, N.Y.
10006, and Albany, N.Y. 12203

Federal Reserve Bank of New York

33 Liberty Plaza, New York, N.Y.
10045

Federal Deposit Insurance Corporation

Washington, D.C. 20429

New York Clearing House Association

New York, New York 10005

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

Yes.

2. Affiliations with Obligor.

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

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)
4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)
6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 14th day of August, 2003.

THE BANK OF NEW YORK

By: /s/ MARY LAGUMINA

Name: MARY LAGUMINA
Title: VICE PRESIDENT

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286

And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business June 30, 2003,
published in accordance with a call made by the Federal Reserve Bank of this
District pursuant to the provisions of the Federal Reserve Act.

Dollar Amounts
In Thousands

ASSETS

| | | |
|---|----|------------|
| Cash and balances due from depository institutions: | | |
| Noninterest-bearing balances and currency and coin | \$ | 4,257,371 |
| Interest-bearing balances | | 6,048,782 |
| Securities: | | |
| Held-to-maturity securities | | 373,479 |
| Available-for-sale securities | | 18,918,169 |
| Federal funds sold in domestic offices | | 6,689,000 |
| Securities purchased under agreements to resell | | 5,293,789 |
| Loans and lease financing receivables: | | |
| Loans and leases held for sale | | 616,186 |
| Loans and leases, net of unearned income 38,342,282 | | |
| LESS: Allowance for loan and lease losses 819,982 | | |
| Loans and leases, net of unearned income and allowance | | 37,522,300 |
| Trading Assets | | 5,741,193 |
| Premises and fixed assets (including capitalized leases) ... | | 958,273 |
| Other real estate owned | | 441 |
| Investments in unconsolidated subsidiaries and associated companies..... | | 257,626 |
| Customers' liability to this bank on acceptances outstanding | | 159,995 |
| Intangible assets | | |
| Goodwill | | 2,554,921 |
| Other intangible assets | | 805,938 |
| Other assets | | 6,285,971 |

| | | | |
|--|----|------------|-------|
| Total assets | \$ | 96,483,434 | ===== |
| LIABILITIES | | | |
| Deposits: | | | |
| In domestic offices | \$ | 37,264,787 | |
| Noninterest-bearing | | 15,357,289 | |
| Interest-bearing | | 21,907,498 | |
| In foreign offices, Edge and Agreement subsidiaries, and IBFs | | 28,018,241 | |
| Noninterest-bearing | | 1,026,601 | |
| Interest-bearing | | 26,991,640 | |
| Federal funds purchased in domestic offices | | 739,736 | |
| Securities sold under agreements to repurchase | | 465,594 | |
| Trading liabilities | | 2,456,565 | |
| Other borrowed money: | | | |
| (includes mortgage indebtedness and obligations under capitalized leases) | | 8,994,708 | |
| Bank's liability on acceptances executed and outstanding | | 163,277 | |
| Subordinated notes and debentures | | 2,400,000 | |
| Other liabilities | | 7,446,726 | |
| Total liabilities | \$ | 87,949,634 | ===== |
| Minority interest in consolidated subsidiaries | | 519,472 | |
| EQUITY CAPITAL | | | |
| Perpetual preferred stock and related surplus | | 0 | |
| Common stock | | 1,135,284 | |
| Surplus | | 2,056,273 | |
| Retained earnings | | 4,694,161 | |
| Accumulated other comprehensive income | | 128,610 | |
| Other equity capital components | | 0 | |
| Total equity capital | | 8,014,328 | |
| Total liabilities minority interest and equity capital | \$ | 96,483,434 | ===== |

I, Thomas J. Mastro, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Senior Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell
Alan R. Griffith

Directors
