
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

SONOCO PRODUCTS COMPANY
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)
SOUTH CAROLINA 57-0248420
(STATE OR OTHER JURISDICTION (I.R.S. EMPLOYER
OF INCORPORATION OR IDENTIFICATION NO.)
ORGANIZATION)

POST OFFICE BOX 160
HARTSVILLE, SOUTH CAROLINA 29551
TELEPHONE: 803-383-7000
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF
REGISTRANT'S PRINCIPAL EXECUTIVE OFFICE)

F. TRENT HILL, JR.
VICE PRESIDENT--FINANCE AND CHIEF FINANCIAL OFFICER
SONOCO PRODUCTS COMPANY
POST OFFICE BOX 160
HARTSVILLE, SOUTH CAROLINA 29551
TELEPHONE: 803-383-7000
(NAME, ADDRESS AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR
SERVICE)

COPIES TO:
WILLIAM C. BOYD, ESQ. ROBERT B. HIDEN, JR., ESQ.
SINKLER & BOYD, P.A. SULLIVAN & CROMWELL
THE PALMETTO CENTER 125 BROAD STREET
1426 MAIN STREET NEW YORK, NEW YORK 10004
COLUMBIA, SOUTH CAROLINA 29201 (212) 558-4000
(803) 779-3080

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO PUBLIC: From time to
time after the effective date of this Registration Statement.

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

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. ☒

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. [] _____

Pursuant to Rule 429 under the Securities Act of 1933, the Prospectus herein also relates to and describes such aggregate principal amount of debt securities as shall result in aggregate proceeds to the Registrant of \$50,000,000, which debt securities are registered under Registration Statement No. 33-50503 of the Registrant.

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE PRICE PER UNIT*	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE*	AMOUNT OF REGISTRATION FEE

Debt Securities.....	\$200,000,000	100%	\$200,000,000	\$68,966

* Estimated solely for the purpose of calculating the registration fee.

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 THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

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+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A +
+REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE +
+SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY +
+OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT +
+BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR +
+THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE +
+SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE +
+UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF +
+ANY SUCH STATE. +
+++++
SUBJECT TO COMPLETION, DATED SEPTEMBER 25, 1996

SONOCO PRODUCTS COMPANY
[LOGO] (R) Debt Securities

Sonoco Products Company (the "Company") may offer from time to time, in one or more series, non-convertible debt securities consisting of debentures, notes and/or other unsecured evidences of indebtedness (the "Debt Securities") with an aggregate initial public offering price of up to U.S. \$250,000,000, or the equivalent thereof in any other currency or composite currency, on terms to be determined at the time of sale. The specific terms of the Debt Securities,

including, where applicable, the designation, aggregate principal amount, denominations, purchase price, maturity, interest rate (which may be fixed or variable), and time of payment of interest, if any, currency of payment, any terms for mandatory or optional redemption, any terms for sinking fund payments, any listing on a securities exchange and any other specific terms in connection with the sale of the Debt Securities in respect of which this Prospectus is being delivered will be set forth in an accompanying Prospectus Supplement (the "Prospectus Supplement"). Debt Securities may be issued in fully registered form or as book-entry securities in permanent global form.

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

The Debt Securities may be offered directly, through agents designated from time to time, through dealers or through underwriters also to be designated. See "Plan of Distribution." The names of any such agents, dealers or underwriters will be set forth in the accompanying Prospectus Supplement. This Prospectus may not be used to consummate a sale of Debt Securities unless accompanied by a Prospectus Supplement.

The date of this Prospectus is , 1996

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS OR ANY PROSPECTUS SUPPLEMENT AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ANY UNDERWRITER, DEALER OR AGENT. NEITHER THE DELIVERY OF THIS PROSPECTUS OR ANY PROSPECTUS SUPPLEMENT NOR ANY SALE MADE HEREUNDER OR THEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THE INFORMATION CONTAINED HEREIN OR IN ANY PROSPECTUS SUPPLEMENT IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF OR THEREOF OR THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THEREOF. NEITHER THIS PROSPECTUS NOR ANY PROSPECTUS SUPPLEMENT CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY DEBT SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"), all of which may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following Regional Offices of the Commission: Chicago Regional Office, Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661; and New York Regional Office, 7 World Trade Center, New York, New York 10048. Copies of such material can be obtained at prescribed rates from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. Such materials can also be obtained electronically through a web site maintained by the Commission, at the following address: <http://www.sec.gov>. Such material can also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

This Prospectus does not contain all of the information set forth in the Registration Statement on Form S-3, of which this Prospectus is a part, and exhibits thereto (together with all amendments thereto, the "Registration Statement"), which the Company has filed with the Commission under the Securities Act of 1933 (the "Securities Act"), certain portions of which have been omitted pursuant to the rules and regulations of the Commission, and to

which reference is hereby made for further information.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company incorporates herein by reference the following documents, which also have been filed with the Commission:

- (a) the Company's Annual Report on Form 10-K for the year ended December 31, 1995 and the Company's Annual Report on Form 10-K/A for the year ended December 31, 1995;
- (b) the Company's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 1996 and June 30, 1996;
- (c) the Company's Current Report on Form 8-K filed on August 5, 1996; and
- (d) all documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date hereof and prior to the termination of the offering of the Debt Securities.

Any statement contained herein, in the Prospectus Supplement or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of the Registration Statement and this Prospectus to the extent that a statement contained herein, in the Prospectus Supplement or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of the Registration Statement or this Prospectus.

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THE COMPANY WILL PROVIDE WITHOUT CHARGE TO EACH PERSON TO WHOM THIS PROSPECTUS IS DELIVERED, UPON WRITTEN OR ORAL REQUEST OF SUCH PERSON, A COPY OF ANY AND ALL OF THE DOCUMENTS THAT HAVE BEEN OR MAY BE INCORPORATED HEREIN BY REFERENCE (NOT INCLUDING EXHIBITS TO SUCH DOCUMENTS, UNLESS SUCH EXHIBITS ARE SPECIFICALLY INCORPORATED BY REFERENCE INTO SUCH DOCUMENTS). REQUESTS SHOULD BE DIRECTED TO: CHARLES J. HUPFER, VICE PRESIDENT, TREASURER AND SECRETARY, SONOCO PRODUCTS COMPANY, P.O. BOX 160, HARTSVILLE, SOUTH CAROLINA 29551-0160 (TELEPHONE: (803) 383-7000).

THE COMPANY

The Company, a South Carolina corporation founded in Hartsville, South Carolina in 1899, is a major global manufacturer of paperboard-based and plastic-based industrial and consumer packaging products. The Company is also vertically integrated into paperboard production and recovered paper collection. The paperboard utilized in the Company's packaging products is produced substantially from recovered paper. The Company operates an extensive network of plants in the United States and has subsidiaries in Europe, Canada, Mexico, South America, Australasia, and affiliates in Canada, Japan, France and Italy. The Company has made a number of acquisitions, would expect to acquire additional companies that provide meaningful opportunities in industrial and consumer markets, and may also dispose of operations when consistent with its overall goals and strategies. The Company's principal executive offices are located at One North Second Street, P.O. Box 160, Hartsville, South Carolina 29551-0160 (Telephone No. (803) 383-7000).

USE OF PROCEEDS

Except as may be set forth in the Prospectus Supplement, the Company intends to use the net proceeds from the sale of the Debt Securities for general corporate purposes, including working capital, capital expenditures and the repayment or reduction of bank indebtedness and commercial paper obligations.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the Company's ratio of earnings to fixed charges for the periods indicated.

	SIX MONTHS ENDED JUNE 30, 1996	YEARS ENDED DECEMBER 31, ----- 1995 1994 1993 1992 1991 -----				
Ratio of Earnings to Fixed Charges.....	5.89x	5.97x	5.64x	5.79x	4.40x	5.35x

For purposes of these calculations, "earnings" consist of income from operations before income taxes and fixed charges (excluding capitalized interest, if any). Fixed charges consist of interest on all indebtedness and that portion of rental expense considered to be representative of the interest factor.

DESCRIPTION OF THE DEBT SECURITIES

The following description of the terms of the Debt Securities sets forth certain general terms and provisions of the Debt Securities to which the Prospectus Supplement will relate. The particular terms of the Debt Securities offered by any Prospectus Supplement (the "Offered Debt Securities") and the extent, if any, to which such general provisions may not apply thereto will be described in the Prospectus Supplement relating to such Offered Debt Securities.

The Debt Securities are to be issued under an Indenture, dated as of June 15, 1991 (the "Indenture"), between the Company and The Bank of New York, as Successor Trustee (the "Trustee"), a form of which is incorporated by reference into the Registration Statement. The following summary of certain provisions of the Debt Securities and the Indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the Indenture, including the definitions therein of certain terms. Whenever particular provisions or defined terms in the Indenture are referred to herein, such provisions or defined terms are incorporated by reference herein. Section references used herein are references to the Indenture.

GENERAL

The Debt Securities will be unsecured obligations of the Company and will rank on a parity with all other currently outstanding unsecured and unsubordinated indebtedness of the Company.

The Debt Securities of any series may be issued in definitive form or, if provided in the Prospectus Supplement relating thereto, may be represented in whole or in part by a permanent global Security or Securities, which will be deposited with, or on behalf of, The Depository Trust Company, New York, New York (the "Depository"), and registered in the name of the Depository's nominee. Each Debt Security represented by a permanent global Security is referred to herein as a "Book-Entry Security."

The Indenture does not limit the amount of Debt Securities or of any particular series of Offered Debt Securities that may be issued thereunder or otherwise and provides that Debt Securities may be issued thereunder from time to time in one or more series.

Reference is made to the Prospectus Supplement relating to the particular series of Offered Debt Securities offered thereby for the following terms or additional provisions of the Offered Debt Securities: (i) the title of the

Offered Debt Securities; (ii) any limit on the aggregate principal amount of the Offered Debt Securities; (iii) the price (expressed as a percentage of the aggregate principal amount thereof) at which the Offered Debt Securities will be issued; (iv) the date or dates on which the principal of the Offered Debt Securities will be payable; (v) the rate or rates (which may be fixed or variable) per annum at which the Offered Debt Securities will bear interest, if any, or the method of determination of such rate or rates; (vi) the date or dates from which such interest, if any, on the Offered Debt Securities will accrue or the method of determination of such date or dates, the dates on which such interest, if any, will be payable, the date on which payment of such interest, if any, will commence, and the regular record dates for such interest payment dates, if any; (vii) the period or periods within which, the price or prices at which and the terms and conditions upon which the Offered Debt Securities may be redeemed, in whole or in part, at the option of the Company; (viii) the obligation, if any, of the Company to redeem or purchase Offered Debt Securities pursuant to any sinking fund or analogous provisions or at the option of a Holder, and the periods within, the prices at, and the terms and conditions upon which such Offered Debt Securities shall be redeemed or purchased; (ix) if other than the principal amount thereof, the amount of Offered Debt Securities which shall be payable upon declaration of acceleration of the maturity thereof; (x) if other than U.S. dollars, the currency (including composite currencies) in which payment of principal of (and premium, if any) and/or interest on the Offered Debt Securities shall be payable; (xi) any currency (including composite currencies) other than the stated currency of the Offered Debt Securities in which the principal of (and premium, if any) and/or interest on the Offered Debt Securities may, at the election of the Company or the Holders, be payable, and the periods within which, and terms and conditions upon which, such election may be made; (xii) if

the amount of payments of principal of (and premium, if any) and/or interest on the Offered Debt Securities may be determined with reference to an index based on a currency (including composite currencies) other than the stated currency of the Debt Securities, the manner in which such amounts shall be determined; (xiii) the right of the Company, if any, to defease the Offered Debt Securities or certain covenants under the Indenture; (xiv) whether any of the Offered Debt Securities shall be Book-Entry Securities and, in such case, the Depositary for such Book-Entry Securities; and (xv) any other terms relating to the Offered Debt Securities (which are not inconsistent with the Indenture). (Section 301)

Unless otherwise provided and except with respect to Book-Entry Securities, principal of and premium, if any, and interest, if any, on the Debt Securities will be payable, and the transfer of the Debt Securities will be registrable, at the Corporate Trust Office of the Trustee, except that, at the option of the Company, interest may be paid by mailing a check to, or by wire transfer to, the Holders of record entitled thereto. (Sections 301 and 305)

For a description of payments of principal of, premium, if any, and interest on, and transfer of, Book-Entry Securities, and exchanges of permanent global Securities representing Book-Entry Securities, see "Book-Entry Securities."

Unless otherwise indicated in the Prospectus Supplement relating thereto and except with respect to Book-Entry Securities, the Debt Securities will be issued only in fully registered form without coupons and in denominations of \$1,000 or any multiple thereof. No service charge will be made for any registration of transfer or exchange of the Offered Debt Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. (Sections 301, 302 and 305)

Debt Securities may be issued under the Indenture as Original Issue Discount Securities to be offered and sold at a substantial discount below their stated principal amount. Federal income tax consequences and other special considerations applicable to any such Original Issue Discount Securities will

be described in the Prospectus Supplement relating thereto. "Original Issue Discount Security" means any security which provides for the declaration of acceleration of the maturity of an amount less than the principal amount thereof upon the occurrence of an Event of Default and the continuation thereof. (Section 101)

In the case of a Debt Security denominated in a foreign currency, a state court in the State of New York rendering a judgment on such Security would be required under Section 27 of the New York Judiciary Law to render such judgment in the foreign currency in which the Debt Security is denominated, and such judgment would be converted into United States dollars at the exchange rate prevailing on the date of entry of the judgment.

CERTAIN COVENANTS OF THE COMPANY

Restriction on Liens

The Indenture provides that, so long as any Debt Securities are Outstanding, the Company will not issue, assume or guarantee, and will not permit any Domestic Subsidiary to issue, assume or guarantee, any Indebtedness which is secured by a mortgage, pledge, security interest, lien or encumbrance (any mortgage, pledge, security interest, lien or encumbrance being hereinafter referred to as a "lien" or "liens") of or upon any assets, whether now owned or hereafter acquired, of the Company or any such Domestic Subsidiary without effectively providing that the Debt Securities (together with, if the Company shall so determine, any other Indebtedness of the Company ranking equally with the Debt Securities) shall be equally and ratably secured by a lien ranking ratably with and equal to (or at the Company's option, prior to) such secured Indebtedness; provided, however, that the foregoing restriction shall not apply to (a) liens on any assets of any corporation existing at the time such corporation becomes a Domestic Subsidiary; (b) liens on any assets existing at the time of acquisition of such assets by the Company or a Domestic Subsidiary, or liens to secure the payment of all or any part of the purchase price of such assets upon the acquisition of such assets by the Company or a Domestic Subsidiary or to

secure any Indebtedness incurred, assumed or guaranteed by the Company or a Domestic Subsidiary prior to, at the time of, or within 180 days after such acquisition (or in the case of real property, the completion of construction (including any improvements on an existing asset) or commencement of full operation of such asset, whichever is later) which Indebtedness is incurred, assumed or guaranteed for the purpose of financing all or any part of the purchase price thereof or, in the case of real property, construction or improvements thereon; provided, however, that in the case of any such acquisition, construction or improvement, the lien shall not apply to any assets theretofore owned by the Company or a Domestic Subsidiary, other than, in the case of any such construction or improvement, any real property on which the property so constructed, or the improvement, is located; (c) liens on any assets to secure Indebtedness of a Domestic Subsidiary to the Company or to any wholly owned Domestic Subsidiary; (d) liens on any assets of a corporation existing at the time such corporation is merged into or consolidated with the Company or a Domestic Subsidiary or at the time of a purchase, lease or other acquisition of the assets of a corporation or firm as an entirety or substantially as an entirety by the Company or a Domestic Subsidiary; (e) liens on any assets of the Company or a Domestic Subsidiary in favor of the United States or any State thereof, or any department, agency or instrumentality or political subdivision of the United States 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 or guaranteed for the purpose of financing all or any part of the purchase price (or, in the case of real property, the cost of construction) of the assets subject to such liens (including, but not limited to, liens incurred in connection with pollution control, industrial revenue or similar financings); (f) any extension, renewal or replacement (or successive extensions, renewals or

replacements) in whole or in part of any lien referred to in the foregoing clauses (a) to (e), inclusive; provided, however, that the principal amount of Indebtedness secured thereby shall not exceed the principal amount of Indebtedness so secured at the time of such extension, renewal or replacement, and that such extension, renewal or replacement shall be limited to all or a part of the assets which secured the lien so extended, renewed or replaced (plus improvements and construction on real property); (g) liens not permitted by clauses (a) through (f) above if at the time of, and after giving effect to, the creation or assumption of any such lien, the aggregate amount of all Indebtedness of the Company and its Domestic Subsidiaries secured by all such liens not so permitted by clauses (a) through (f) above together with the Attributable Debt in respect of Sale and Lease-Back Transactions permitted by the Indenture do not exceed 10% of Consolidated Net Tangible Assets. (Section 1008)

Restriction on Sale and Lease-Back Transactions

The Indenture further provides that the Company will not, and will not permit any Domestic Subsidiary to, enter into any arrangement with any person providing for the leasing by the Company or a Domestic Subsidiary of any property or assets, other than any such arrangement involving a lease for a term, including renewal rights for not more than 3 years, whereby such property or asset has been or is to be sold or transferred by the Company or any Domestic Subsidiary to such person (herein referred to as a "Sale and Lease-Back Transaction"), unless (a) the Company or such Domestic Subsidiary would, at the time of entering into a Sale and Lease-Back Transaction, be entitled to incur Indebtedness secured by a lien on the property or asset to be leased in an amount at least equal to the Attributable Debt in respect of such Sale and Lease-Back Transaction without equally and ratably securing the Debt Securities pursuant to the Indenture; or (b) the proceeds of the sale of the property or assets to be leased are at least equal to the fair value of such property or assets (as determined by the Board of Directors of the Company) and an amount equal to the net proceeds from the sale of the property or assets so leased is applied, within 180 days of the effective date of any such Sale and Lease-Back Transaction, to the purchase or acquisition (or, in the case of property, the construction) of property or assets or to the retirement (other than at maturity or pursuant to a mandatory sinking fund or redemption provision) of Debt Securities or of Funded Indebtedness of the Company or a consolidated Domestic Subsidiary ranking on a parity with or senior to the Debt Securities. (Section 1009)

Applicability of Covenants

Any series of Debt Securities may provide that any one or more of the covenants described above shall not be applicable to the Securities of such series. (Section 1010)

Certain Definitions (Section 101)

"Attributable Debt", when used in connection with a Sale and Lease-Back transaction referred to above, shall mean, as of any particular time, the aggregate of present values (discounted at a rate per annum equal to the average interest borne by all Outstanding Debt Securities determined on a weighted average basis and compounded semi-annually) of the obligations of the Company or any Subsidiary for net rental payments during the remaining term of all leases (including any period for which such lease has been extended or may, at the option of the lessor, be extended). The term "net rental payments" under any lease of any period shall mean the sum of the rental and other payments required to be paid in such period by the lessee thereunder, not including, however, any amounts required to be paid by such lessee (whether or not designated as rental or additional rental) on account of maintenance and repairs, reconstruction, insurance, taxes, assessments, water rates or similar charges required to be paid by such lessee thereunder or any amounts required to be paid by such lessee thereunder contingent upon the amount of sales, maintenance and repairs, reconstruction, insurance, taxes, assessments, water

rates or similar charges.

"Consolidated Net Tangible Assets" means at any date, the total assets appearing on the most recently prepared consolidated balance sheet of the Company and the Subsidiaries as of the end of a fiscal quarter of the Company, prepared in accordance with generally accepted accounting principles at the time of calculation, less (a) all current liabilities as shown on such balance sheet and (b) intangible assets. "Intangible assets" means the value (net of any applicable reserves), as shown on or reflected in such balance sheet of: (i) all trade names, trademarks, licenses, patents, copyrights and goodwill; (ii) organizational costs; and (iii) deferred charges (other than prepaid items such as insurance, taxes, interest, commissions, rents and similar items and tangible assets being amortized); but in no event shall the term "intangible assets" include product development costs.

"Domestic Subsidiary" means any Subsidiary (a) incorporated under the laws of the United States or any state, territory or possession thereof, or the Commonwealth of Puerto Rico, (b) the operations of which are substantially conducted in the United States or its territories or possessions, or in the Commonwealth of Puerto Rico, or (c) a substantial portion of the assets of which are located in the United States or its territories or possessions or in the Commonwealth of Puerto Rico. A "wholly owned Domestic Subsidiary" is any Domestic Subsidiary of which all Outstanding securities having the voting power to elect the Board of Directors of such Domestic Subsidiary (irrespective of whether or not at the time securities of any other class or classes of such Domestic Subsidiary shall have or might have voting power by reason of the happening of any contingency) are at the time directly or indirectly owned or controlled by the Company, or by one or more wholly owned Domestic Subsidiaries, or by the Company and one or more wholly owned Domestic Subsidiaries.

"Funded Indebtedness" means any Indebtedness maturing by its terms more than one year from the date of the determination thereof, including any Indebtedness renewable or extendible at the option of the obligor to a date later than one year from the date of the determination thereof.

"Indebtedness" means (i) all obligations for borrowed money, (ii) all obligations evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations in respect of letters of credit or bankers acceptances or similar instruments (or reimbursement obligations with respect thereto), (iv) all obligations to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (v) all obligations as lessee which are capitalized in accordance with generally accepted accounting principles at the time of calculation, and (vi) all Indebtedness of others guaranteed by the Company or any of its subsidiaries or for which the Company or any of its subsidiaries is otherwise responsible or liable (whether by agreement to purchase indebtedness of, or to supply funds or to invest in, others).

"Subsidiary" means any corporation of which at least a majority of Outstanding securities having the voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether or not at the time securities of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by the Company, or by one or more of the Subsidiaries, or by the Company and one or more Subsidiaries.

EVENTS OF DEFAULT

An Event of Default with respect to the Debt Securities of any series is defined in the Indenture as: (a) default in payment of principal of or premium, if any, on any Debt Security of that series at maturity; (b) default for 30 days in payment of interest on any Debt Security of that series; (c)

default in the deposit of any sinking fund payment when due in respect of that series; (d) failure by the Company in the performance of any other of the covenants or warranties in the Indenture (other than a covenant or warranty included in the Indenture solely for the benefit of a series of Debt Securities other than that series) continued for 60 days after due notice by the Trustee or by Holders of at least 10% in principal amount of the Outstanding Debt Securities of that series; (e) a default under any bond, debenture, note or other evidence of the Indebtedness of the Company (including a default with respect to Debt 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 of the Company (including this Indenture), whether such Indebtedness now exists or shall hereafter be created, which default shall constitute a failure to pay such Indebtedness in a principal amount in excess of \$10 million when due and payable at final maturity after the expiration of any applicable grace period with respect thereto or shall have resulted in such Indebtedness in a principal amount in excess of \$10 million becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, without such Indebtedness having been discharged, or such acceleration having been rescinded or annulled, within a period of 15 days after there shall have been given, by overnight mail or other same day or overnight delivery service which can provide evidence of delivery, 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 under the Indenture; (f) certain events of bankruptcy, insolvency or reorganization of the Company; and (g) any other Event of Default provided with respect to Debt Securities of that series. (Section 501)

The Indenture provides that, if any Event of Default with respect to Debt Securities of any series at the time Outstanding occurs and is continuing, either the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Debt Securities of that series may declare the principal amount (or, if the Debt Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Debt Securities as may be specified in the terms thereof) of all Debt Securities of that series to be due and payable immediately, but upon certain conditions such declaration may be annulled and past defaults (except, unless theretofore cured, a default in payment of principal of or premium, if any, or interest, if any, on the Debt Securities of that series and certain other specified defaults) may be waived by the Holders of a majority in principal amount of the Outstanding Debt Securities of that series on behalf of the Holders of all Debt Securities of that series. (Sections 502 and 513)

Reference is made to the Prospectus Supplement relating to each series of Outstanding Debt Securities which are Original Issue Discount Securities for the particular provisions relating to acceleration of the Maturity of a portion of the principal amount of such Original Issue Discount Securities upon the occurrence of an Event of Default and the continuation thereof.

The Indenture provides that the Trustee will, within 90 days after the occurrence of a default with respect to Debt Securities of any series at the time Outstanding, give to the Holders of the Outstanding Debt Securities of that series notice of such default known to it if uncured or not waived, provided that, except in the case of default in the payment of principal of or premium, if any, or interest on any Debt Security of that series, or in the deposit of any sinking fund payment which is provided, the Trustee will be protected in withholding such notice if the Trustee in good faith determines that the withholding of such notice is in the interest of the Holders of the Outstanding Debt Securities of such series; and, provided further, that such notice shall not be given until 30 days after the occurrence of a default with respect to Outstanding Debt Securities of any series in the performance of a covenant in the Indenture other than for the payment of the principal of or premium, if any, or interest on any Debt Security of such series or the deposit of any sinking fund payment with respect to the Debt Securities of such series. The term default with respect to any series of Outstanding Debt

this provision means the happening of any of the Events of Default specified in the Indenture and relating to such series of Outstanding Debt Securities, excluding any grace periods and irrespective of any notice requirements. (Section 602)

The Indenture contains a provision entitling the Trustee, subject to the duty of the Trustee during default to act with the required standard of care, to be indemnified by the Holders of any series of Outstanding Debt Securities before proceeding to exercise any right or power under the Indenture at the request of the Holders of such series of Debt Securities. (Section 603) The Indenture provides that the Holders of a majority in principal amount of 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 other power conferred on the Trustee, with respect to the Debt Securities of such series provided that the Trustee may decline to act if such direction is contrary to law or the Indenture. In the case of Book-Entry Securities, the Indenture requires the Trustee to establish a record date for purposes of determining which Holders are entitled to join in such direction. (Section 512)

The Indenture includes a covenant that the Company will file annually with the Trustee a certificate of no default. (Section 1004)

MODIFICATION OF THE INDENTURE AND WAIVER OF COVENANTS

Modifications and amendments may be made by the Company and the Trustee to the Indenture, without the consent of any Holder of any Debt Security of any series, to add covenants and Events of Default, and to make provisions with respect to other matters and issues arising under the Indenture, provided that any such provision does not adversely affect the rights of the Holders of Debt Securities of any series (Section 901).

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the Holders of not less than 66 2/3% in principal amount of Outstanding Debt Securities of each series affected thereby, to execute supplemental indentures adding any provisions to or changing or eliminating any of the provisions of the Indenture or modifying the rights of the Holders of Outstanding Debt Securities of such series, except that no such supplemental indenture may, without the consent of the Holder of each Outstanding Debt Security affected thereby, (a) change the Stated Maturity, or reduce the principal amount, the premium, if any, thereon or the rate of payment of interest thereon, of any Debt Security of any series, (b) reduce the aforesaid percentage of Outstanding Debt Securities of any series, the consent of the Holders of which is required for any supplemental indenture or for waiver of compliance with certain provisions of the Indenture or certain defaults thereunder or (c) effect certain other changes. (Section 902) The Indenture also permits the Company to omit compliance with certain covenants in the Indenture with respect to Debt Securities of any series upon waiver by the Holders of not less than 66 2/3% in principal amount of Outstanding Debt Securities of such series. (Section 1011)

CONSOLIDATION, MERGER AND SALE OF ASSETS

The Indenture contains a provision permitting the Company, without the consent of the Holders of any of the Outstanding Debt Securities under the Indenture, to consolidate with or merge into any other corporation or transfer or lease its assets substantially as an entirety to any person provided that: (i) the successor is a corporation organized under the laws of any United States domestic jurisdiction; (ii) the successor corporation assumes the Company's obligations on the Debt Securities and under the Indenture; (iii) after giving effect to the transaction no Event of Default, and no event which, after notice or lapse of time, would become an Event of Default, shall have happened and be continuing; and (iv) certain other conditions are met.

(Sections 801 and 802)

BOOK-ENTRY SECURITIES

The following description of Book-Entry Securities will apply to any series of Debt Securities issued in whole or in part in the form of a permanent global Security or Securities except as otherwise provided in the Prospectus Supplement relating thereto.

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Upon issuance, all Book-Entry Securities of like tenor and having the same date of original issue will be represented by one or more permanent global Securities. Each permanent global Security representing Book-Entry Securities will be deposited with, or on behalf of, the Depositary, which will be a clearing agent registered under the Exchange Act. The permanent global Security will be registered in the name of the Depositary or a nominee of the Depositary.

Ownership of beneficial interests in a permanent global Security representing Book-Entry Securities will be limited to institutions that have accounts with the Depositary or its nominee ("participants") or persons that may hold interests through participants. In addition, ownership of beneficial interests by participants in such a permanent global Security only will be evidenced by, and the transfer of that ownership interest only will be effected through, records maintained by the Depositary or its nominee for such permanent global Security. Ownership of beneficial interest in such a permanent global Security by persons that hold through participants only will be evidenced by, and the transfer of that ownership interest within such participant only will be effected through, records maintained by such participant. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. Such laws may impair the ability to transfer beneficial interests in such a permanent global Security.

Payment of principal of and any premium and interest on Book-Entry Securities represented by any permanent global Security registered in the name of or held by the Depositary or its nominee will be made in the Depositary or its nominee, as the case may be, as the registered owners and Holder of the permanent global Security representing such Book-Entry Securities. None of the Company, the Trustee or any agent of the Company or the Trustee will have any responsibility or liability for any aspect of the Depositary's records or any participant's records relating to or payments made on account of beneficial ownership interests in a permanent global Security representing such Book-Entry Securities or for maintaining, supervising or reviewing any of the Depositary's records or any participant's records relating to such beneficial ownership interests. Payments by participants to owners of beneficial interests in a permanent global Security held through such participants will be governed by the Depositary's procedures, as is now the case with securities held for the accounts of customers registered in "street name," and will be the sole responsibility of such participants.

No permanent global Security described above may be transferred except as a whole by the Depositary for such permanent global Security to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary.

A permanent global Security representing Book-Entry Securities is exchangeable for definitive Debt Securities in registered form, of like tenor and of an equal aggregate principal amount, only if (a) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for such permanent global Security or if at any time the Depositary ceases to be a clearing agency registered under the Exchange Act, (b) the Company in its sole discretion determines that such permanent global Security shall be exchangeable for definitive Debt Securities in registered form or (c) there shall have occurred and be continuing an Event of Default with respect to the Debt Securities. Any permanent global Security that is exchangeable pursuant

to the preceding sentence shall be exchangeable in whole for definitive Debt Securities in registered form, of like tenor and of an equal aggregate principal amount, and, unless otherwise specified in the Prospectus Supplement relating thereto, in denominations of \$1,000 and integral multiples thereof. Such definitive Debt Securities shall be registered in the name or names of such person or persons as the Depositary shall instruct the Trustee. It is expected that such instructions may be based upon directions received by the Depositary from its participants with respect to ownership of beneficial interests in such permanent global Security.

Except as provided above, owners of beneficial interests in such permanent global Security will not be entitled to receive physical delivery of Debt Securities in definitive form and will not be considered the Holders thereof for any purpose under the Indenture, and no permanent global Security representing Book-Entry Securities shall be exchangeable, except for another permanent global Security of like denomination and tenor to be registered in the name of the Depositary or its nominee. Accordingly, each person owning a beneficial interest in such permanent global Security must rely on the procedures of the Depositary and, if such person is not a

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participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a Holder under the Indenture. The Company understands that under existing industry practices, in the event that the Company requests any action of Holders or an owner of a beneficial interest in such permanent global Security desires to give or take any action that a Holder is entitled to give or take under the Indenture, the Depositary would authorize the participants holding the relevant beneficial interests to give or take such action, and such participants would authorize beneficial owners owning through such participant to give or take such action or would otherwise act upon the instructions of beneficial owners owning through them.

DEFEASANCE OF OFFERED DEBT SECURITIES OR CERTAIN COVENANTS IN CERTAIN CIRCUMSTANCES

Defeasance and Discharge. The Indenture provides that the terms of any series of Debt Securities may provide that the Company will be discharged from any and all obligations in respect of the Debt Securities of such series (except for certain obligations to register the transfer or exchange of Debt Securities of such series, to replace stolen, lost or mutilated Debt Securities of such series, to maintain paying agencies and hold moneys for payment in trust) upon the deposit with the Trustee, in trust, of money and/or U.S. Government Obligations or, in the case of Debt Securities denominated in foreign currencies, money and/or Foreign Government Securities, which, through the payment of interest and principal thereof in accordance with their terms, will provide money in an amount sufficient to pay any installment of principal (and premium, if any) and interest on, and any mandatory sinking fund payments in respect of, the Debt Securities of such series on the stated maturity of such payments in accordance with the terms of the Indenture and such Debt Securities. Such discharge may only occur if, among other things, the Company has delivered to the Trustee an Opinion of Counsel to the effect that the Company has received from, or there has been published by, the United States Internal Revenue Service a ruling, or there has been a change in tax law, in either case to the effect that such a discharge will not be deemed, or result in, a taxable event with respect to Holders of the Debt Securities of such series; and such discharge will not be applicable to any Debt Securities of such series then listed on the New York Stock Exchange or any other securities exchange if the provision would cause said Debt Securities to be de-listed as a result thereof. (Section 403)

Defeasance of Certain Covenants. The Indenture provides that the terms of any series of Debt Securities may provide the Company with the option to omit to comply with certain restrictive covenants described in Sections 1008 and 1009 of the Indenture. The Company, in order to exercise such option, will be required to deposit with the Trustee money and/or U.S. Government Obligations or, in the case of Debt Securities denominated in foreign currencies, money

and/or Foreign Government Securities, which, through the payment of interest and principal thereof in accordance with their terms, will provide money in an amount sufficient to pay principal (and premium, if any) and interest on, and any mandatory sinking fund payments in respect of, the Debt Securities of such series on the stated maturity of such payments in accordance with the terms of the Indenture and such Debt Securities. The Company will also be required to deliver to the Trustee an opinion of counsel to the effect that the deposit and related covenant defeasance will not cause the Holders of the Debt Securities of such series to recognize income, gain or loss for federal income tax purposes. (Section 1010) In the event the Company exercises this option and the Debt Securities of such series are declared due and payable because of the occurrence of any Event of Default, the amount of money and U.S. Government Obligations or Foreign Government Securities, as the case may be, on deposit with the Trustee will be sufficient to pay amounts due on the Debt Securities of such series at the time of their Stated Maturity but may not be sufficient to pay amounts due on the Debt Securities of such series at the time of the acceleration resulting from such Event of Default. However, the Company shall remain liable for such payments.

The Prospectus Supplement will state if any defeasance provision will apply to the Offered Debt Securities.

TRUSTEE

The Trustee may resign or be removed with respect to one or more series of Debt Securities and a successor Trustee may be appointed to act with respect to such series. (Section 610) In the event that two or more persons are acting as Trustee with respect to different series of Debt Securities, each such Trustee shall be a Trustee of a

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trust under the Indenture separate and apart from the trust administered by any other such Trustee (Section 611), and any action described herein to be taken by the "Trustee" may then be taken by each such Trustee with respect to, and only with respect to, the one or more series of Securities for which it is Trustee.

The Company maintains customary banking relationships with the Trustee.

PLAN OF DISTRIBUTION

The Company may sell the Debt Securities being offered hereby in four ways: (i) directly to purchasers, (ii) through agents, (iii) through underwriters, and (iv) through dealers.

Offers to purchase Debt Securities may be solicited directly by the Company or by agents designated by the Company from time to time. Any such agent, who may be deemed to be an underwriter as that term is defined in the Securities Act, involved in the offer or sale of the Debt Securities in respect of which this Prospectus is delivered, will be named, and any commissions payable by the Company to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any such agent will be acting on a reasonable efforts basis for the period of its appointment. The Company shall have the sole right to accept offers to purchase Debt Securities and may reject any proposed offer in whole or in part. Agents shall have the right, in their sole discretion, to reject any offer received by them to purchase the Debt Securities in whole or in part. Agents may be entitled under agreements which may be entered into with the Company to indemnification by the Company against certain liabilities, including liabilities under the Securities Act, and may be customers of, engage in transactions with or perform services for the Company in the ordinary course of business.

If an underwriter or underwriters are utilized in the sale of the Debt Securities in respect of which this Prospectus is delivered, the Company will execute an underwriting agreement with such underwriters at the time of the sale to them and the names of the underwriters and the terms of the

transaction will be set forth in the Prospectus Supplement, which will be used by the underwriters to make resales of the Debt Securities in respect of which this Prospectus is delivered to the public. The underwriters may be entitled, under the relevant underwriting agreement, to indemnification by the Company against certain liabilities, including liabilities under the Securities Act.

If a dealer is utilized in the sale of the Debt Securities in respect of which this Prospectus is delivered, the Company will sell such Debt Securities to the dealer, as principal. The dealer may then resell such Debt Securities to the public at varying prices to be determined by such dealer at the time of resale. Dealers may be entitled to indemnification by the Company against certain liabilities, including liabilities under the Securities Act.

If the Company offers and sells Debt Securities directly to a purchaser or purchasers in respect of which this Prospectus is delivered, purchasers involved in the reoffer or resale of such Debt Securities, if such purchasers in respect thereof may be deemed to be underwriters as that term is defined in the Securities Act, will be named and the terms of such reoffers or resales will be set forth in a Prospectus Supplement. Such purchasers may then reoffer and resell such Debt Securities to the public or otherwise at varying prices to be determined by such purchasers at the time of resale or as otherwise described in the Prospectus Supplement. Purchasers of Debt Securities directly from the Company may be entitled under agreements which they may enter into with the Company to indemnification by the Company against certain liabilities, including liabilities under the Securities Act, and may engage in transactions with or perform services for the Company in the ordinary course of their business or otherwise.

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

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EXPERTS

The consolidated balance sheets of the Company as of December 31, 1995 and 1994, and the related consolidated statements of income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 1995, included in the Company's Annual Report on Form 10-K for the year ended December 31, 1995, have been audited by Coopers & Lybrand L.L.P., independent public accountants, as indicated in their report with respect thereto, and are incorporated by reference herein in reliance upon the authority of Coopers & Lybrand L.L.P. as experts in accounting and auditing.

VALIDITY OF THE DEBT SECURITIES

The validity of the Debt Securities offered hereby will be passed upon for the Company by Sinkler & Boyd, P.A., Columbia, South Carolina, general counsel to the Company, and Sullivan & Cromwell, New York, New York, special counsel to the Company, and for any underwriter, dealer or agent by counsel to such underwriter, dealer or agent named in the Prospectus Supplement ("Underwriters' Counsel"). In rendering their opinions, Sullivan & Cromwell and Underwriters' Counsel may rely on Sinkler & Boyd, P.A., as to certain matters of South Carolina law, and Sinkler & Boyd, P.A. may rely on Sullivan & Cromwell as to certain matters of New York law. Various attorneys in the firms of Sinkler & Boyd, P.A., and of Sullivan & Cromwell and members of their immediate families own or have beneficial interests in shares of the Company's common stock.

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PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

Expenses in connection with the issuance of the securities being registered hereby are estimated as follows:

Registration Fee.....	\$ 68,966
Trustee's fees and expenses.....	25,000
Printing and engraving costs.....	125,000
Rating Agencies' fees.....	110,000
Legal fees and expenses.....	190,000
Accounting fees and expenses.....	100,000
Blue Sky fees and expenses.....	20,000
Miscellaneous.....	11,034

TOTAL.....	\$650,000
	=====

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Article VIII of the By-laws of the Company provides for the indemnification by the Company of any present or former director, officer or employee of the Company, or any person, who, at the request of the Company, may have served as director or officer of another corporation in which it owns shares or of which it is a creditor. Any such person shall be entitled to reimbursement of expenses and other liabilities, to the maximum extent permitted by the laws of the State of South Carolina or by order of any court having jurisdiction in any action or proceeding to which he is a party by reason of being or having been a director, officer or employee.

Article 9 of the Restated Articles of Incorporation of the Company states that no director of the Company shall be personally liable to the Company or to its shareholders for monetary damages for breach of fiduciary duty as director, except to the extent such exemption from liability or limitation thereof is not permitted under the laws of South Carolina, as presently in effect or as the same may hereafter be amended.

Under Article 5 of the South Carolina Business Corporation Act of 1988 (the "Corporation Act"), a corporation has the power to indemnify directors and officers who meet the standards of good faith and reasonable belief that conduct was lawful and in the corporate interest (or not opposed thereto) set forth in the Corporation Act. The Corporation Act also empowers a corporation to provide insurance for directors and officers against liability arising out of their positions even though the insurance coverage is broader than the power of the corporation to indemnify. Under the Corporation Act, unless limited by its articles of incorporation, a corporation must indemnify a director or officer who is wholly successful, on the merits or otherwise, in the defense of any proceeding to which he was a party because he is or was a director or officer against reasonable expenses incurred by him in connection with the proceeding. The registrant's Restated Articles of Incorporation do not provide otherwise.

In addition, the Company maintains directors' and officers' liability insurance for the benefit of its directors and officers.

The form of Underwriting Agreement included as Exhibit 1 hereto provides for indemnification of directors, certain officers and controlling persons of the Company against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Act").

Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers or persons controlling the Company pursuant to the foregoing provisions (other than insurance), the Company has been informed 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.

ITEM 16. EXHIBITS

- 1 Form of Underwriting Agreement.
- 4.1 Indenture, dated as of June 15, 1991, between the Company and the Trustee. (Incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-3 (File No. 33-50503).)
- 4.2 Credit Agreement, dated as of September 17, 1996, among the Company, the several lenders from time to time party thereto and NationsBank, N.A., as agent.
- 5.1 Opinion (including consent) of Sinkler & Boyd, P.A.
- 5.2 Opinion (including consent) of Sullivan & Cromwell.
- 12.1 Statement re computation of ratio of earnings to fixed charges.
- 23.1 Consent of Sinkler & Boyd, P.A. (included in Exhibit 5.1).
- 23.2 Consent of Sullivan & Cromwell (included in Exhibit 5.2).
- 23.3 Consent of Coopers & Lybrand L.L.P.
- 24 Power of Attorney (included on the signature page hereof).
- 25 Statement of eligibility of the Trustee on Form T-1.

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes:

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

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

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in 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 and 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 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

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

Provided however, that paragraphs (1)(i) and (1)(ii) do not apply, since this Registration Statement is on Form S-3, if such 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 section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

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

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In connection with any offering of Debt Securities made in reliance upon Rule 430A, the undersigned registrant hereby undertakes that:

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

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus 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.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered 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 under Item 15 above, or otherwise (other than insurance), 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 insurance payments and 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.

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SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THE REGISTRANT CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL REQUIREMENTS FOR FILING ON FORM S-3 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF HARTSVILLE, STATE OF SOUTH CAROLINA, ON SEPTEMBER 25, 1996.

Sonoco Products Company

/s/ C.W. Coker

By: _____
C.W. COKER

CHAIRMAN AND CHIEF EXECUTIVE
OFFICER

POWER OF ATTORNEY

Each officer or director whose signature appears below hereby appoints C. W. Coker, P. C. Browning and F. Trent Hill, Jr., or any of them, his or her true and lawful attorney-in-fact to sign on his or her behalf, as an individual and in the capacity stated below, any amendment or post-effective amendment to this Registration Statement which any such attorney-in-fact may deem appropriate or necessary.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON THIS 25TH DAY OF SEPTEMBER, 1996.

/s/ C.W. Coker

C.W. COKER
PRINCIPAL EXECUTIVE OFFICER AND
DIRECTOR

/s/ F. Trent Hill, Jr.

F. TRENT HILL, JR.
PRINCIPAL FINANCIAL AND ACCOUNTING
OFFICER

/s/ Peter C. Browning

P. C. BROWNING
PRESIDENT AND CHIEF OPERATING
OFFICER AND DIRECTOR

/s/ James C. Fort

J.C. FORT
DIRECTOR

/s/ Charles J. Bradshaw

C.J. BRADSHAW
DIRECTOR

/s/ Paul Fulton

P. FULTON
DIRECTOR

/s/ Robert J. Brown

R.J. BROWN
DIRECTOR

/s/ B. L. M. Kasriel

B. L. M. KASRIEL
DIRECTOR

/s/ F. L. H. Coker

F. L. H. COKER
DIRECTOR

/s/ R.C. King, Jr.

R.C. KING, JR.
DIRECTOR

/s/ Edgar H. Lawton, Jr.

E.H. LAWTON, JR.
DIRECTOR

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/s/ James L. Coker

J.L. COKER
DIRECTOR

/s/ Hugh L. McColl, Jr.

H.L. MCCOLL, JR.
DIRECTOR

/s/ T.C. Coxe, III

T.C. COXE, III
DIRECTOR

/s/ E. Craig Wall, Jr.

E.C. WALL, JR.
DIRECTOR

/s/ Alan T. Dickson

/s/ Dona Davis Young

A.T. DICKSON
DIRECTOR

DONA DAVIS YOUNG
DIRECTOR

/s/ Robert E. Elberson

R.E. ELBERSON
DIRECTOR

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EXHIBIT INDEX

EXHIBIT	PAGE NO.
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5.1	Opinion (including consent) of Sinkler & Boyd, P.A.
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SONOCO PRODUCTS COMPANY
Debt Securities
Underwriting Agreement

[_____], 199

To the Representatives named
in Schedule I hereto of the
Underwriters named in
Schedule II hereto

Dear Sirs:

Sonoco Products Company, a South Carolina corporation (the "Company"), proposes to issue and sell to the underwriters named in Schedule II hereto (the "Underwriters"), for whom you are acting as representatives (the "Representatives"), the principal amount of its debt securities identified in Schedule I hereto (the "Securities"), to be issued under the indenture specified in Schedule I hereto (the "Indenture") between the Company and the Trustee identified in such Schedule (the "Trustee"). If the firm or firms listed in Schedule II hereto include only the firm or firms listed in Schedule I hereto, then the terms "Underwriters" and "Representatives", as used herein shall each be deemed to refer to such firm or firms.

The Company has prepared and filed with the Securities and Exchange Commission (the "Commission") in accordance with the provisions of the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Securities Act"), a registration statement or statements (the file numbers of which are set forth in Schedule I hereto) on Form S-3, relating to certain debt securities (the "Shelf Securities") to be issued from time to time by the Company. The Company also has filed with, or proposes to file with, the Commission pursuant to Rule 424 under the Securities Act a prospectus supplement specifically relating to the Securities. The registration statements as amended to the date of this Agreement are hereinafter referred to as the "Registration Statement" and the related prospectus covering the Shelf Securities in the form first used to confirm sales of the Securities is hereinafter referred to as the "Basic Prospectus". The Basic Prospectus as supplemented by the prospectus supplement specifically relating to the

Securities in the form first used to confirm sales of the Securities is hereinafter referred to as the "Prospectus". Any reference in this Agreement to the Registration Statement, the Basic Prospectus, any preliminary form of Prospectus (a "preliminary prospectus") previously filed with the Commission pursuant to Rule 424 or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Securities Act which were filed under the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Exchange Act") on or before the date of this Agreement or the date of the Basic Prospectus, any preliminary prospectus or the Prospectus, as the case may be; and any reference to "amend", "amendment" or "supplement" with respect to the Registration Statement, the Basic Prospectus, any preliminary prospectus or the Prospectus shall be deemed to refer to and include any documents filed under the Exchange Act after the date of this Agreement, or the date of the Basic Prospectus, any preliminary prospectus or the Prospectus, as the case may be, which are deemed to be incorporated by reference therein.

The Company hereby agrees with the Underwriters as follows:

1. The Company agrees to issue and sell the Securities to the several Underwriters as hereinafter provided, and each Underwriter, on the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees to purchase, severally and not jointly, from the Company the respective principal amount of Securities set forth opposite such Underwriter's name in Schedule II hereto at the purchase price set forth in Schedule I hereto plus accrued interest, if any, from the date specified in Schedule I hereto to the date of payment and delivery.

2. The Company understands that the several Underwriters intend (i) to make a public offering of their respective portions of the Securities and (ii) initially to offer the Securities upon the terms set forth in the Prospectus.

3. Payment for the Securities shall be made to the Company or to its order in immediately available funds by wire transfer or other same day funds on the date and at the time and place set forth in Schedule I hereto (or at such time and place on the same or such other date, not later than the fifth Business Day thereafter, as the Representatives and the Company may agree in writing). Such

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payment will be made upon delivery to, or to the Representatives for the respective accounts of, such Underwriters of the Securities registered in such names and in such denominations as the Representatives shall request not less than two full Business Days prior to the date of delivery, with any transfer taxes payable in connection with transfer to the Underwriters duly paid by the Company. As used herein, the term "Business Day" means any day other than a day on which banks are permitted or required to be closed in New York City. The time and date of such payment and delivery with respect to the Securities are referred to herein as the Closing Date. The certificates for the Securities will be made available for inspection and packaging by the Representatives by 1:00 P.M. on the Business Day prior to the Closing Date at such place in New York City as the Representatives and the Company shall agree.

4. The Company represents and warrants to each Underwriter that:

(a) the Registration Statement has been declared effective by the Commission under the Securities Act; no stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for that purpose has been instituted or, to the knowledge of the Company, threatened by the Commission; and the Registration Statement and Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) comply, or will comply, as the case may be, in all material respects with the Securities Act and the Trust Indenture Act of 1939, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Trust Indenture Act"), and do not and will not, as of the applicable effective date as to the Registration Statement and any amendment thereto and as of the date of the Prospectus and any amendment or supplement thereto, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and the Prospectus, as amended or supplemented at the Closing Date, if applicable, will not contain 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 under which they were

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made, not misleading and the Prospectus, as amended or supplemented at the Closing Date, if applicable, will not contain 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 under which they were made, not misleading; except that the foregoing representations and warranties shall not apply to (i) that part of the

Registration Statement which constitutes the Statement of Eligibility (Form T-1) under the Trust Indenture Act of the Trustee, and (ii) statements or omissions in the Registration Statement or the Prospectus made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein;

(b) the documents incorporated by reference in the Prospectus, when they were filed with the Commission, conformed in all material respects to the requirements of the Exchange Act, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and any further documents so filed and incorporated by reference in the Prospectus, when such documents are filed with the Commission will conform in all material respects to the requirements of the Exchange Act, as applicable, and will not contain an 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 under which they were made, not misleading;

(c) the financial statements, and the related notes thereto, included or incorporated by reference in the Registration Statement and the Prospectus present fairly the consolidated financial position of the Company and its consolidated subsidiaries as of the dates indicated and the results of their operations and the changes in their consolidated cash flows for the periods specified; said financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis except as set forth in the notes thereto, and the supporting schedules included or

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incorporated by reference in the Registration Statement present fairly the information required to be stated therein;

(d) since the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, business, prospects, financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Prospectus; and except as set forth or contemplated in the Prospectus neither the Company nor any of its subsidiaries has entered into any transaction or agreement (whether or not in the ordinary course of business) material to the Company and its subsidiaries taken as a whole;

(e) the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the state of its incorporation, with corporate power and authority to own its properties and conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties, or conducts any business, so as to require such qualification, other than where the failure to be so qualified or in good standing would not have a material adverse effect on the Company and its subsidiaries taken as a whole;

(f) each of the Company's significant subsidiaries (as defined in the Commission's Regulation S-X) incorporated under the laws of a state of the United States ("significant subsidiary") has been duly incorporated and is validly existing as a corporation under the laws of its jurisdiction of incorporation, with corporate power and

authority to own its properties and conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each jurisdiction in which it owns or leases properties or conducts any business so as to

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require such qualification, other than where the failure to be so qualified or in good standing would not have a material adverse effect on the Company and its subsidiaries taken as a whole; and all the outstanding shares of capital stock of each subsidiary of the Company have been duly authorized and validly issued, are fully-paid and nonassessable, and (except in the case of foreign subsidiaries, for directors' qualifying shares) are owned by the Company, directly or indirectly, free and clear of all liens, encumbrances, security interests and claims except for statutory liens which individually and in the aggregate are not material;

(g) this Agreement has been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery by the Underwriters and the valid and binding nature of this Agreement on the Underwriters, constitutes a valid and legally binding agreement of the Company, except as rights to indemnity and contribution may be limited by applicable law;

(h) the Securities have been duly authorized, and when issued and delivered pursuant to this Agreement and the Indenture, will have been duly executed, authenticated, issued and delivered and will constitute valid and binding obligations of the Company entitled to the benefits provided by the Indenture; the Indenture has been duly authorized, executed and delivered by the Company and the Trustee, has been duly qualified under the Trust Indenture Act, and constitutes a valid and binding instrument enforceable in accordance with its terms, subject as to enforceability to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Securities and the Indenture will conform to the descriptions thereof in the Prospectus;

(i) neither the Company nor any of its subsidiaries is, or with the giving of notice or lapse of time or both would be, in violation of or in default under, its Articles of Incorporation or By-Laws or any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which the Company or any of its subsidiaries is a party or by which it or any of

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them or any of their respective properties is bound, except for violations and defaults which individually and in the aggregate are not material to the Company and its subsidiaries taken as a whole or to the holders of the Securities; the issue and sale of the Securities and the performance by the Company of all of the provisions of its obligations under the Securities, the Indenture and this Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will any such action result in any violation of the provisions of the Articles of Incorporation or the By-Laws of the Company or any material applicable law or statute or any order, rule or regulation of any court or governmental agency or

body having jurisdiction over the Company, its subsidiaries or any of their respective properties; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Securities by the Company or the consummation by the Company of the transactions contemplated by this Agreement or the Indenture, except such consents, approvals, authorizations, registrations or qualifications as have been obtained under the Securities Act and the Trust Indenture Act and as may be required under state securities or Blue Sky Laws in connection with the purchase and distribution of the Securities by the Underwriters;

(j) other than as set forth or contemplated in the Prospectus, there are no legal or governmental proceedings pending or, to the knowledge of the Company, threatened to which the Company or any of its subsidiaries is or may be a party or to which any property of the Company or any of its subsidiaries is or may be the subject which, if determined adversely to the Company, could individually or in the aggregate reasonably be expected to have a material adverse effect on

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the general affairs, business, prospects, management, financial position, shareholders' equity or results of operations of the Company and its subsidiaries taken as a whole and, to the best of the Company's knowledge, no such proceedings are contemplated by governmental authorities; and there are no contracts or other documents of a character required to be filed as an exhibit to the Registration Statement or required to be described in the Registration Statement or the Prospectus which are not filed or described as required; and

(k) the Company has complied with all provisions of Section 517.075, Florida Statutes (Chapter 92-198, Laws of Florida).

5. The Company covenants and agrees with the several Underwriters as follows:

(a) to file the Prospectus in a form approved by the Representatives pursuant to Rule 424 under the Securities Act not later than the Commission's close of business on the second Business Day following the date of determination of the offering price of the Securities;

(b) to deliver to each Representative and counsel for the Underwriters identified in Schedule I hereto ("Counsel for the Underwriters"), at the expense of the Company, a signed copy of the Registration Statement (as originally filed) and each amendment thereto, in each case including exhibits and documents incorporated by reference therein and, during the period mentioned in paragraph (f) below, to each of the Underwriters as many copies of the Prospectus (including all amendments and supplements thereto) and documents incorporated by reference therein as the Representatives may reasonably request;

(c) during the period mentioned in paragraph (f) below, before filing any amendment or supplement to the Registration Statement or Prospectus, to furnish to the Representatives a copy of any proposed amendment or supplement to the Registration Statement or the Prospectus, for review, and not to file any such proposed amendment or supplement to which the Representatives reasonably object;

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(d) to file promptly, subject to the provisions of paragraph (c) above, all reports and any definitive proxy or information statements

required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act during the period mentioned in paragraph (f) below;

(e) during the period mentioned in paragraph (f) below, to advise the Representatives promptly, and to confirm such advice in writing, (i) when any amendment to the Registration Statement shall have become effective, (ii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for any additional information, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation or threatening of any proceeding for that purpose, and (iv) of the receipt by the Company of any notification with respect to any suspension of the qualification of the Securities for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and to use its best efforts to prevent the issuance of any such stop order or notification and, if issued, to obtain as soon as possible the withdrawal thereof;

(f) if, during such period after the first date of the public offering of the Securities as in the opinion of Counsel for the Underwriters a prospectus relating to the Securities is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading, or if it is necessary to amend or supplement the Prospectus to comply with law, forthwith to prepare and furnish, at the expense of the Company, to the Underwriters and to the dealers (whose names and addresses the Representatives will furnish to the Company) to which Securities may have been sold by the Representatives on behalf of the Underwriters and to any other dealers upon request, such amendments or supplements to the Prospectus as may be necessary so that the statements in the Prospectus

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as so amended or supplemented will not, in the light of the circumstances when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus will comply with law;

(g) to endeavor to qualify the Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representatives shall reasonably request and to continue such qualification in effect so long as reasonably required for distribution of the Securities and to pay all fees and expenses (including the reasonable fees and disbursements of Counsel for the Underwriters) reasonably incurred in connection with such qualification and in connection with the determination of the eligibility of the Securities for investment under the laws of such jurisdictions as the Representatives may designate; provided that the Company shall not be required to file a general consent to service of process or to qualify as a foreign corporation to do business in any jurisdiction;

(h) to make generally available to its security holders and to the Representatives as soon as practicable an earnings statement covering a period of at least twelve months beginning with the first complete fiscal quarter of the Company occurring after the effective date of the Registration Statement, which shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder;

(i) through its fiscal year ending in 1998, to furnish to the Representatives copies of all reports or other communications

(financial or other) furnished to holders of Securities, and copies of any reports with financial statements furnished to or filed with the Commission or any national securities exchange;

(j) during the period beginning on the date hereof and continuing to and including the Business Day following the Closing Date, not to offer, sell, contract to sell or otherwise dispose of any debt securities of or guaranteed by the Company which are substantially similar to the Securities without the prior written consent of the Representatives; and

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(k) to pay all costs and expenses incident to the performance of its obligations hereunder, including without limiting the generality of the foregoing, all costs and expenses (i) incident to the preparation, issuance, execution, authentication and delivery of the Securities, including any expenses of the Trustee, (ii) incident to the preparation, printing and filing under the Securities Act of the Registration Statement, the Prospectus and any preliminary prospectus (including in each case all exhibits, amendments and supplements thereto), (iii) incurred in connection with the registration or qualification and determination of eligibility for investment of the Securities under the laws of such jurisdictions as the Underwriters may designate (including the reasonable fees of Counsel for the Underwriters and their disbursements), (iv) in connection with the listing of the Securities on any stock exchange, (v) related to any filing with National Association of Securities Dealers, Inc., (vi) in connection with the printing (including word processing and duplication costs) and delivery of this Agreement, the Indenture, the Preliminary and Supplemental Blue Sky Memoranda and any Legal Investment Survey and the furnishing to underwriters and dealers of copies of the Registration Statement and the Prospectus, including mailing and shipping, as herein provided and (vii) payable to rating agencies in connection with the rating of the Securities.

6. The several obligations of the Underwriters hereunder shall be subject to the following conditions:

(a) the representations and warranties of the Company contained herein are true and correct in all material respects on and as of the Closing Date as if made on and as of the Closing Date and the Company shall have in all material respects complied with all agreements and all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date;

(b) the Prospectus shall have been filed with the Commission pursuant to Rule 424 within the applicable time period prescribed for such filing by the rules and regulations under the Securities Act; no stop order suspending the effectiveness of the Registration Statement shall be in effect, and no proceedings for such purpose shall be pending

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before or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to the satisfaction of the Representatives;

(c) subsequent to the execution and delivery of this Agreement and prior to the Closing Date, there shall not have occurred any downgrading, nor shall any notice have been given of (i) any intended or potential downgrading or (ii) any review or possible change that does not indicate an improvement, in the rating accorded any securities of or guaranteed by the Company by any "nationally recognized statistical rating organization", as such term is defined

for purposes of Rule 436(g)(2) under the Securities Act;

(d) since the respective dates as of which information is given in the Prospectus there shall not have been any material adverse change or any development involving a material adverse change, in or affecting the general affairs, business, financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Prospectus, the effect of which in the judgment of the Representatives makes it impracticable to proceed with the public offering or the delivery of the Securities on the terms and in the manner contemplated in the Prospectus;

(e) the Representatives shall have received on and as of the Closing Date a certificate of an executive officer of the Company satisfactory to the Representatives, on the best knowledge of such executive officer, to the effect set forth in subsections (a) through (c) of this Section and to the further effect that there has not occurred any material adverse change, or any development involving a material adverse change, in or affecting the general affairs, business, prospects, financial position, shareholders' equity or results of operations of the Company and its subsidiaries taken as a whole from that set forth or contemplated in the Prospectus;

(f) Sinkler & Boyd, P.A., general counsel for the Company, shall have furnished to the Representatives their written opinion, dated the

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Closing Date, in form and substance satisfactory to the Representatives, to the effect that:

(i) the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation, with corporate power and authority to own its properties and conduct its business as described in the Prospectus as then amended or supplemented;

(ii) each of the Company's significant subsidiaries has been duly incorporated and is validly existing as a corporation under the laws of its jurisdiction of incorporation with corporate power and authority to own its properties and conduct its business as described in the Prospectus;

(iii) such counsel does not know of any contracts or other documents of a character required to be filed as an exhibit to the Registration Statement or required to be described in the Registration Statement or the Prospectus which are not filed or described as required, or of any pending legal proceedings to which the Company or any of its subsidiaries is a party or of which any of their property is the subject required to be described in the Registration Statement or the Prospectus which are not described as required;

(iv) the Indenture has been duly authorized, executed and delivered by the Company and duly qualified under the Trust Indenture Act; the Securities have been duly authorized, executed, authenticated, issued and delivered; and the Indenture and the Securities constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, subject, as to enforceability, to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles;

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

(vi) neither the Company nor any of its significant subsidiaries is, or with the giving of notice or lapse of time or both would be, in violation of or in default under, its Articles of Incorporation or By-Laws or, to the best knowledge of such counsel, any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument relating to indebtedness for money borrowed known to such counsel to which the Company or any of its subsidiaries is a party or by which it or any of them or any of their respective properties is bound, except for violations and defaults which individually and in the aggregate are not material to the Company and its subsidiaries taken as a whole or to the holders of the Securities; the issue and sale of the Securities and the performance by the Company of its obligations under the Securities, the Indenture and this Agreement and the consummation of the transaction herein and therein contemplated will not, to the best knowledge of such counsel, conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument relating to indebtedness for money borrowed known to such counsel to which the Company or any of its significant subsidiaries is a party or by which the Company or any of its significant subsidiaries is bound or to which any of the property or assets of the Company or any of its significant subsidiaries is subject, nor will any such action result in any violation of the provisions of the Articles of Incorporation, or the By-Laws of the Company;

(vii) all regulatory consents, authorizations, approvals and filings required to be obtained or made by the Company under the Federal laws of the United States and the laws of the State of South Carolina for the issuance, sale and delivery of the Securities

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by the Company to the Underwriters have been obtained or made;

(viii) the Registration Statement has become effective under the Securities Act; and, to the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted under the Securities Act;

(ix) the statements in the Prospectus under the captions "Description of the Debt Securities" and "Description of the Debentures", insofar as such statements constitute a summary of the documents referred to therein, fairly present the information called for with respect to such documents; and

(x) such counsel (A) is of the opinion that each document incorporated by reference in the Registration Statement and the Prospectus (except for the financial statements and financial data included therein as to which such counsel need express no opinion or belief) complied as to form when filed with the Commission in all material respects with the Exchange Act, (B) does not believe that (except for the financial statements and financial data included therein as to which such counsel need express no opinion or belief) any part of the registration statement (including the documents incorporated by reference therein) filed with the Commission pursuant to the Securities Act relating to the Securities, when such part became effective, 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, (C) is of the opinion that the Registration Statement and the Prospectus as of the date of the Prospectus (except for the financial statements and financial data included therein as to which such counsel need express no opinion or belief) comply as to form in all material respects with the requirements of the Securities Act and the Trust Indenture Act and (D) does not believe that (except for

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the financial statements and financial data included therein as to which such counsel need express no belief) the Registration Statement and the Prospectus, on the effective date of the Registration Statement, contained any 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, or that the Prospectus as amended or supplemented, if applicable, contains any untrue statement of a material fact or omits 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.

In rendering such opinions, such counsel may rely (A) as to matters involving the application of laws other than the laws of the United States and the State of South Carolina, to the extent such counsel deems proper and to the extent specified in such opinion, if at all, upon an opinion or opinions of Sullivan & Cromwell as to New York law and on an opinion or opinions (reasonably satisfactory to Counsel for the Underwriters) of other counsel reasonably acceptable to Counsel for the Underwriters, familiar with the applicable laws; and (B) as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of the Company and certificates or other written statements of public officials. The opinion of such counsel for the Company shall state that the opinion of any such other counsel is in form satisfactory to such counsel and, in such counsel's opinion, the Underwriters and they are justified in relying thereon. With respect to the matters to be covered in subparagraph (x) above counsel may state their opinion and belief is based upon their participation in the preparation of the Registration Statement and the Prospectus and any amendment or supplement thereto (other than the documents incorporated by reference therein) and review and discussion of the contents thereof (including the documents incorporated by reference therein) but is without independent check or verification except as specified; and that they express no opinion or belief as to the statement of the eligibility of the Trustee under the Indenture.

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(g) Sullivan & Cromwell, special counsel to the Company, shall have furnished to the Representatives their written opinion or opinions, dated the Closing Date, in form and substance satisfactory to the Representatives, to the effect that:

(i) the Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of South Carolina;

(ii) the Indenture has been duly authorized, executed and delivered by the Company and duly qualified under the Trust Indenture Act; the Securities have been duly authorized, executed, authenticated, issued and delivered; and the Indenture and the Securities constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, subject, as to enforceability, to bankruptcy, insolvency,

fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(iii) all regulatory consents, authorizations, approvals and filings required to be obtained or made by the Company under the Federal laws of the United States and the laws of the State of South Carolina for the issuance, sale and delivery of the Securities by the Company to the Underwriters have been obtained or made;

(iv) the Underwriting Agreement has been duly authorized, executed and delivered by the Company;

(v) the Registration Statement has become effective under the Securities Act; and, to the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted under the Securities Act; and

(vi) as special counsel to the Company, such counsel reviewed the Registration

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Statement and the Prospectus, participated in discussions with the representatives of the Underwriters and those of the Company and its accountants, and advised the Company as to requirements of the Securities Act and the applicable rules and regulations thereunder; and on the basis of the information gained in the performance of such services considered in light of their understanding of the applicable law (including the requirements of Form S-3 and the character of the prospectus contemplated thereby) and the experience they have gained through their practice under the Securities Act, they confirm to you that (A) in their opinion, the Registration Statement, as of its effective date, and the Basic Prospectus, as supplemented by the prospectus supplement, as the date of the Prospectus, appeared on their face to be appropriately responsive in all material respects relevant to the offering of the Securities to the requirements of the Securities Act, the Trust Indenture Act and the applicable rules and regulations of the Commission thereunder; (B) nothing that came to their attention in the course of such review has caused them to believe that, insofar as relevant to the offering of the Securities, the Registration Statement, as of its effective date, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading, or that the Basic Prospectus, as supplemented by the prospectus supplement, as of the date of the Prospectus, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and (C) they do not know of any documents that are required to be filed as exhibits to the Registration Statement that are not so filed, or of any documents that are required to be summarized in the Prospectus that are not so summarized.

In connection with the foregoing subparagraph (vi), such special counsel may state that (A) the limitations inherent in the independent

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verification of factual matters and the character of determinations involved in the registration process are such that they do not assume any responsibility for the accuracy, completeness or fairness of the

statements contained in the Registration Statement and Prospectus except for those made under the captions "Description of the Debt Securities", "Description of the Debentures" and "Underwriting" insofar as they relate to provisions of documents therein described; (B) they do not express any opinion or belief as to the financial statements or other financial data contained in the Registration Statement or the Prospectus, or as to the statement of the eligibility of the Trustee under the Indenture under which the Securities are being issued; and (C) their opinion and statements in this subparagraph (vi) are furnished to the Representatives solely for the benefit of the Underwriters.

In rendering such opinion or opinions, such special counsel may rely (A) as to matters involving the application of laws other than the laws of the United States and the State of New York, to the extent such counsel deems it proper and to the extent specified in such opinion, if at all, upon the opinion or opinions of Sinkler & Boyd, P.A. as to South Carolina law and on an opinion or opinions (reasonably satisfactory to Counsel for the Underwriters) of other counsel reasonably acceptable to Counsel for the Underwriters, familiar with the applicable laws, and (B) as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of the Company and certificates or other written statements of public officials. The opinion or opinions of such special counsel shall state that the opinion or opinions of such special counsel is in form satisfactory to such counsel and, in such counsel's opinion, the Underwriters and they are justified in relying thereon.

(h) on the Closing Date, Coopers & Lybrand L.L.P. shall have furnished to the Representatives a letter, dated such date, in form and substance satisfactory to the Representatives, containing statements and information of the type customarily included in accountants "comfort letters" to underwriters with respect to the financial state-

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ments and certain financial information contained in the Registration Statement and the Prospectus;

(i) the Representatives shall have received on and as of the Closing Date an opinion of Counsel for the Underwriters with respect to the validity of the Indenture and the Securities, the Registration Statement, the Prospectus and other related matters as the Representatives may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters; and

(j) on or prior to the Closing Date, the Company shall have furnished to the Representatives such further certificates and documents as the Representatives shall reasonably request.

7. The Company agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including without limitation the legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by

such Underwriter through the Representatives expressly for use therein; provided that the foregoing indemnity with respect to any preliminary prospectus shall not inure to the benefit of any Underwriter (or to the benefit of any person controlling such Underwriter) from whom the person asserting any such losses, claims, damages or liabilities purchased Securities if such untrue statement or omission or alleged untrue statement or omission made in such preliminary prospectus is eliminated or remedied in the Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) and if a copy of the Prospectus (as so amended or supplemented, but excluding the

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documents incorporated by reference therein), if required by law to have been furnished to such person at or prior to the written confirmation of the sale of such Securities to such person, shall not have been so furnished.

Each Underwriter agrees, severally and not jointly to indemnify and hold harmless the Company, its directors, its officers who sign the Registration Statement and each person who controls the Company within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act, to the same extent as the foregoing indemnity from the Company to each Underwriter, but only with reference to information relating to such Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement, the Prospectus, any amendment or supplement thereto, or any preliminary prospectus.

If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnity may be sought pursuant to either of the two preceding paragraphs, such person (the "Indemnified Person") shall promptly notify the person against whom such indemnity may be sought (the "Indemnifying Person") in writing, and the Indemnifying Person, upon request of the Indemnified Person, shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary, (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person or (iii) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm for the Underwriters and such control persons of Underwriters shall be designated in

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writing by the first of the named Representatives on Schedule I hereto and any such separate firm for the Company, its directors, its officers who sign the Registration Statement and such control persons of the Company or authorized representatives shall be designated in writing by the Company. The Indemnifying Person 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 Person agrees to indemnify any Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested an Indemnifying Person to reimburse the Indemnified Person for fees and expenses of counsel as contemplated by the

third sentence of this paragraph, the Indemnifying Person 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 Person of the aforesaid request and (ii) such Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement. No Indemnifying Person shall, without the prior written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnity could have been sought hereunder by such Indemnified Person, unless such settlement includes an unconditional release of such Indemnified Person from all liability on claims that are the subject matter of such proceeding.

If the indemnification provided for in the first and second paragraphs of this Section 7 is unavailable to an Indemnified Person in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as

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well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same respective proportions as the net proceeds from the offering of such Securities (before deducting expenses) received by the Company and the total underwriting discounts and the commissions received by the Underwriters bear to the aggregate public offering price of the Securities. The relative fault of the Company on the one hand and the Underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, 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 contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7, in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriter's obligations to contribute pursuant to this Section 7 are several in proportion to the respective principal amount of the Securities set forth opposite their names in Schedule II hereto, and not joint.

The indemnity and contribution agreements contained in this Section 7

are in addition to any liability

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which the Indemnifying Persons may otherwise have to the Indemnified Persons referred to above.

The indemnity and contribution agreements contained in this Section 7 and the representations and warranties of the Company set forth in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter or any person controlling any Underwriter or by or on behalf of the Company, its officers or directors or any other person controlling the Company and (iii) acceptance of and payment for any of the Securities.

8. Notwithstanding anything herein contained, this Agreement may be terminated in the absolute discretion of the Representatives, by notice given to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange or the National Association of Securities Dealers, Inc., (ii) trading of any securities of or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a general moratorium on commercial banking activities in New York shall have been declared by either Federal or New York State authorities, or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or the occurrence of any calamity or crisis that, in the judgment of the Representatives, is material and adverse and which, in the judgment of the Representatives, makes it impracticable to market the Securities on the terms and in the manner contemplated in the Prospectus.

9. If, on the Closing Date, any one or more of the Underwriters shall fail or refuse to purchase Securities which it or they have agreed to purchase under this Agreement, and the aggregate principal amount of 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 Securities, the other Underwriters shall be obligated severally in the proportions that the principal amount of Securities set forth opposite their respective names in Schedule I hereto bears to the aggregate principal amount of Securities as set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as the Representatives may specify, to purchase the Securities which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; provided that in no event shall the

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principal amount of Securities that any Underwriter has agreed to purchase pursuant to Section 1 be increased pursuant to this Section 9 by an amount in excess of one-ninth of such principal amount of Securities without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Securities and the aggregate principal amount of Securities with respect to which such default occurs is more than one-tenth of the aggregate principal amount of Securities to be purchased, and arrangements satisfactory to the Representatives and the Company for the purchase of such Securities are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company. In any such case either the Representatives 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.

10. 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 or any condition of the Underwriters' obligations cannot be fulfilled, the Company agrees to reimburse the Underwriter 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 expenses of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering of Securities.

11. This Agreement shall inure to the benefit of and be binding upon the Company, the Underwriters, any controlling persons referred to herein and their respective successors and assigns. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person, form or corporation any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. No purchaser of Securities from any Underwriter shall be deemed to be successor by reason merely of such purchase.

12. Any action by the Underwriters hereunder may be taken by the Representatives jointly or by the first of

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the named Representatives set forth in Schedule I hereto alone on behalf of the Underwriters, and any such action taken by the Representatives jointly or by the first of the named Representatives set forth in Schedule I hereto alone shall be binding upon the Underwriters. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriters shall be given at the address set forth in Schedule II hereto. Notices to the Company shall be given to it at Post Office Box 160, Hartsville, South Carolina 29551-0160 (telecopier: (803) 383-7478), Attention: Vice President - Finance and Chief Financial Officer.

13. This Agreement may be signed in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving

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effect to the conflicts of laws provisions thereof.

Very truly yours,

Sonoco Products Company

By: _____
Name:
Title:

Accepted: [_____], 199

[_____]

Acting severally on behalf on themselves and the
several Underwriters listed in Schedule II
hereto.

By: [_____]

By: _____
Name:
Title:

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SCHEDULE I

Representatives:

Underwriting Agreement
dated: [_____], 199

Registration Statement
No[s]..: 33-[_____]
[33-50503]

Title of Securities:

Aggregate principal
amount:

Purchase Price:

Price to Public:

Indenture: Indenture dated as of June 15,
1991 between the Company and
The Bank of New York, as
Successor Trustee

Maturity:

Interest Rate:

Interest Payment Dates:

Optional Redemption
Provisions:

Sinking Fund
Provisions:

Other Provisions:

Book Entry:

Closing Date and
Time of Delivery:

Counsel for the
Underwriters:

Closing Location:

SCHEDULE II

Underwriter	Principal Amount of Securities To Be Purchased
- - - - -	- - - - -

Total:

CREDIT AGREEMENT

Dated as of September 17, 1996

among

SONOCO PRODUCTS COMPANY
as Borrower,

THE SEVERAL LENDERS
FROM TIME TO TIME PARTY HERETO

AND

NATIONSBANK, N.A.
as Agent

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THIS CREDIT AGREEMENT dated as of September 17, 1996 (the "Credit Agreement"), is by and among SONOCO PRODUCTS COMPANY, a South Carolina corporation (the "Borrower"), the several lenders identified on the signature -----

pages hereto and such other lenders as may from time to time become a party hereto (the "Lenders") and NATIONSBANK, N.A., as agent for the Lenders (in such -----
capacity, the "Agent").

W I T N E S S E T H

WHEREAS, the Borrower has requested that the Lenders provide a \$450,000,000 5-year revolving credit facility under this Credit Agreement for funding general corporate purposes; and

WHEREAS, the Lenders have agreed to make the requested credit facility available to the Borrower on the terms and conditions hereinafter set forth;

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1

DEFINITIONS

1.1 Definitions. As used in this Credit Agreement, the following terms -----
shall have the meanings specified below unless the context otherwise requires:

"Agent" means NationsBank, N.A. and any successors and assigns in such -----
capacity.

"Applicable Eurodollar Margin" shall mean on any date, with respect to -----
Eurodollar Loans made to the Borrower, the applicable spread set forth below based upon the ratings applicable on such date to any Long-Term Debt of the Borrower then outstanding:

- 1 -

Eurodollar
Margin

Category 1

A+ by S&P and	.1250%
A1 by Moody's	

Category 2

A by S&P and	.1250%
A2 by Moody's	

Category 3

A- by S&P and	.130%
---------------	-------

A3 by Moody's

Category 4

BBB+ by S&P and .1650%
Baa1 by Moody's

Category 5

BBB by S&P and .20%
Baa2 by Moody's

Category 6

Lower than BBB by S&P or
lower than Baa2 by Moody's .2750%

For purposes of the foregoing, (a) if no rating for any Long-Term Debt of the Borrower shall be available from either Moody's or S&P, such rating agency shall be deemed to have established a rating for the Long-Term Debt of the Borrower which is one rating grade higher than the subordinated debt rating grade of the Borrower, (b) if no rating for any Long-Term Debt or subordinated debt of the Borrower shall be available from either Moody's or S&P, the Applicable Eurodollar Margin shall be as set forth in Category 6, (c) if the ratings established or deemed to have been established by Moody's and S&P shall fall within different categories, the Applicable Eurodollar Margin shall be based upon the superior (or numerically lowest) category and (d) if any rating established or deemed to have been established by Moody's or S&P shall be changed (other than as a result of a change in the rating system of either Moody's or S&P), such change shall be effective as of the date on which such change is first announced by the rating agency making such change. Each such change shall apply to all Eurodollar Loans that are outstanding at any time during the period commencing on the effective date of such change and ending on the date immediately preceding the effective

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date of the next such change. If the rating system of either Moody's or S&P shall change prior to the Termination Date, the Borrower and the Lenders shall negotiate in good faith to amend the references to specific ratings in this definition to reflect such changed rating system.

"Applicable Fee Percentage" shall mean on any date, the applicable

percentage set forth below based upon the ratings applicable on such date to any Long-Term Debt of the Borrower then outstanding:

Fee
Percentage

Category 1

A+ by S&P and .05%
A1 by Moody's

Category 2

A by S&P and .0625%
A2 by Moody's

Category 3

A- by S&P and .07%
A3 by Moody's

Category 4

BBB+ by S&P and .085%
Baa1 by Moody's

Category 5

BBB by S&P and .10%
Baa2 by Moody's

Category 6

Lower than BBB by S&P or
lower than Baa2 by Moody's .125%

For purposes of the foregoing, (a) if no rating for any Long-Term Debt of the Borrower shall be available from either Moody's or S&P, such rating agency shall be deemed to have established a rating for the Long-Term Debt of the Borrower which is one rating grade higher than the subordinated debt rating grade of the Borrower, (b) if no rating for any Long-Term Debt or subordinated debt of the Borrower shall be available from either Moody's or S&P, the Applicable Fee Percentage shall be as set forth in Category 6, (c) if the ratings established or deemed to have been established by Moody's and S&P shall fall within different

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categories, the Applicable Fee Percentage shall be based upon the superior (or numerically lowest) category and (d) if any rating established or deemed to have been established by Moody's or S&P shall be changed (other than as a result of a change in the rating system of either Moody's or S&P), such change shall be effective as of the date on which such change is first announced by the rating agency making such change. Each such change shall apply to all Facility Fees that are outstanding at any time during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of either Moody's or S&P shall change prior to the Termination Date, the Borrower and the Lenders shall negotiate in good faith to amend the references to specific ratings in this definition to reflect such changed rating system.

"Bankruptcy Code" means the Bankruptcy Code in Title 11 of the United States Code, as amended, modified, succeeded or replaced from time to time.

"Base Rate" means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest whole multiple of 1/100 of 1%) equal to the greater of (a) the Federal Funds Rate in effect on such day plus 1/2 of 1%

or (b) the Prime Rate in effect on such day. If for any reason the Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable after due inquiry to ascertain the Federal Funds Rate for any reason, including the inability or failure of the Agent to obtain sufficient quotations in accordance with the terms hereof, the Base Rate shall be determined without regard to clause (a) of the first sentence of this definition until the circumstances giving rise to such inability no longer exist. Any change in the Base Rate due to a

change in the Prime Rate or the Federal Funds Rate shall be effective on the effective date of such change in the Prime Rate or the Federal Funds Rate, respectively.

"Base Rate Loan" means any Loan bearing interest at a rate determined

by reference to the Base Rate.

"Book Net Worth" means, at any time, consolidated net stockholders'

equity of the Borrower and its Subsidiaries determined in accordance with GAAP.

"Borrower" means Sonoco Products Company, a South Carolina

corporation, as identified as such in the heading hereof, together with any permitted successors and assigns.

"Business Day" means a day other than a Saturday, Sunday or other day

on which commercial banks in Charlotte, North Carolina or New York, New York are authorized or required by law to close, except that, when used in

connection with a Eurodollar Loan, such day shall also be a

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day on which dealings between banks are carried on in U.S. dollar deposits in London, England, Charlotte, North Carolina and New York, New York.

"Capital Lease" means any lease of Property the obligations with

respect to which are required to be capitalized on a balance sheet of the lessee in accordance with GAAP.

"Closing Date" means the date hereof.

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

successor thereto, as interpreted by the rules and regulations issued thereunder, in each case as in effect from time to time. References to sections of the Code shall be construed also to refer to any successor sections.

"Commitment" means (i) as to each Lender, the commitment of such

Lender to make its Commitment Percentage of Committed Loans up to its Committed Amount and (ii) as to the Swingline Lender, the Swingline Commitment.

"Commitment Percentage" means, for each Lender, a fraction (expressed

as a percentage) the numerator of which is the Committed Amount of such Lender at such time and the denominator of which is the Total Committed Amount, provided that if the Commitment Percentage of any Lender is to be

determined after the Commitments have been terminated, then the Commitment Percentage of such Lender shall be determined immediately prior (and without giving effect) to such termination.

"Committed Amount" means, as to each Lender, the maximum amount of

such Lender's Commitment as identified on Schedule 2.1(a), as such amount

may be reduced or increased from time to time in accordance with the terms of this Agreement.

"Committed Loans" means such term as defined in Section 2.1.

"Committed Note" or "Committed Notes" means the promissory notes of

the Borrower in favor of each of the Lenders evidencing the Committed Loans provided pursuant to Section 2.1(e), individually or collectively, as appropriate, as such promissory notes may be amended, modified, supplemented, extended, renewed or replaced from time to time.

"Competitive Bid" means an offer by a Lender to make a Competitive

Loan pursuant to the terms of Section 2.2.

"Competitive Bid Rate" means, as to any Competitive Bid made by a

Lender in accordance with the provisions of

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Section 2.2, the fixed rate of interest offered by the Lender making the Competitive Bid.

"Competitive Bid Request" means a request by the Borrower for

Competitive Bids in accordance with the provisions of Section 2.2.

"Competitive Loan" means a loan made by a Lender in its discretion

pursuant to the provisions of Section 2.2.

"Competitive Lenders" means, at any time, those Lenders which have

Competitive Loans outstanding.

"Competitive Note" or "Competitive Notes" means the promissory notes

of the Borrower in favor of each of the Lenders evidencing the Competitive Loans, if any, provided pursuant to Section 2.2(i), individually or collectively, as appropriate, as such promissory notes may be amended, modified, supplemented, extended, renewed or replaced from time to time.

"Credit Agreement" means this Credit Agreement.

"Credit Documents" means this Credit Agreement and the Notes.

"Default" means any event, act or condition which with notice or lapse

of time, or both, would constitute an Event of Default.

"Dollars" and "\$" means dollars in lawful currency of the United

States of America.

"Domestic Subsidiary" means any Subsidiary (a) incorporated under the

laws of the United States or any state, territory or possession thereof, or the Commonwealth or Puerto Rico, (b) the operations of which are substantially conducted in the United States or its territories or possessions, or in the Commonwealth of Puerto Rico, or (c) a substantial portion of the assets of which are located in the United States or its territories or possessions, or in the Commonwealth of Puerto Rico.

"Environmental Laws" means any and all lawful and applicable Federal,

state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of

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pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes.

"ERISA" means the Employee Retirement Income Security Act of 1974, as -----
amended, and any successor statute thereto, as interpreted by the rules and regulations thereunder, all as the same may be in effect from time to time. References to sections of ERISA shall be construed also to refer to any successor sections.

"ERISA Affiliate" means an entity, whether or not incorporated, which -----
is under common control with the Borrower or any of its Subsidiaries within the meaning of Section 4001(a)(14) of ERISA, or is a member of a group which includes the Borrower and which is treated as a single employer under Sections 414(b), (c), (m), or (o) of the Code.

"Eurodollar Loan" means any Loan bearing interest at a rate determined -----
by reference to the Eurodollar Rate.

"Eurodollar Rate" means, for the Interest Period for each Eurodollar -----
Loan comprising part of the same borrowing (including conversions, extensions and renewals), a per annum interest rate determined pursuant to the following formula:

$$\text{Eurodollar Rate} = \frac{\text{LIBOR Rate}}{1 - \text{Eurodollar Reserve Percentage}}$$

"Eurodollar Reserve Percentage" means for any day, that percentage -----
(expressed as a decimal) which is in effect from time to time under Regulation D of the Board of Governors of the Federal Reserve System (or any successor), as such regulation may be amended from time to time or any successor regulation, as the maximum weighted average reserve requirement for the Lenders (including, without limitation, any basic, supplemental, emergency, special, or marginal reserves) applicable with respect to Eurocurrency liabilities as that term is defined in Regulation D (or against any other category of liabilities that includes deposits by reference to which the interest rate of Eurodollar Loans is determined). The Eurodollar Rate shall be adjusted automatically on and as of the effective date of any change in the Eurodollar Reserve Percentage. The Agent will promptly notify the Borrower of any change in the Eurodollar Reserve Percentage of which it becomes aware.

"Event of Default" means such term as defined in Section 6.1.

"Facility Fee" means such term as defined in Section 2.7.

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"Federal Funds Rate" means, for any day, the rate of interest per

annum (rounded upwards, if necessary, to the nearest whole multiple of 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day,

provided that (A) if such day is not a Business Day, the Federal Funds Rate

for such day shall be such rate on such transactions on the next preceding Business Day and (B) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Agent on such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it.

"GAAP" means generally accepted accounting principles in the United

States applied on a consistent basis and subject to Section 1.3 hereof.

"Governmental Authority" means any Federal, state, local or foreign

court or governmental agency, authority, instrumentality or regulatory body.

"Guaranty Obligations" means, with respect to any Person, without

duplication, any obligations of such Person (other than endorsements in the ordinary course of business of negotiable instruments for deposit or collection) guaranteeing or intended to guarantee any Indebtedness of any other Person in any manner, whether direct or indirect, and including without limitation any obligation, whether or not contingent, (i) to purchase any such Indebtedness or any Property constituting security therefor, (ii) to advance or provide funds or other support for the payment or purchase of any such Indebtedness or to maintain working capital, solvency or other balance sheet condition of such other Person (including without limitation keep well agreements, maintenance agreements, comfort letters or similar agreements or arrangements) for the benefit of any holder of Indebtedness of such other Person, (iii) to lease or purchase Property, securities or services primarily for the purpose of assuring the holder of such Indebtedness, or (iv) to otherwise assure or hold harmless the holder of such Indebtedness against loss in respect thereof. The amount of any Guaranty Obligation hereunder shall (subject to any limitations set forth therein) be deemed to be an amount equal to the outstanding principal amount (or maximum principal amount, if larger) of the Indebtedness in respect of which such Guaranty Obligation is made.

"Indebtedness" of any Person means (i) all obligations of such Person

for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, or upon which interest payments are customarily

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made, (iii) all obligations of such Person under conditional sale or other title retention agreements relating to Property purchased by such Person (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business), (iv) all obligations, including without limitation intercompany items, of such Person issued or assumed as the deferred purchase price of Property or services purchased by such Person (other than trade debt incurred in the ordinary course of business and due within six months of the incurrence thereof) which would appear as liabilities on a balance sheet of such Person, (v) all Indebtedness of others secured by (or for which the holder

of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on, or payable out of the proceeds of production from, Property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (vi) all Guaranty Obligations of such Person, (vii) the principal portion of all obligations of such Person under Capital Leases, (viii) all obligations of such Person in respect of interest rate protection agreements, foreign currency exchange agreements, commodity purchase or option agreements or other interest or exchange rate or commodity price hedging agreements, (ix) the maximum amount of all letters of credit issued or bankers' acceptances facilities created for the account of such Person and, without duplication, all drafts drawn thereunder (to the extent unreimbursed). The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general partner (except for any such Indebtedness with respect to which the holder thereof is limited to the assets of such partnership or joint venture).

"Interest Payment Date" means (i) as to any Base Rate Loan, the last

day of each March, June, September and December and the Termination Date, (ii) as to any Eurodollar Loan, any Competitive Loan or any Swingline Loan, the last day of each Interest Period for such Loan and on the Termination Date, and in addition where the applicable Interest Period is more than 3 months, then also on the date 3 months from the beginning of the Interest Period, and each 3 months thereafter. If an Interest Payment Date falls on a date which is not a Business Day, such Interest Payment Date shall be deemed to be the next succeeding Business Day, except that in the case of

Eurodollar Loans where the next succeeding Business Day falls in the next succeeding calendar month, then on the next preceding Business Day.

"Interest Period" means (i) with respect to any Eurodollar Loan, a

period of one, two, three or six months' duration, as the Borrower may elect, commencing in each case on the date of the borrowing (including extensions and conversions), (ii) with respect to any Competitive Loan, a period beginning on the date of borrowing and ending on the date specified in the respective Competitive Bid whereby the

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offer to make such Competitive Loan was extended, which shall be not less than 7 days nor more than 180 days' duration and (iii) as to any Swingline Loan, a period commencing in each case on the date of the borrowing and ending on the date agreed to by the Borrower and the Swingline Lender in accordance with the provisions of Section 2.3(b)(i) (such ending date in any event to be not more than 13 days from the date of borrowing); provided, however, (A) if any Interest Period would end on a day which is

not a Business Day, such Interest Period shall be extended to the next succeeding Business Day (except that in the case of Eurodollar Loans where the next succeeding Business Day falls in the next succeeding calendar month, then on the next preceding Business Day), (B) no Interest Period shall extend beyond the Termination Date, and (C) in the case of Eurodollar Loans, where an Interest Period begins on a day for which there is no numerically corresponding day in the calendar month in which the Interest Period is to end, such Interest Period shall, subject to clause (A) above, end on the last Business Day of such calendar month.

"Lenders" means each of the Persons identified as a "Lender" on the

signature pages hereto, and each Person which may become a Lender by way of assignment in accordance with the terms hereof, together with their successors and permitted assigns.

"LIBOR Rate" means, for any Interest Period, the interest rate per

annum equal to the offered rate for deposits in United States dollars (rounded upward to four decimal places) in amounts comparable to the principal amount of, and for a length of time comparable to the Interest Period for, the Eurodollar Loan to be made by the Lenders, which interest rate appears on the Telerate Page 3750 as of 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period; provided,

however, that (i) if more than one such offered rate appears on Telerate

Page 3750, the LIBOR Rate shall be the arithmetic average (rounded upward to four decimal places) of such offered rates, or (ii) if no such offered rate appears on such page, the LIBOR Rate shall be the interest rate per annum (rounded to four decimal places) at which United States dollar deposits are offered to NationsBank in the London interbank borrowing market at approximately 11:00 a.m. (Charlotte, North Carolina time) on the date two (2) Business Days prior to the first day of such Interest Period in an amount comparable to the principal amount of, and for a length of time comparable to the Interest Period for, the Eurodollar Loan to be made by the Lenders.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit

arrangement, security interest, encumbrance, lien (statutory or otherwise), preference, priority or charge of any kind (including any agreement to

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give any of the foregoing, any conditional sale or other title retention agreement, any financing or similar statement or notice filed under the Uniform Commercial Code as adopted and in effect in the relevant jurisdiction or other similar recording or notice statute, and any lease in the nature thereof).

"Loan" or "Loans" means a Committed Loan and/or a Competitive Loan

and/or a Swingline Loan, as appropriate.

"Long-Term Debt" shall mean, at any time, any publicly-held senior

unsecured debt obligations outstanding at such time with a maturity more than one year after the date of any determination hereunder.

"Material Adverse Effect" means a material adverse effect on (i) the

condition (financial or otherwise), operations, business, assets, liabilities or prospects of the Borrower and its Subsidiaries taken as a whole, (ii) the ability of the Borrower to perform any material obligation under the Credit Documents or (iii) the material rights and remedies of the Lenders under the Credit Documents.

"Multiemployer Plan" means a Plan which is a multiemployer plan as

defined in Section 3(37) or 4001(a)(3) of ERISA.

"Multiple Employer Plan" means a Plan which the Borrower, any of its

Subsidiaries or any ERISA Affiliate and at least one employer other than the Borrower, its Subsidiaries or any ERISA Affiliate are contributing sponsors.

"NationsBank" means NationsBank, N.A. and its successors.

"Non-Excluded Taxes" means such term as defined in Section 2.12(a).

"Note" or "Notes" means the Committed Notes and/or the Competitive

Notes and/or the Swingline Note, collectively, separately or individually,
as appropriate.

"Notice of Borrowing" means the written notice of borrowing as

referenced and defined in Section 2.1(b)(i).

"Notice of Extension/Conversion" means the written notice of extension

or conversion of a Loan in accordance with Section 2.5, a form of which is
attached as Schedule 2.5.

"Obligations" means, with respect to the Agent and any or all of the

Lenders, the unpaid principal of, and the accrued and unpaid interest on,
the Loans, all accrued and unpaid Facility Fees and all other unsatisfied
obligations

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of the Borrower arising under any of the Credit Documents, including
without limitation under Sections 2.11, 2.12 and 2.13.

"Participation Interest" means the extension of credit by a Lender by

way of a purchase of a participation in Swingline Loans as provided in
Section 2.3(b)(iii).

"PBGC" means the Pension Benefit Guaranty Corporation established

pursuant to Subtitle A of Title IV of ERISA and any successor thereof.

"Person" means any individual, partnership, joint venture, firm,

corporation, limited liability company, association, trust or other
enterprise (whether or not incorporated) or any Governmental Authority.

"Plan" means any employee benefit plan (as defined in Section 3(3) of

ERISA) which is covered by ERISA and with respect to which the Borrower,
any Subsidiary of the Borrower or any ERISA Affiliate is (or, if such plan
were terminated at such time, would under Section 4069 of ERISA be deemed
to be) an "employer" within the meaning of Section 3(5) of ERISA.

"Prime Rate" means the per annum rate of interest established from

time to time by the Agent at its principal office in Charlotte, North
Carolina as its Prime Rate. Any change in the interest rate resulting from
a change in the Prime Rate shall become effective as of 12:01 a.m. of the
Business Day on which each change in the Prime Rate is announced by the
Agent. The Prime Rate is a reference rate used by the Agent in determining
interest rates on certain loans and is not intended to be the lowest rate
of interest charged on any extension of credit to any debtor.

"Property" means any interest in any kind of property or asset,

whether real, personal or mixed, or tangible or intangible.

"Quoted Rate" means, with respect to any Quoted Rate Swingline Loan,

the fixed percentage rate per annum offered by the Swingline Lender and
accepted by the Borrower with respect to such Swingline Loan as provided in
accordance with the provisions of Section 2.3.

"Quoted Rate Swingline Loan" means a Swingline Loan bearing interest

at a Quoted Rate.

"Replaced Lender" means such term as defined in Section 2.17.

"Replacement Lender" means such term as defined in Section 2.17.

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"Reportable Event" means any of the events set forth in Section

4043(b) of ERISA, other than those events as to which the post-event notice requirement is waived under subsections .13, .14, .18, .19, or .20 of PBGC Reg. (S) 2615.

"Required Lenders" means, at any time, Lenders having at least fifty-

one percent (51%) of the Commitments or, if the Commitments have been terminated, Lenders holding at least fifty-one percent (51%) of the aggregate unpaid principal amount of the Notes and the Participation Interests.

"Requirement of Law" means, as to any Person, the certificate of

incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its material property.

"Single Employer Plan" means any Plan which is covered by Title IV of

ERISA, but which is not a Multiemployer Plan.

"Subject Property" means such term as defined in Section 4.11.

"Subsidiary" means, as to any Person, (a) any corporation more than

50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time, any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries, and (b) any partnership, limited liability company, association, joint venture or other entity in which such person directly or indirectly through Subsidiaries has more than 50% equity interest at any time. Unless otherwise specified, any reference to a Subsidiary is intended as a reference to a Subsidiary of the Borrower.

"Swingline Commitment" means the commitment of the Swingline Lender to

make Swingline Loans in an aggregate principal amount at any time outstanding of up to the Swingline Committed Amount.

"Swingline Committed Amount" shall have the meaning assigned to such

term in Section 2.3(a).

"Swingline Lender" means NationsBank, N.A.

"Swingline Loan" shall have the meaning assigned to such term in

Section 2.3(a).

"Swingline Note" means the promissory note of the Borrower in favor of

the Swingline Lender in the original principal amount of \$15,000,000.00, as such promissory note may be amended, modified, restated or replaced from time to time.

"Termination Date" means, with respect to any Lender at any time, the

earlier of (i) September 17, 2001 and (ii) the day on which the Commitments shall have been reduced to zero and terminated in whole pursuant to the terms hereof.

"Termination Event" means (i) with respect to any Plan, the occurrence

of a Reportable Event or the substantial cessation of operations (within the meaning of Section 4062(e) of ERISA); (ii) the withdrawal of the Borrower, any Subsidiary of the Borrower or any ERISA Affiliate from a Multiple Employer Plan during a plan year in which it was a substantial employer (as such term is defined in Section 4001(a)(2) of ERISA), or the termination of a Multiple Employer Plan; (iii) the distribution of a notice of intent to terminate or the actual termination of a Plan pursuant to Section 4041(a)(2) or 4041A of ERISA; (iv) the institution of proceedings to terminate or the actual termination of a Plan by the PBGC under Section 4042 of ERISA; (v) any event or condition which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan; or (vi) the complete or partial withdrawal of the Borrower, any Subsidiary of the Borrower or any ERISA Affiliate from a Multiemployer Plan.

"Total Assets" means, at any time, all items which would, in

accordance with GAAP, be classified as assets (other than intangible assets) on a consolidated balance sheet of the Borrower and its Subsidiaries.

"Total Committed Amount" means the aggregate Committed Amounts of all

the Lenders, being initially \$450,000,000.

"U.S. Tax Compliance Certificate" means such term as defined in

Section 2.11(b)(Y).

1.2 Computation of Time Periods. For purposes of computation of periods

of time hereunder, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding."

1.3 Accounting Terms. Except as otherwise expressly provided herein, all

accounting terms used herein shall be interpreted, and all financial statements and certificates and reports as to financial matters required to be delivered to the Lenders hereunder shall be prepared, in accordance with GAAP applied on a consistent basis. All calculations made for the purposes of determining compliance with this Credit Agreement shall (except as otherwise expressly provided herein) be made by application of GAAP applied on a basis consistent with the most

recent annual or quarterly financial statements delivered pursuant to Section 5.1 hereof (or, prior to the delivery of the first financial statements pursuant to Section 5.1 hereof, consistent with the financial statements as at June 30, 1996 referenced in Section 4.1); provided, however, if (a) the Borrower shall

object to determining such compliance on such basis at the time of delivery of such financial statements due to any change in GAAP or the rules promulgated with respect thereto or (b) the Agent or the Required Lenders shall so object in writing within 30 days after delivery of such financial statements, then such calculations shall be made on a basis consistent with the most recent financial statements delivered by the Borrower to the Lenders as to which no such objection shall have been made.

SECTION 2

THE CREDIT FACILITIES

2.1 Revolving Loans.

(a) Commitment. Subject to the terms and conditions of this Credit

Agreement, each Lender severally agrees to make revolving loans ("Committed Loans") to the Borrower from time to time during the period from the date

hereof to the Termination Date in an aggregate principal amount not to exceed such Lender's Commitment at any time in effect; provided, however,

that (A) with regard to each Lender individually, such Lender's Committed Loans shall not exceed its Commitment Percentage and (B) with regard to the Lenders collectively, the aggregate amount of Committed Loans plus the

aggregate amount of Competitive Loans plus the aggregate amount of all

Swingline Loans shall not exceed the Total Committed Amount. Committed Loans may consist of Base Rate Loans or Eurodollar Loans, or a combination thereof, as the Borrower may request, and may be repaid and reborrowed in accordance with the provisions hereof.

(b) Committed Loan Borrowings.

(i) Notice of Borrowing. The Borrower shall request a Committed

Loan borrowing by written notice (or telephone notice promptly confirmed in writing) to the Agent not later than 11:00 A.M. (Charlotte, North Carolina time) on the Business Day of the requested borrowing in the case of Base Rate Loans, and on the third Business Day prior to the date of the requested borrowing in the case of Eurodollar Loans. Each such request for borrowing shall be irrevocable and shall specify (A) that a Committed Loan is requested, (B) the date of the requested borrowing (which shall be a Business Day), (C) the aggregate principal amount to be borrowed, and (D) whether the borrowing shall be comprised of Base Rate Loans, Eurodollar Loans or a combination thereof, and if Eurodollar Loans are requested,

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the Interest Period(s) therefor. A form of Notice of Borrowing (a "Notice of Borrowing") is attached as Schedule 2.1(b)(i). If the Borrower shall

fail to specify in any such Notice of Borrowing (I) an applicable Interest Period in the case of a Eurodollar Loan, then such notice shall be deemed to be a request for an Interest Period of one month, or (II) the type of Committed Loan requested, then such notice shall be deemed to be a request for a Base Rate Loan hereunder. The Agent shall give notice to each Lender promptly upon receipt of each Notice of Borrowing, the contents thereof and each such Lender's share thereof.

(ii) Minimum Amounts. Each Committed Loan borrowing shall be in

a minimum aggregate amount of \$5,000,000 and integral multiples of \$2,000,000.

(iii) Advances. Each Lender will make its Commitment Percentage

of each Committed Loan borrowing available to the Agent for the account of the Borrower at the office of the Agent specified in Schedule 2.1(a), or at

such other office as the Agent may designate in writing, by 1:00 P.M. (Charlotte, North Carolina time) on the date specified in the applicable Notice of Borrowing in Dollars and in funds immediately available to the Agent. Such borrowing will then be made available to the Borrower by the Agent by crediting the account of the Borrower on the books of such office with the aggregate of the amounts made available to the Agent by the Lenders and in like funds as received by the Agent.

(c) Repayment. The principal amount of all Committed Loans shall be

due and payable in full on the Termination Date.

(d) Interest. Subject to the provisions of Section 2.4, Committed

Loans shall bear interest at a per annum rate equal to:

(i) Base Rate Loans. During such periods as Committed Loans

shall be comprised of Base Rate Loans, the Base Rate; and

(ii) Eurodollar Loans. During such periods as Committed Loans

shall be comprised of Eurodollar Loans, the sum of the Eurodollar Rate plus the Applicable Margin.

Interest on Committed Loans shall be payable in arrears on each Interest Payment Date.

(e) Committed Notes. The Committed Loans made by each Lender shall

be evidenced by a duly executed promissory note of the Borrower to each Lender in substantially the form of Schedule 2.1(e).

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2.2 Competitive Loan Subfacility. -----

(a) Competitive Loans. Subject to the terms and conditions of this

Credit Agreement, the Borrower may, from time to time during the period from the date hereof to the Termination Date, request and each Lender may, in its sole discretion, agree to make, Competitive Loans to the Borrower; provided that the sum of the aggregate amount of Competitive Loans plus the

aggregate amount of Committed Loans plus the aggregate amount of Swingline

Loans shall not exceed the Total Committed Amount. Each Competitive Loan shall be in a minimum aggregate principal amount of \$5,000,000 and multiples of \$2,000,000 in excess thereof.

(b) Competitive Bid Requests. The Borrower may solicit Competitive

Bids by delivery of a Competitive Bid Request substantially in the form of

Schedule 2.2(b)-1 to the Agent or each Lender by 12:00 Noon (Charlotte,

North Carolina time) on the second Business Day prior to the date of the requested Competitive Loan borrowing in the case of all other Competitive Bid Requests. A Competitive Bid Request shall specify (i) the date of the requested Competitive Loan borrowing (which shall be a Business Day), (ii) the amount of the requested Competitive Loan borrowing and (iii) the applicable Interest Periods requested. The Agent shall, promptly following its receipt of a Competitive Bid Request notify the Lenders of its receipt and the contents thereof. A form of such notice is provided in Schedule

2.2(b)-2. No more than three (3) Competitive Bid Requests shall be

submitted at any one time (e.g., the Borrower may request Competitive Bids for no more than three (3) different Interest Periods at a time) and Competitive Bid Requests may be made no more frequently than once every five (5) Business Days.

(c) Competitive Bid Procedure. Each Lender may, in its sole

discretion, make one or more Competitive Bids to the Borrower in response to a Competitive Bid Request. Each Competitive Bid must be received by the Agent not later than 10:00 A.M. (Charlotte, North Carolina time) on the proposed date of borrowing. A Lender may offer to make all or part of the requested Competitive Loan borrowing and may submit multiple Competitive Bids in response to a Competitive Bid Request. The Competitive Bid shall specify (i) the particular Competitive Bid Request as to which the Competitive Bid is submitted, (ii) the minimum (which shall be not less than \$1,000,000 and integral multiples thereof) and maximum principal amounts of the requested Competitive Loan or Loans as to which the Lender is willing to make, and (iii) the applicable interest rate or rates and Interest Period or Periods therefor. A form of such Competitive Bid is provided in Schedule 2.2(c). A Competitive Bid submitted by a Lender in

accordance with the provisions hereof shall be irrevocable, absent manifest error. In the case of each Competitive Bid auction being administered by the Agent, the

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Agent shall promptly notify the Borrower of all Competitive Bids made and the terms thereof and shall send a copy of each of the Competitive Bids to the Borrower for its records as soon as practicable.

(d) Submission of Competitive Bids by Agent. In the case of each

Competitive Bid auction being administered by the Agent, if the Agent, in its capacity as a Lender, elects to submit a Competitive Bid in response to the related Competitive Bid Request, it shall submit such Competitive Bid directly to the Borrower one-half of an hour earlier than the latest time at which the other Lenders are required to submit their Competitive Bids to the Agent in response to such Competitive Bid Request pursuant to the terms of subsection (c) above.

(e) Acceptance of Competitive Bids. The Borrower may, in its sole and

absolute discretion, subject only to the provisions of this subsection (e), accept or reject any Competitive Bid offered to it. To accept a Competitive Bid, the Borrower shall give written notification (or telephone notice promptly confirmed in writing) substantially in the form of Schedule

2.2(e) of its acceptance of any or all such Competitive Bids. Such

notification must be received by the Agent not later than 11:00 A.M. (Charlotte, North Carolina time) on the date on which notice of election to make a Competitive Bid is to be given by the Lenders pursuant to the terms

of subsection (c) above; provided, however, (i) the failure by the Borrower

to give timely notice of its acceptance of a Competitive Bid shall be deemed to be a rejection thereof, (ii) the Borrower may accept Competitive Bids only in ascending order of rates, (iii) the aggregate amount of Competitive Bids accepted by the Borrower shall not exceed the principal amount specified in the Competitive Bid Request, (iv) the Borrower may accept a portion of a Competitive Bid in the event, and to the extent, acceptance of the entire amount thereof would cause the Borrower to exceed the principal amount specified in the related Competitive Bid Request, subject however to the minimum amounts provided herein (and provided that where two or more Lenders submit a Competitive Bid at the same Competitive Bid Rate, then the Borrower shall accept portions of the Competitive Bids of such Lenders on a pro rata basis based upon the amount of the Competitive Bids of such Lenders) and (v) no bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of \$1,000,000 and integral multiples thereof, except that where a portion of a Competitive Bid is accepted in accordance with the provisions of subsection (iv) hereof, then in a minimum principal amount of \$100,000 and integral multiples thereof (but not in any event less than the minimum amount specified in the Competitive Bid), and in calculating the pro rata allocation of acceptances of portions of multiple bids at a particular Competitive Bid Rate pursuant to subsection (iv) hereof, the amounts shall be rounded to

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integral multiples of \$100,000 in a manner which shall be in the discretion of the Borrower. A notice of acceptance of a Competitive Bid given by the Borrower in accordance with the provisions hereof shall be irrevocable. In the case of each Competitive Bid auction being administered by the Agent, the Agent shall, not later than 12:00 Noon (Charlotte, North Carolina time) on the date of receipt by the Agent of a notification from the Borrower of its acceptance and/or rejection of Competitive Bids, notify each Lender of its receipt and the contents thereof, such notification to include the ranges of Competitive Bids submitted and the highest and lowest Competitive Bids accepted for each Interest Period requested by the Borrower and the aggregate amount borrowed pursuant to the applicable Competitive Bid Request. Upon its receipt from the Agent or the Borrower, as applicable, of notification of the Borrower's acceptance of its Competitive Bid(s) in accordance with the terms of this subsection (e), each successful bidding Lender will thereupon become bound, subject to the other applicable conditions hereof, to make the Competitive Loan in respect of which its bid has been accepted.

(f) Funding of Competitive Loans. Each Lender which is to make a

Competitive Loan shall make its Competitive Loan borrowing available to the Agent for the account of the Borrower (in Dollars and in funds immediately available to the Agent) at the office of the Agent specified in Schedule

2.1(a), or at such other office as the Agent may designate in writing, (i)

in the case of same day Competitive Loan borrowing requests, by 4:00 P.M. (Charlotte, North Carolina time) on the date specified in the Competitive Bid Request or (ii) in all other cases, by 1:30 P.M. (Charlotte, North Carolina time) on the date specified in the Competitive Bid Request. Such borrowing will then be made available to the Borrower by crediting the account of the Borrower on the books of such office with the aggregate of the amount made available to the Agent by the applicable Competitive Lenders and in like funds as received by the Agent.

(g) Maturity of Competitive Loans. Each Competitive Loan shall mature

and be due and payable in full on the last day of the Interest Period applicable thereto. Unless the Borrower shall give notice to the Agent otherwise, the Borrower shall be deemed to have requested a Committed

Revolving Loan borrowing in the amount of the maturing Competitive Loan, the proceeds of which will be used to repay such Competitive Loan.

(h) Interest on Competitive Loans. Subject to the provisions of

Section 2.4, Competitive Loans shall bear interest in each case at the Competitive Bid Rate applicable thereto. Interest on Competitive Loans shall be payable in arrears on each Interest Payment Date.

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(i) Competitive Loan Notes. The Competitive Loans shall be evidenced

by a duly executed promissory note of the Borrower to each Lender in an original principal amount equal to the Total Committed Amount and substantially in the form of Schedule 2.2(i).

(j) Competitive Bid Request Fee. The Borrower shall make payment to

the Agent for each Competitive Bid Request a Competitive Bid administration fee of \$500 concurrently with delivery of any Competitive Bid Request (whether or not any Competitive Bid is offered by a Lender or accepted by the Borrower and whether or not any Competitive Loan is extended by any Lender in connection with such Competitive Bid Request).

2.3 Swingline Loan Subfacility.

(a) Swingline Commitment. Subject to the terms and conditions hereof

and in reliance upon the representations and warranties herein set forth, the Swingline Lender, in its individual capacity, agrees to make certain revolving credit loans requested by the Borrower in Dollars to the Borrower (each a "Swingline Loan" and, collectively, the "Swingline Loans") from

time to time from the Closing Date until the Termination Date for the purposes hereinafter set forth; provided, however, (i) the aggregate

principal amount of Swingline Loans outstanding at any time shall not exceed FIFTEEN MILLION DOLLARS (\$15,000,000.00) (the "Swingline Committed

Amount"), and (ii) the aggregate principal amount of outstanding Committed

Loans plus the aggregate principal amount of outstanding Swingline Loans

plus the aggregate principal amount of outstanding Competitive Loans shall

not exceed the Total Committed Amount. Swingline Loans hereunder shall be made as Base Rate Loans or Quoted Rate Swingline Loans as the Borrower may request in accordance with the provisions of this Section 2.3, and may be repaid and reborrowed in accordance with the provisions hereof.

(b) Swingline Loan Advances.

(i) Notices; Disbursement. Whenever the Borrower desires a

Swingline Loan advance hereunder it shall give written notice (or telephone notice promptly confirmed in writing) to the Swingline Lender not later than 12:00 Noon (Charlotte, North Carolina time) on the Business Day of the requested Swingline Loan advance. Each such notice shall be irrevocable and shall specify (A) that a Swingline Loan advance is requested, (B) the date of the requested Swingline Loan advance (which shall be a Business Day) and (C) the principal amount of the Swingline Loan advance requested. Each Swingline Loan shall be made as a Base Rate Loan or a Quoted Rate Swingline Loan and

shall have such maturity date as the Swingline Lender and the Borrower shall agree upon receipt by the Swingline Lender of any such

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notice from the Borrower but in no event shall the maturity of any Swingline Loan exceed 13 days. The Swingline Lender shall initiate the transfer of funds representing the Swingline Loan advance to the Borrower by 4:00 P.M. (Charlotte, North Carolina time) on the Business Day of the requested borrowing.

(ii) Minimum Amounts. Each Swingline Loan advance shall be in a

minimum principal amount of \$500,000.00 and in integral multiples of \$100,000.00 in excess thereof (or the remaining amount of the Swingline Committed Amount, if less).

(iii) Repayment of Swingline Loans. The principal amount of all

Swingline Loans shall be due and payable on the earlier of (A) the maturity date agreed to by the Swingline Lender and the Borrower with respect to such Loan (which maturity date shall not be a date more than thirteen (13) days from the date of advance thereof) or (B) the Termination Date. The Swingline Lender may, at any time, in its sole discretion, by written notice to the Borrower and the Lenders, demand repayment of its Swingline Loans by way of a Committed Loan, in which case the Borrower shall be deemed to have requested a Committed Loan comprised solely of Base Rate Loans in the amount of such Swingline Loans; provided, however, that any such demand shall be deemed to have

been given one Business Day prior to the Termination Date and on the date of the occurrence of any Event of Default described in Section 6.1 and upon acceleration of the indebtedness hereunder and the exercise of remedies in accordance with the provisions of Section 6.2. Each Lender hereby irrevocably agrees to make its pro rata share of each such Committed Loan in the amount, in the manner and on the date specified in the preceding sentence notwithstanding (I) the amount of

such borrowing may not comply with the minimum amount for advances of Committed Loans otherwise required hereunder, (II) whether any conditions specified in Section 3.2 are then satisfied, (III) whether a Default or an Event of Default then exists, (IV) failure of any such request or deemed request for Committed Loan to be made by the time otherwise required hereunder, (V) whether the date of such borrowing is a date on which Committed Loans are otherwise permitted to be made hereunder or (VI) any termination of the Commitments relating thereto immediately prior to or contemporaneously with such borrowing. In the event that any Committed Loan cannot for any reason be made on the date otherwise required above (including, without limitation, as a result of the commencement of a proceeding under the U.S. Bankruptcy Code with respect to the Borrower), then each Lender hereby agrees that it shall forthwith purchase (as of the date such borrowing would otherwise

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have occurred, but adjusted for any payments received from the Borrower on or after such date and prior to such purchase) from the Swingline Lender such participations in the outstanding Swingline Loans as shall be necessary to cause each such Lender to share in such Swingline Loans ratably based upon its Commitment Percentage of the Total Committed Amount, provided that (A) all interest payable on the

Swingline Loans shall be for the account of the Swingline Lender until the date as of which the respective participation is purchased and (B) at the time any purchase of participations pursuant to this sentence

is actually made, the purchasing Lender shall be required to pay to the Swingline Lender, to the extent not paid to the Swingline Lender by the Borrower in accordance with the terms of subsection (c)(ii) hereof, interest on the principal amount of participation purchased for each day from and including the day upon which such borrowing would otherwise have occurred to but excluding the date of payment for such participation, at the rate equal to the Federal Funds Rate.

(c) Interest on Swingline Loans. (i) Subject to the provisions of

Section 2.4, each Swingline Loan shall bear interest as follows:

(A) Base Rate Loans. If such Swingline Loan is a Base Rate Loan,

at a per annum rate (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the Base Rate.

(B) Quoted Rate Swingline Loans. If such Swingline Loan is a

Quoted Rate Swingline Loan, at a per annum rate (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the Quoted Rate applicable thereto.

Notwithstanding any other provision to the contrary set forth in this Credit Agreement, in the event that the principal amount of any Quoted Rate Swingline Loan is not repaid on the last day of the Interest Period for such Loan, then such Loan shall be automatically converted into a Base Rate Loan at the end of such Interest Period.

(ii) Payment of Interest. Interest on Swingline Loans shall be

payable in arrears on each applicable Interest Payment Date (or at such other times as may be specified herein).

(d) Swingline Note. The Swingline Loans shall be evidenced by a duly

executed promissory note of the Borrower to the Swingline Lender in substantially the form of Schedule 2.3(d).

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2.4 Default Rate. Overdue principal and, to the extent permitted by law,

overdue interest in respect of each Loan and any other overdue amount payable hereunder or under the other Credit Documents hereunder or under the other Credit Documents shall bear interest, payable on demand, at a per annum rate 2% greater than the rate which would otherwise be applicable (or if no rate is applicable, whether in respect of interest, fees or other amounts, then 2% greater than the Base Rate).

2.5 Extension and Conversion. The Borrower shall have the option, on any

Business Day prior to the Termination Date, to extend existing Loans into a subsequent permissible Interest Period or to convert Loans into Loans of another type; provided, however, that (i) except as provided in Section 2.10, Eurodollar

Loans may be converted into Base Rate Loans only on the last day of the Interest Period applicable thereto, (ii) Eurodollar Loans may be extended, and Base Rate Loans may be converted into Eurodollar Loans, only if no Default or Event of Default is in existence on the date of extension or conversion, (iii) Loans extended as, or converted into, Eurodollar Loans shall be subject to the terms of the definition of "Interest Period" set forth in Section 1.1 and shall be in

such minimum amounts as provided in Section 2.1(b)(ii), (iv) any request for extension or conversion of a Eurodollar Loan which shall fail to specify an Interest Period shall be deemed to be a request for an Interest Period of one

month and (v) Swingline Loans and Competitive Loans may not be extended or converted pursuant to this Section 2.5. Each such extension or conversion shall be effected by the Borrower by giving a Notice of Extension/Conversion (or telephone notice promptly confirmed in writing) to the Agent prior to 11:00 A.M. (Charlotte, North Carolina time) on the Business Day of, in the case of the conversion of a Eurodollar Loan into a Base Rate Loan, and on the third Business Day prior to, in the case of the extension of a Eurodollar Loan as, or conversion of a Base Rate Loan into, a Eurodollar Loan, the date of the proposed extension or conversion, specifying the date of the proposed extension or conversion, the Loans to be so extended or converted, the types of Loans into which such Loans are to be converted and, if appropriate, the applicable Interest Periods with respect thereto. Each request for extension or conversion shall constitute a representation and warranty by the Borrower of the matters specified in subsections (b), (c) and (d) of Section 3.2. In the event the Borrower fails to request extension of or conversion into any Eurodollar Loan in accordance with this Section, or any such conversion or extension is not permitted or required by this Section, then such Loans shall be automatically converted into Base Rate Loans at the end of their Interest Period. The Agent shall give each Lender notice as promptly as practicable of any such proposed extension or conversion affecting any Loan.

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2.6 Reductions in Commitments and Prepayments.

(a) Termination of Commitments Generally. The Borrower may at any

time, upon not less than five (5) Business Days' written notice to the Agent, terminate the Commitments, in whole or in part; provided that (i)

the Commitments shall not be terminated to an amount less than the sum of the aggregate amount of Competitive Loans plus the aggregate amount of

Committed Loans plus the aggregate amount of the Swingline Loans and (ii)

partial terminations shall be in a minimum principal amount of \$5,000,000 and multiples of \$2,000,000 in excess thereof. Partial terminations in the Commitments will serve to reduce each of the Lenders' respective Committed Amount ratably in accordance with the provisions of Section 2.14(a). Terminations of the Commitments, in whole or in part, pursuant to this subsection (a) are permanent and may not be reinstated.

(b) Voluntary Prepayments. The Borrower may prepay the Loans, in

whole or in part; provided that (i) Committed Loans which are Eurodollar

Loans and Competitive Loans may be prepaid only with three (3) Business Days' prior written notice to the Agent and any such prepayment of Committed Loans which are Eurodollar Loans, Competitive Loans and Quoted Rate Swingline Loans shall be accompanied by any amounts owing under Section 2.13 on account thereof, and (ii) partial prepayments shall be in a minimum principal amount of \$5,000,000 and multiples of \$2,000,000 in excess thereof.

(c) Mandatory Prepayments. If at any time the sum of the aggregate

amount of Competitive Loans plus the aggregate amount of Committed Loans

plus the aggregate amount of the Swingline Loans shall exceed the Total

Committed Amount, the Borrower shall immediately make payment on the Loans in an amount sufficient to eliminate the deficiency.

(d) Notice. In the case of voluntary prepayments under subsection

(b) hereof, the Borrower will give notice to the Agent of its intent to

make such a prepayment by 11:00 A.M. (Charlotte, North Carolina time) three (3) Business Days', in the case of Committed Loans which are Eurodollar Loans and Competitive Loans, and one (1) Business Day, in all other cases, prior to the date of prepayment.

2.7 Facility Fee. The Borrower agrees to pay in immediately available

funds to the Agent (without offset or counterclaim), for the account of the Lenders, in consideration of the Commitments hereunder, on the last day of each calendar quarter (commencing with the first such date after the date hereof) and on the Termination Date, a facility fee (the "Facility Fee") equal to the

Applicable Fee Percentage (on a per annum basis) multiplied by the Total Committed Amount during the preceding period or quarter. The Facility Fee shall commence to

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accrue as of the date hereof, and shall cease to accrue on the Termination Date.

2.8 Capital Adequacy. If, after the date hereof, any Lender has

determined that the adoption or effectiveness of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by such Lender (or any Person controlling such Lender (its "parent")) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Lender's (or its parent's) capital or assets as a consequence of its commitments or obligations hereunder to a level below that which such Lender (or its parent) could have achieved but for such adoption, effectiveness, change or compliance (taking into consideration such Lender's (and its parent's) policies with respect to capital adequacy), then, upon notice from such Lender, the Borrower shall pay to such Lender, without duplication, such additional amount or amounts as will compensate such Lender (or its parent) for such reduction; provided that no such amounts shall be payable with respect to

reduction in rate of return incurred more than 90 days before such Lender demands compensation under this Section. Each determination by any such Lender of amounts owing under this Section shall, absent manifest error, be conclusive and binding on the parties hereto.

2.9 Inability To Determine Interest Rate. If prior to the first day of

any Interest Period, the Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, the Agent shall give telecopy or telephonic notice thereof to the Borrower and the Lenders as soon as practicable thereafter. If such notice is given (i) any Eurodollar Loans requested to be made on the first day of such Interest Period shall be made as Base Rate Loans, (ii) any Loans that were to have been converted on the first day of such Interest Period to or continued as Eurodollar Loans shall be converted to or continued as Base Rate Loans and (iii) any outstanding Eurodollar Loans shall be converted, on the first day of such Interest Period, to Base Rate Loans. Until such notice has been withdrawn by the Agent, no further Eurodollar Loans shall be made or continued as such, nor shall the Borrower have the right to convert Base Rate Loans to Eurodollar Loans.

2.10 Illegality. Notwithstanding any other provision herein, if the

adoption of or any change in any Requirement of Law or in the interpretation or application thereof occurring after the Closing Date shall make it unlawful for any Lender to make or maintain Eurodollar Loans as contemplated by this Credit

Agreement, (a) such Lender shall promptly give written notice of such circumstances to the Borrower and the Agent (which notice shall be withdrawn whenever such circumstances no longer exist), (b) the commitment of such Lender hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert a Base Rate Loan to Eurodollar Loans shall forthwith be canceled and, until such time as it shall no longer be unlawful for such Lender to make or maintain Eurodollar Loans, such Lender shall then have a commitment only to make a Base Rate Loan when a Eurodollar Loan is requested and (c) such Lender's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to Base Rate Loans on the respective last days or the then current Interest Periods with respect to such Loans or within such earlier period as required by law. If any such conversion of a Eurodollar Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to subsection 2.13.

2.11 Requirements of Law. If the adoption of or any change in any

Requirement of Law or in the interpretation or application thereof applicable to any Lender, or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority, in each case made subsequent to the Closing Date (or, if later, the date on which such Lender becomes a Lender):

(i) shall subject such Lender to any tax of any kind whatsoever with respect to any Eurodollar Loans made by it or its obligation to make Eurodollar Loans, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes covered by subsection 2.12 (including Non-Excluded Taxes imposed solely by reason of any failure of such Lender to comply with its obligations under subsection 2.12(b)) and changes in taxes measured by or imposed upon the overall net income, or franchise tax (imposed in lieu of such net income tax), of such Lender or its applicable lending office, branch, or any affiliate thereof);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender which is not otherwise included in the determination of the Eurodollar Rate hereunder; or

(iii) shall impose on such Lender any other condition (excluding any tax of any kind whatsoever);

and the result of any of the foregoing is to increase the cost to such Lender, by an amount which such Lender deems to be material, of making, converting into, continuing or

maintaining Eurodollar Loans or to reduce any amount receivable hereunder in respect thereof, then, in any such case, upon notice to the Borrower from such Lender, through the Agent, in accordance herewith, the Borrower shall promptly pay such Lender, upon its demand and without duplication, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable, provided that in any such

case, the Borrower (after payment of all amounts due under this Section 2.11) may elect to convert the Eurodollar Loans made by such Lender hereunder to Base Rate Loans by giving the Agent at least one Business Day's notice of such election, in which case the Borrower shall promptly pay to such Lender, upon demand, without duplication, such amounts, if any, as may be required pursuant to Section 2.13. If any Lender becomes entitled to claim any additional amounts pursuant to this subsection, it

shall provide prompt notice thereof to the Borrower, through the Agent, certifying (x) that one of the events described in this paragraph (a) has occurred and describing in reasonable detail the nature of such event, (y) as to the increased cost or reduced amount resulting from such event and (z) as to the additional amount demanded by such Lender and a reasonably detailed explanation of the calculation thereof. Such a certificate as to any additional amounts payable pursuant to this subsection submitted by such Lender, through the Agent, to the Borrower shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Credit Agreement and the payment of the Loans and all other amounts payable hereunder.

2.12 Taxes.

(a) Except as provided below in this subsection, all payments made by the Borrower under this Credit Agreement and the Notes shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by Governmental Authority, excluding (i) taxes measured by or imposed upon the overall net income of any Lender or its applicable lending office, or any branch or affiliate thereof, and all franchise taxes, branch taxes, taxes on doing business or taxes on the overall capital or net worth of any Lender or its applicable lending office, or any branch or affiliate thereof, in each case imposed in lieu of net income taxes, or (ii) any taxes arising after the Closing Date solely as a result of or attributable to a Lender changing any applicable lending office after the date that such Lender becomes a party hereto, imposed: (i) by the jurisdiction under the laws of which such Lender, applicable lending office, branch or affiliate is organized or is located, or in which its principal executive office is located, or any nation within which such jurisdiction is

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located or any political subdivision thereof; or (ii) by reason of any connection between the jurisdiction imposing such tax and such Lender, applicable lending office, branch or affiliate other than a connection arising solely from such Lender having executed, delivered or performed its obligations, or received payment under or enforced, this Credit Agreement or the Notes. If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") are required to be withheld from any amounts payable to the Agent or any Lender hereunder, (A) the amounts so payable to the Agent or such Lender shall be increased to the extent necessary to yield to the Agent or such Lender (after payment of all Non-Excluded Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Credit Agreement, provided, however, that the Borrower shall be entitled to

deduct and withhold any Non-Excluded Taxes and shall not be required to increase any such amounts payable to any Lender that is not organized under the laws of the United States of America or a state thereof if such Lender fails to comply with the requirements of paragraph (b) of this subsection whenever any Non-Excluded Taxes are payable by the Borrower, and (B) as promptly as possible thereafter the Borrower shall send to the Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. If the Borrower fails to pay any Non-Excluded Taxes when due to the appropriate taxing authority or fails to remit to the Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Agent or any Lender as a result of any such failure. The agreements in this subsection shall survive the termination of this Credit Agreement and the payment of the Loans and all other amounts payable hereunder.

(b) Each Lender that is not incorporated under the laws of the United States of America or a state thereof shall:

(X) (i) on or before the date of any payment by the Borrower under this Credit Agreement or Notes to such Lender, deliver to the Borrower and the Agent (A) two duly completed copies of United States Internal Revenue Service Form 1001 or 4224, or successor applicable form, as the case may be, certifying that it is entitled to receive payments under this Credit Agreement and any Notes without deduction or withholding of any United States federal income taxes and (B) an Internal Revenue Service Form W-8 or W-9, or successor applicable form, as the case may be, certifying that it is entitled to an exemption from United States backup withholding tax;

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(ii) deliver to the Borrower and the Agent two further copies of any such form or certification on or before the date that any such form or certification expires or becomes obsolete and after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower; and

(iii) obtain such extensions of time for filing and complete such forms or certifications as may reasonably be requested by the Borrower or the Agent in order to establish the legal entitlement of such Lender to an exemption from withholding with respect to payments under this Credit Agreement and any Notes; or

(Y) in the case of any such Lender that is not a "bank" within the meaning of Section 881(c) (3) (A) of the Code, (i) represent to the Borrower (for the benefit of the Borrower and the Agent) that it is not a bank within the meaning of Section 881(c) (3) (A) of the Code, (ii) agree to furnish to the Borrower on or before the date of any payment by the Borrower, with a copy to the Agent (A) a certificate substantially in the form of Schedule 2.11 hereto (any such

certificate a "U.S. Tax Compliance Certificate") and (B) two accurate

and complete original signed copies of Internal Revenue Service Form W-8, or successor applicable form certifying to such Lender's legal entitlement at the date of such certificate to an exemption from U.S. withholding tax under the provisions of Section 881(c) of the Code with respect to payments to be made under this Credit Agreement and any Notes (and to deliver to the Borrower and the Agent two further copies of such form on or before the date it expires or becomes obsolete and after the occurrence of any event requiring a change in the most recently provided form and, if necessary, obtain any extensions of time reasonably requested by the Borrower or the Agent for filing and completing such forms), and (iii) agree, to the extent legally entitled to do so, upon reasonable request by the Borrower, to provide to the Borrower (for the benefit of the Borrower and the Agent) such other forms as may be reasonably required in order to establish the legal entitlement of such Lender to an exemption from withholding with respect to payments under this Credit Agreement and any Notes;

unless in any such case any change in treaty, law or regulation has occurred after the date such Person becomes a Lender hereunder which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form with respect to it and such Lender so advises the Borrower and the Agent. Each Person that shall become a Lender or a Participant pursuant to subsection 8.2 shall, upon the effectiveness of the related transfer, be required

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to provide all of the forms, certifications and statements required pursuant to this subsection, provided that in the case of a

Participant the obligations of such Participant pursuant to this subsection (b) shall be determined as if the Participant were a Lender except that such Participant shall furnish all such required forms, certifications and statements to the Lender from which the related participation shall have been purchased.

2.13 Indemnity. The Borrower agrees to indemnify each Lender and to hold

each Lender harmless from any loss or expense which such Lender may sustain or incur (other than through such Lender's gross negligence or willful misconduct) as a consequence of (a) default by the Borrower in making a borrowing of a Eurodollar Loan, a Competitive Loan or a Quoted Rate Swingline Loan, conversion into a Eurodollar Loan, a Competitive Loan or a Quoted Rate Swingline Loan, or continuation of Eurodollar Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Credit Agreement, (b) default by the Borrower in making any prepayment of a Eurodollar Loan or a Competitive Loan after the Borrower has given a notice thereof in accordance with the provisions of this Credit Agreement or (c) the making of a prepayment of a Eurodollar Loan, a Competitive Loan or a Quoted Rate Swingline Loan on a day which is not the last day of an Interest Period with respect thereto. Such indemnification shall include an amount equal to the excess, if any, of (i) the amount of interest which would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of the applicable Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Eurodollar Loans or Competitive Loans, as appropriate (excluding in the case of Eurodollar Loans, however, the margin in excess of the Eurodollar Rate included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) which would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. This covenant shall survive the termination of this Credit Agreement and the payment of the Loans and all other amounts payable hereunder.

2.14 Pro Rata Treatment. Except to the extent otherwise provided herein:

(a) Committed Loans. Each Committed Loan borrowing, each payment or

prepayment of principal of any Committed Loan and each payment of interest on the Committed Loans, each reduction of the Total Committed Amount, and each conversion or continuation of any Loan, shall be allocated among the relevant Lenders in accordance with the respective applicable Commitment Percentages (or, if the Commitments of

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such Lenders have expired or been terminated, in accordance with the respective principal amounts of the outstanding Committed Loans of such Lenders); and

(b) Advances. Unless the Agent shall have been notified in writing by

any Lender prior to a Committed Loan borrowing that such Lender will not make the amount that would constitute its Commitment Percentage of such borrowing available to the Agent, the Agent may assume that such Lender is making such amount available to the Agent, and the Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Agent, on demand, such amount with interest thereon at a rate equal to the Federal Funds Rate for the period until such Lender makes such amount immediately available to the Agent. A certificate of the Agent submitted to any Lender

with respect to any amounts owing under this subsection shall be conclusive in the absence of manifest error. If such Lender's Commitment Percentage of such Committed Loan borrowing is not made available to the Agent by such Lender within two Business Days of such Borrowing Date, the Agent shall notify the Borrower of the failure of such Lender to make such amount available to the Agent and the Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to Base Rate Loans hereunder, on demand, from the Borrower.

2.15 Sharing of Payments. The Lenders agree among themselves that, in the

event that any Lender shall obtain payment in respect of any Loan or any other obligation owing to such Lender under this Credit Agreement through the exercise of a right of setoff, banker's lien or counterclaim, or pursuant to a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, in excess of its pro rata share of such payment as provided for in this Credit Agreement, such Lender shall promptly purchase from the other Lenders a participation in such Loans and other obligations in such amounts, and make such other adjustments from time to time, as shall be equitable to the end that all Lenders share such payment in accordance with their respective ratable shares as provided for in this Credit Agreement. The Lenders further agree among themselves that if payment to a Lender obtained by such Lender through the exercise of a right of setoff, banker's lien, counterclaim or other event as aforesaid shall be rescinded or must otherwise be restored, each Lender which shall have shared the benefit of such payment shall, by repurchase of a participation theretofore sold, return its share of that benefit (together with its share of any accrued interest payable with respect thereto) to each Lender whose payment shall have been rescinded or otherwise restored. The Borrower agrees that any Lender so purchasing such a

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participation may, to the fullest extent permitted by law, exercise all rights of payment, including setoff, banker's lien or counterclaim, with respect to such participation as fully as if such Lender were a holder of such Loan or other obligation in the amount of such participation. Except as otherwise expressly provided in this Credit Agreement, if any Lender or the Agent shall fail to remit to the Agent or any other Lender an amount payable by such Lender or the Agent to the Agent or such other Lender pursuant to this Credit Agreement on the date when such amount is due, such payments shall be made together with interest thereon for each date from the date such amount is due until the date such amount is paid to the Agent or such other Lender at a rate per annum equal to the Federal Funds Rate. If under any applicable bankruptcy, insolvency or other similar law, any Lender receives a secured claim in lieu of a setoff to which this Section 2.14 applies, such Lender shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders under this Section 2.14 to share in the benefits of any recovery on such secured claim.

2.16 Place and Manner of Payments. Except as otherwise specifically

provided herein, all payments hereunder shall be made to the Agent in dollars in immediately available funds, without offset, deduction, counterclaim or withholding of any kind, at its offices specified in Schedule 2.1(a) not later

than 2:00 P.M. (Charlotte, North Carolina time) on the date when due. Payments received after such time shall be deemed to have been received on the next succeeding Business Day. The Agent may (but shall not be obligated to) debit the amount of any such payment which is not made by such time to any ordinary deposit account of the Borrower maintained with the Agent (with notice to the Borrower). The Borrower shall, at the time it makes any payment under this Credit Agreement, specify to the Agent the Loans, fees or other amounts payable by the Borrower hereunder to which such payment is to be applied (and in the event that it fails so to specify, or if such application would be inconsistent

with the terms hereof, the Agent shall distribute such payment to the Lenders in such manner as the Agent may determine to be appropriate in respect of obligations owing by the Borrower hereunder, subject to the terms of Section 2.6(c)). The Agent will distribute such payments to the Lenders, if any such payment is received prior to 2:00 P.M. (Charlotte, North Carolina time) on a Business Day in like funds as received prior to the end of such Business Day and otherwise the Agent will distribute such payment to the Lenders on the next succeeding Business Day. Whenever any payment hereunder shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day (subject to accrual of interest and fees for the period of such extension), except that in the case of Eurodollar Loans, if the extension would cause the payment to be made in the next following calendar month, then such payment shall instead be made on the next preceding Business Day. All computations of interest and fees shall be made on the basis of actual number of days elapsed over

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a year of 360 days. Interest shall accrue from and include the date of borrowing, but exclude the date of payment.

2.17 Replacement of Lenders. If any Lender delivers a notice to the

Borrower pursuant to Sections 2.8, 2.10, 2.11 or 2.12, then the Borrower shall have the right, if no Default or Event of Default then exists, to replace such Lender (the "Replaced Lender") with one or more additional banks or financial

institutions (collectively, the "Replacement Lender"), provided that (A) at the

time of any replacement pursuant to this Section 2.16, the Replacement Lender shall enter into one or more assignment agreements substantially in the form of
Schedule 8.2(b) pursuant to, and in accordance with the terms of, Section 8.2(b)

(and with all fees payable pursuant to said Section 8.2(b) to be paid by the Replacement Lender) pursuant to which the Replacement Lender shall acquire all of the rights and obligations of the Replaced Lender hereunder and, in connection therewith, shall pay to the Replaced Lender in respect thereof an amount equal to the sum of (a) the principal of, and all accrued interest on, all outstanding Loans of the Replaced Lender, and (b) all accrued, but theretofore unpaid, fees owing to the Replaced Lender pursuant to Section 2.7, and (B) all obligations of the Borrower owing to the Replaced Lender (including all obligations, if any, owing pursuant to Section 2.8, 2.11 or 2.12, but excluding those obligations specifically described in clause (A) above in respect of which the assignment purchase price has been, or is concurrently being paid) shall be paid in full to such Replaced Lender concurrently with such replacement.

SECTION 3

CONDITIONS

3.1 Closing Conditions. The obligation of the Lenders to enter into this

Credit Agreement and make the initial Loans is subject to satisfaction of the following conditions (in form and substance acceptable to the Lenders):

(a) Executed Credit Documents. Receipt by the Agent of duly executed

copies of this Credit Agreement and the Notes.

(b) No Default; Representations and Warranties. As of the Closing

Date (i) there shall exist no Default or Event of Default and (ii) all representations and warranties contained herein and in the other Credit

Documents shall be true and correct in all material respects.

(c) Opinion of Counsel. Receipt by the Agent of an opinion, or

opinions, satisfactory to the Agent, addressed to the Agent and the Lenders
and dated as of the Closing Date substantially in the form of Schedule

3.1(c) attached hereto.

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(d) Corporate Documents. Receipt by the Agent of the following:

(i) Charter Documents. Copies of the articles or

certificates of incorporation or other charter documents of the
Borrower certified to be true and complete as of a recent date by the
appropriate Governmental Authority of the state or other jurisdiction
of its incorporation and certified by a secretary or assistant
secretary of the Borrower to be true and correct as of the Closing
Date.

(ii) Bylaws. A copy of the bylaws of the Borrower certified

by a secretary or assistant secretary of the Borrower to be true and
correct as of the Closing Date.

(iii) Resolutions. Copies of resolutions of the Board of

Directors of the Borrower approving and adopting the Credit Documents,
the transactions contemplated therein and authorizing execution and
delivery thereof, certified by a secretary or assistant secretary of
the Borrower to be true and correct and in force and effect as of the
Closing Date.

(vi) Good Standing. Copies of certificates of good

standing, existence or its equivalent with respect to the Borrower
certified as of a recent date by the appropriate Governmental
Authorities in the State of South Carolina.

(e) Material Adverse Change. Since December 31, 1995, there shall

not have occurred, nor otherwise exist, an event or condition which has a
Material Adverse Effect on the Borrower.

(f) Other. Receipt by the Agent of such other documents, agreements

or information which may be reasonably requested by the Lenders.

3.2 Each Loan Advance. The obligation of each Lender to make any Loan,

including the conversion to or extension of any Eurodollar Loan, is subject to
satisfaction of the following conditions:

(a) (i) In the case of any Committed Loan, the Agent shall have
received an appropriate Notice of Borrowing or Notice of
Extension/Conversion; and (ii) in the case of any Competitive Loan, the
applicable Competitive Lender shall have received an appropriate notice of
acceptance of its related Competitive Bid;

(b) The representations and warranties set forth in Section 4 shall be
true and correct on and as of the date of the making of such Loan with the
same force and effect as if

made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date);

(c) There shall not have been commenced against the Borrower an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or any case, proceeding or other action for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Borrower or for any substantial part of its Property or for the winding up or liquidation of its affairs, and such involuntary case or other case, proceeding or other action shall remain undismissed, undischarged or unbonded; and

(d) No Default or Event of Default shall exist and be continuing either prior to or after giving effect thereto.

The delivery of each Notice of Borrowing and each Notice of Extension/Conversion relating to an extension of or conversion into Eurodollar Loans and each request for a Competitive Bid pursuant to a Competitive Bid Request and receipt by the Borrower of the proceeds of each Loan shall constitute a representation and warranty by the Borrower of the correctness of the matters specified in subsections (b), (c) and (d) above.

SECTION 4

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Agent and the Lenders as follows:

4.1 Financial Statements. The Borrower has furnished to the Lenders

copies of (i) the consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 1995, and the related consolidated statements of income, cash flows and common shareholders' equity for the fiscal year then ended and (ii) the consolidated balance sheet of the Borrower and its Subsidiaries as at June 30, 1996 and the related consolidated statements of income and reinvested earnings and cash flows of the Borrower and its Subsidiaries, for the 6 months then ended. Such financial statements, including the related schedules and notes, are complete and correct in all material respects and fairly present the consolidated financial condition of the Borrower and its Subsidiaries at such dates and the results of their operations for such periods, all in accordance with GAAP applied on a consistent basis (except (i) as otherwise stated therein or in the notes thereto and (ii) for changes resulting from audit and normal year-end audit adjustment to the December 31, 1995 financial statements) throughout the periods involved. Since December 31, 1995, there has not occurred or existed nor otherwise exist, an event or condition which has had a Material

Adverse Effect on the Borrower and its Subsidiaries, taken as a whole.

4.2 Corporate Status. The Borrower is a corporation duly incorporated and

organized and validly existing in good standing in its respective jurisdiction of incorporation, is duly qualified and in good standing as a foreign corporation and authorized to do business in all other jurisdictions wherein the nature of its business or property makes such qualification necessary, except where its failure so to qualify would not have a Material Adverse Effect, and has full power to own its real properties and its material personal properties and to carry on its business as now conducted.

4.3 Corporate Authorization. The execution, delivery and performance of

this Credit Agreement and of the Notes are within the powers and authority of the Borrower and have been duly authorized by proper corporate proceedings. This Credit Agreement and Notes have been duly executed and delivered by the Borrower and constitute the legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms.

4.4 No Conflicts. Neither the execution and delivery of the Credit

Agreement and Notes, nor the consummation of the transactions contemplated therein, nor performance of and compliance with the terms and provisions thereof by the Borrower will (a) violate or conflict with any provision of its articles of incorporation or bylaws, (b) violate, contravene or materially conflict with any law, regulation (including, without limitation, Regulation U or Regulation X), order, writ, judgment, injunction, decree or permit applicable to it, (c) violate, contravene or materially conflict with contractual provisions of, or cause an event of default under, any indenture, loan agreement, mortgage, deed of trust, contract or other agreement or instrument to which it is a party or by which it may be bound, the violation of which could have or might be reasonably expected to have a Material Adverse Effect, or (d) result in or require the creation of any Lien upon or with respect to its properties.

4.5 Litigation. There are no actions, suits or proceedings pending or, to

the best knowledge of the Borrower, threatened against or affecting the Borrower or any Subsidiary in any court or arbitration or before or by any governmental department, agency or instrumentality, domestic or foreign, which reasonably would be expected to have a Material Adverse Effect; and neither the Borrower nor any Subsidiary is in violation of any judgment, order, writ, injunction, decree or award or in violation of any rule or regulation of any court or binding arbitration or governmental department, agency or instrumentality, domestic or foreign, the violation of which would have a Material Adverse Effect.

4.6 Governmental and Other Approvals. No approval, consent or

authorization of, or any other action by, or filing or

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registration with, any governmental department, agency or instrumentality, domestic or foreign, is necessary for the execution or delivery by the Borrower of this Credit Agreement or the Notes or for the performance by the Borrower of any of the terms or conditions hereof or thereof.

4.7 Use of Loans. The proceeds of the Loans will be used for general

corporate purposes; provided that no part of the proceeds of any Loan hereunder

will be used for the purpose of purchasing or carrying Margin Stock or to extend credit to others for such purpose, in violation of Regulation U or Regulation X issued by the Board of Governors of the Federal Reserve System or Section 7 of the Securities Exchange Act of 1934, as amended.

4.8 Taxes. The Borrower has filed, or caused to be filed, all tax

returns (federal, state, local and foreign) required to be filed and paid all amounts of taxes shown thereon to be due (including interest and penalties) and has paid all other taxes, fees, assessments and other governmental charges (including mortgage recording taxes, documentary stamp taxes and intangibles taxes) owing by it, except for such taxes (a) which are not yet delinquent, (b) that are being contested in good faith and by proper proceedings, and against which adequate reserves are being maintained in accordance with GAAP or (c) which are promptly filed or paid upon notice to the Borrower of the existence thereof.

4.9 Compliance with Law. Each of the Borrower and its Subsidiaries is in

compliance with all laws, rules, regulations, orders and decrees (including without limitation Environmental Laws) applicable to it, or to its properties, unless such failure to comply would not have or be reasonably expected to have a Material Adverse Effect.

4.10 ERISA. Except as would not result in a Material Adverse Effect:

(a) During the five-year period prior to the date on which this representation is made or deemed made: (i) no Termination Event has occurred, and, to the best of the Borrower's or any ERISA Affiliate's knowledge, no event or condition has occurred or exists as a result of which any Termination Event could reasonably be expected to occur, with respect to any Plan; (ii) no "accumulated funding deficiency," as such term is defined in Section 302 of ERISA and Section 412 of the Code, whether or not waived, has occurred with respect to any Plan; (iii) each Single Employer Plan and, to the best of the Borrower's or any ERISA Affiliate's knowledge, each Multiemployer Plan has been maintained, operated, and funded in compliance with its own terms and in material compliance with the provisions of ERISA, the Code, and any other applicable federal or state laws; and (iv) no lien in favor of the PBGC or a Plan has arisen or is reasonably likely to arise on account of any Plan.

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(b) The actuarial present value of all "benefit liabilities" under each Single Employer Plan (determined within the meaning of Section 401(a)(2) of the Code, utilizing the actuarial assumptions used to fund such Plans), whether or not vested, did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the current value of the assets of such Plan allocable to such accrued liabilities.

(c) None of the Borrower, its Subsidiaries or any ERISA Affiliate has incurred, or, to the best of the Borrower's knowledge, are reasonably expected to incur, any withdrawal liability under ERISA to any Multiemployer Plan or Multiple Employer Plan. None of the Borrower, its Subsidiaries or any ERISA Affiliate has received any notification that any Multiemployer Plan is in reorganization (within the meaning of Section 4241 of ERISA), is insolvent (within the meaning of Section 4245 of ERISA), or has been terminated (within the meaning of Title IV of ERISA), and no Multiemployer Plan is, to the best of the Borrower's knowledge, reasonably expected to be in reorganization, insolvent, or terminated.

(d) No prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code) or breach of fiduciary responsibility has occurred with respect to a Plan which has subjected or may subject the Borrower, any of its Subsidiaries or any ERISA Affiliate to any liability under Sections 406, 409, 502(i), or 502(l) of ERISA or Section 4975 of the Code, or under any agreement or other instrument pursuant to which the Borrower, any of its Subsidiaries or any ERISA Affiliate has agreed or is required to indemnify any person against any such liability.

4.11 Hazardous Substances. Except as would not reasonably be expected to

have a Material Adverse Effect, (i) the real property owned or leased by the Borrower and its Subsidiaries or on which the Borrower or any of its Subsidiaries operates (the "Subject Property") is free from "hazardous

substances" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. (S)(S) 9601 et seq., as amended, and the

regulations promulgated thereunder, (ii) no portion of the Subject Property is subject to federal, state or local regulation or liability because of the presence of stored, leaked or spilled petroleum products, hazardous wastes, "PCB's" or PCB items (as defined in 40 C.F.R. (S)763.3), underground storage

tanks, "asbestos" (as defined in 40 C.F.R. (S)763.63) or the past or present accumulation, spillage or leakage of any such substance, (iii) the Borrower and each of its Subsidiaries is in compliance in all material respects with all federal, state and local requirements relating to protection of health or the environment in connection with the operation of their businesses, and (iv) the Borrower does not know of any complaint or investigation regarding real property which it or any of its Subsidiaries owns or leases or on which it or any of its Subsidiaries operates.

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4.12 Liens. Except as set forth on Schedule 4.12 attached hereto, there

are no liens on any of the assets and properties owned by the Borrower and its Subsidiaries (including any capital stock owned by the Borrower or any of its Subsidiaries).

4.13 Investment Company. The Borrower is not an "investment company," or

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

SECTION 5

COVENANTS

So long as any of the Commitments are in effect and, in any event, until payment in full and discharge of all Obligations to the Agent and the Lenders, including payment of all principal and interest on the Loans, the Borrower shall comply, and shall cause each Subsidiary, to the extent applicable, to comply, with the following covenants:

5.1 Reports, Certificates and Other Information. The Borrower shall

furnish to the Agent:

(a) Annual Financial Statements. As soon as available, and in any

event within 90 days after the close of each fiscal year of the Borrower and its Subsidiaries, a consolidated balance sheet and income statement of the Borrower and its Subsidiaries, as of the end of such fiscal year, together with related consolidated statements of operations and retained earnings and of cash flows for such fiscal year, setting forth in comparative form consolidated figures for the preceding fiscal year, all such financial information described above to be in reasonable form and detail and audited by independent certified public accountants of recognized national standing reasonably acceptable to the Agent and whose opinion shall be to the effect that such financial statements have been prepared in accordance with GAAP (except for changes with which such accountants concur) and shall not be limited as to the scope of the audit or qualified as to the status of the Borrower and its Subsidiaries as a going concern.

(b) Quarterly Financial Statements. As soon as available, and in any

event within 45 days after the close of each fiscal quarter of the Borrower and its Subsidiaries, a consolidated balance sheet and income statement of the Borrower and its Subsidiaries, as of the end of such fiscal quarter, together with related consolidated statements of operations and retained earnings and of cash flows for such fiscal quarter in each case setting forth in comparative form consolidated figures for the corresponding period of the preceding fiscal year, all such financial information described above to be in reasonable form and detail and

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reasonably acceptable to the Agent, and accompanied by a certificate of the chief financial officer of the Borrower to the effect that such quarterly financial statements fairly present in all material respects the financial condition of the Borrower and its Subsidiaries and have been prepared in accordance with GAAP, subject to changes resulting from audit and normal year-end audit adjustments.

(c) Officer's Certificate. Within the period for delivery of the

financial statements provided in Section 5.1(a) or (b), a certificate of a principal financial officer of the Borrower stating that, to the best of his or her knowledge, either (1) no Default or Event of Default existed as of the end of any calendar quarter or exists or (2) if any such Default or Event of Default existed or exists, specifying such Default or Event of Default and the nature and status thereof.

(d) Reports. Promptly after the sending or filing thereof, copies of

any filings and registrations with, and reports to or from, the Securities and Exchange Commission, or any successor agency, and copies of all reports which the Borrower may from time to time furnish its stockholders.

(e) Notices. Upon the chief financial officer of the Borrower

obtaining knowledge thereof (but in no event later than 45 days after the end of the fiscal quarter in which such event occurred), written notice to the Agent immediately of (i) the occurrence of an event or condition consisting of a Default or Event of Default, specifying the nature and existence thereof and what action the Borrower proposes to take with respect thereto, and (ii) the occurrence of any of the following with respect to the Borrower or any Subsidiary (A) the pendency or commencement of any litigation, arbitral or governmental proceeding against the Borrower or such Subsidiary which if adversely determined is likely to have a Material Adverse Effect or (B) the institution of any proceedings against the Borrower or such Subsidiary with respect to, or the receipt of notice by such Person of potential liability or responsibility for violation, or alleged violation of any federal, state or local law, rule or regulation, including but not limited to, Environmental Laws, the violation of which would likely have a Material Adverse Effect.

(f) Other Information. With reasonable promptness upon any such

request, such other information regarding the business, properties or financial condition of the Borrower and/or its Subsidiaries as the Agent or any Lender may reasonably request.

5.2 Books and Records. The Borrower shall keep, and shall cause each of

its Subsidiaries to keep, complete and accurate books and records of the Borrower's and such Subsidiaries' transactions (i) in accordance with good accounting practices

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with respect to the Borrower and its Subsidiaries and (ii) on the basis of GAAP with respect to the Borrower and its Domestic Subsidiaries.

5.3 Mergers and Consolidations. The Borrower shall (i) maintain its

corporate existence and (ii) not merge or consolidate with or into any other entity unless the Borrower is the surviving corporation and no Default or Event of Default shall exist either immediately prior to or after giving effect thereto.

5.4 Insurance. The Borrower shall maintain, and shall cause each of its

Subsidiaries to maintain, insurance in such amounts and covering such risks as is consistent with sound business practice.

5.5 Payment of Taxes. The Borrower shall pay and discharge, and shall

cause each of its Subsidiaries to pay and discharge, all taxes, assessments and governmental charges or levies imposed upon the Borrower or such Subsidiaries, or upon income or profits of the Borrower or such Subsidiaries, or upon any of the properties of the Borrower or such Subsidiaries, before they shall become delinquent; provided, however, that neither the Borrower nor any such Subsidiary

shall be required to pay any such tax, assessment or levy which is being contested in good faith by appropriate proceedings and as to which adequate reserves therefor have been established in accordance with GAAP, unless the failure to make any such payment (i) would give rise to an immediate right to foreclose on a Lien securing such amounts or (ii) would have a Material Adverse Effect.

5.6 Compliance with Laws. The Borrower will comply, and will cause each

of its Subsidiaries to comply, with all laws, rules, regulations and orders (including, without limitation, Environmental Laws), and all applicable restrictions imposed by all Governmental Authorities, applicable to it and its property if noncompliance with any such law, rule, regulation, order or restriction would have a Material Adverse Effect.

5.7 Use of Proceeds. The Borrower shall use the proceeds of the Loans

solely for the purposes set forth in Section 4.7.

5.8 Asset Sales, etc. The Borrower shall not sell, transfer or otherwise

dispose of any of its properties and assets (including without limitation any capital stock in any of its Subsidiaries) except:

(i) sales or leases in the ordinary course of business; and

(ii) other non-ordinary course of business sales provided that
(A) the aggregate net book value of the assets sold by the Borrower or any of its Subsidiaries in all such transactions after the Closing Date does not exceed 10% of Total Assets as of the Closing Date and (B) no Default or

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Event of Default shall have occurred and be continuing at the time of any such sale or shall result upon giving effect thereto.

5.9 Liens. After the date hereof the Borrower will not issue, assume or

guarantee, and will not permit any Domestic Subsidiary to issue, assume or guarantee, any Indebtedness which is secured by a Lien of or upon any assets, whether now owned or hereafter acquired, of the Borrower or any such Domestic Subsidiary without effectively providing that the Obligations (together with, if the Borrower shall so determine, any other Indebtedness of the Borrower ranking equally with the Obligations) shall be equally and ratably secured by a Lien ranking ratably with and equal to (or at the Borrower's option prior to) such secured Indebtedness; provided, however, that the foregoing restriction shall not apply to:

(i) Liens on any assets of any corporation existing at the time such corporation becomes a Domestic Subsidiary;

(ii) Liens on any assets existing at the time of acquisition of such assets by the Borrower or a Domestic Subsidiary, or Liens to secure the payment of all or any part of the purchase price of such assets upon the acquisition of such assets by the Borrower or a Domestic Subsidiary or to secure any Indebtedness incurred, assumed or guaranteed by the Borrower or

a Domestic Subsidiary prior to, at the time of, or within 180 days after such acquisition (or in the case of real property, the completion of construction (including any improvements on an existing asset) or commencement of full operation of such asset, whichever is later) which Indebtedness is incurred, assumed or guaranteed for the purpose of financing all or any part of the purchase price thereof or, in the case of real property, construction or improvements thereon; provided, however, that in the case of any such acquisition, construction or improvement, the Lien shall not apply to any assets theretofore owned by the Borrower or a Domestic Subsidiary, other than, in the case of any such construction or improvement, any real property on which the property so constructed, or the improvement, is located;

(iii) Liens on any assets to secure Indebtedness of a Subsidiary to the Borrower or to any wholly owned Domestic Subsidiary;

(iv) Liens on any assets of a corporation existing at the time such corporation is merged into or consolidated with the Borrower or a Domestic Subsidiary or at the time of a purchase, lease or other acquisition of the assets of a corporation or firm as an entirety or substantially as an entirety by the Borrower or a Domestic Subsidiary;

(v) Liens on any assets of the Borrower or a Domestic Subsidiary in favor of the United States of America or any

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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 or guaranteed for the purpose of financing all or any part of the purchase price (or, in the case of real property, the cost of construction) of the assets subject to such Liens (including, but not limited to, Liens incurred in connection with pollution control, industrial revenue or similar financings);

(vi) any extension, renewal or replacement (or successive extensions, renewals or replacements) in whole or in part of any Lien referred to in the foregoing clauses (i) to (v), inclusive; provided, however, that the principal amount of Indebtedness secured thereby shall not exceed the principal amount of Indebtedness so secured at the time of such extension, renewal or replacement, and that such extension, renewal or replacement shall be limited to all or a part of the assets which secured the Lien so extended, renewed or replaced (plus improvements and construction on real property);

(vii) Liens not permitted by clauses (i) through (vi) above if at the time of, and after giving effect to, the creation or assumption of any such Lien, the aggregate amount of all Indebtedness of the Borrower and its Domestic Subsidiaries secured by all such Liens not so permitted by clauses (i) through (vi) above does not exceed 10% of Total Assets.

5.10 Minimum Book Net Worth. The Borrower shall not permit Book Net Worth

to be less than \$815,000,000.00 as of the last day of any fiscal quarter (commencing with the fiscal quarter ending June 30, 1996); provided, however, (i) such amount shall be increased at the end of each fiscal quarter (commencing with the fiscal quarter ending September 30, 1996) by an amount equal to 50% of the Borrower and its Subsidiaries' net income for the fiscal quarter then ending (computed on a consolidated basis in accordance with GAAP); and (ii) such amount shall be decreased by the aggregate cumulative amount, but in any event not to exceed \$250,000,000.00 for purposes of this clause (ii), of all payments made by the Borrower subsequent to the Closing Date for the redemption, retirement or other repurchase of any shares of the capital stock of the Borrower.

SECTION 6

EVENTS OF DEFAULT

6.1 Events of Default. Each of the following occurrences shall

constitute an "Event of Default" under this Agreement:

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(A) any representation or warranty made or deemed made by the Borrower to the Lenders in or in connection with this Credit Agreement or any of the other Credit Documents shall prove to have been false or misleading in any material respect when made, deemed made or furnished;

(B) the Borrower shall fail to pay

(i) any principal of any Note as and when the same shall become due and payable, or

(ii) any interest on any Note, any Facility Fee or any other Obligation as and when the same shall become due and payable, and such failure shall continue unremedied for more than three days;

(C) the Borrower shall fail to perform or observe any covenant contained in Section 5.1(e), 5.7 or 5.10 of this Credit Agreement;

(D) the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Credit Agreement or any other Credit Document (other than as provided in subsections 6.1(B) and (C)) on its part to be performed or observed, and such failure shall continue unremedied for a period of 30 days after notice thereof has been received from the Agent or any Lender;

(E) the Borrower shall fail to pay when due, whether by acceleration or otherwise, one or more evidences of Indebtedness (other than the Notes hereunder) having an aggregate unpaid balance of more than \$50,000,000.00, and such failure shall continue for more than the period of grace, if any, applicable thereto and shall not have been waived;

(F) the Borrower or any Subsidiary shall (i) apply for or consent to the appointment of a receiver, custodian, trustee or liquidator of the Borrower or such Subsidiary or any of their respective properties or assets, (ii) generally fail or admit in writing its inability to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case under the Bankruptcy Code (as now or hereafter in effect), (v) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or readjustment of debts, (vi) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against the Borrower or such Subsidiary in an involuntary case under the Bankruptcy Code or (vii) take any corporate action for the purpose of effecting any of the foregoing; provided, however, the occurrence of any of the foregoing events referenced in this Section 6.1(F) with respect to any Subsidiary of the Borrower shall not constitute an Event of Default unless

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such occurrence could have or might be reasonably expected to have a Material Adverse Effect;

(G) a proceeding or case shall be commenced, without the application or consent of the Borrower or any Subsidiary, in any court of competent

jurisdiction seeking (i) its liquidation, reorganization, dissolution or winding-up or the composition or readjustment of its debts, (ii) the appointment of a trustee, receiver, custodian or liquidator of the Borrower or such Subsidiary or of all or any substantial part of its assets or (iii) similar relief in respect of the Borrower or such Subsidiary under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of 60 days; or an order for relief against the Borrower or such Subsidiary shall be entered in an involuntary case under the Bankruptcy Code; provided, however, the occurrence of any of the foregoing events referenced in this Section 6.1(G) with respect to any Subsidiary of the Borrower shall not constitute an Event of Default unless such occurrence could have or might be reasonably expected to have a Material Adverse Effect;

(H) any of the following events or conditions, which in the aggregate, reasonably could be expected to involve possible taxes, penalties, and other liabilities in an aggregate amount in excess of \$50,000,000.00: (1) any "accumulated funding deficiency," as such term is defined in Section 302 of ERISA and Section 412 of the Code, whether or not waived, shall exist with respect to any Plan, or any lien shall arise on the assets of the Borrower, any Subsidiary of the Borrower or any ERISA Affiliate in favor of the PBGC or a Plan; (2) a Termination Event shall occur with respect to a Single Employer Plan, which is, in the reasonable opinion of the Agent, likely to result in the termination of such Plan for purposes of Title IV of ERISA; (3) a Termination Event shall occur with respect to a Multiemployer Plan or Multiple Employer Plan, which is, in the reasonable opinion of the Agent, likely to result in (i) the termination of such Plan for purposes of Title IV of ERISA, or (ii) the Borrower, any Subsidiary of the Borrower or any ERISA Affiliate incurring any liability in connection with a withdrawal from, reorganization of (within the meaning of Section 4241 of ERISA), or insolvency or (within the meaning of Section 4245 of ERISA) such Plan; or (4) any prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code) or breach of fiduciary responsibility shall occur which may subject the Borrower, any Subsidiary of the Borrower or any ERISA Affiliate to any liability under Sections 406, 409, 502(i), or 502(1) of ERISA or Section 4975 of the Code, or under any agreement or other instrument pursuant to which the Borrower, any

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Subsidiary of the Borrower or any ERISA Affiliate has agreed or is required to indemnify any person against any such liability;

(I) any final judgment, final consent decree or final order for the payment of money (or for the performance of any remedial action or other services that would result in the expenditure of funds by the Borrower or any of its Subsidiaries) shall be rendered against the Borrower or any of its Subsidiaries by any federal, state or local court or administrative agency and the same shall fail to be discharged, stayed or bonded for a period of 60 days after such final judgment, final consent decree or final order for the payment of money (or, in the case of performance obligations, shall fail to be performed in the manner and at the times required in such final judgment, final consent decree or final order or shall fail to otherwise be discharged, stayed or bonded, in any such case, for a period of 60 days after the performance of such obligations is required) provided that no occurrence described in this subsection (I) shall constitute an Event of Default unless the aggregate outstanding liability of the Borrower and its Subsidiaries which has resulted from all such occurrences shall exceed \$50,000,000.00 or its equivalent in any other currency);

(J) a "person" or a "group" (within the meaning of Sections 13(d) and 14(d) (2) of the Securities Exchange Act of 1934) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of more than 35% of the then outstanding voting stock of the Borrower; or

(K) any Credit Document shall fail to be in full force and effect or to give the Agent and/or the Lenders the rights, powers and privileges purported to be created thereby and such failure shall have a material adverse effect on the rights and remedies of the Agent or the Lenders thereunder (except to the extent any such failure is caused by the Agent

and except as such documents may be terminated or no longer in force and

effect in accordance with the terms thereof, other than those indemnities and provisions which by their terms shall survive); or

6.2. Rights and Remedies. Upon the occurrence of an Event of Default, and

at any time thereafter unless and until such Event of Default has been waived by the Required Lenders or cured to the satisfaction of the Required Lenders (pursuant to the voting procedures in Section 8.5), the Agent shall, upon the request and direction of the Required Lenders, by written notice to the Borrower take any of the following actions without prejudice to the rights of the Agent or any Lender to enforce its claims against the Borrower:

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(i) Termination of Commitments. Declare the Commitments terminated

whereupon the Commitments shall be immediately terminated.

(ii) Acceleration. Declare the unpaid principal of and any accrued

interest in respect of all Loans and any and all other Obligations to be due whereupon the same shall be immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

(iii) Enforcement of Rights. Enforce any and all rights and

interests created and existing under this Credit Agreement and the Notes and all rights of set-off.

Notwithstanding the foregoing, in the case of an Event of Default specified in subsection (F) or (G) relating to the Borrower, the respective Commitment of each Lender shall be immediately terminated and the Notes, including all interest thereon, and all other Obligations shall be immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrower.

SECTION 7

AGENCY PROVISIONS

7.1 Appointment. Each Lender hereby designates and appoints NationsBank,

N.A. as administrative agent (in such capacity as Agent hereunder, the "Agent")

of such Lender to act as specified herein and in the other Credit Documents, and each such Lender hereby authorizes the Agent, as the agent for such Lender, to take such action on its behalf under the provisions of this Credit Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated by the terms hereof and of the other Credit Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere herein and in the other Credit Documents, the Agent shall not have any duties or responsibilities, except those expressly set forth herein and therein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this

Credit Agreement or any of the other Credit Documents, or shall otherwise exist against the Agent. The provisions of this Section are solely for the benefit of the Agent and the Lenders and the Borrower shall not have any rights as a third party beneficiary of the provisions hereof. In performing its functions and duties under this Credit Agreement and the other Credit Documents, the Agent shall act solely as agent of the Lenders and does not assume and shall not be deemed to have assumed any obligation or relationship of agency or trust with or for the Borrower.

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7.2 Delegation of Duties. The Agent may execute any of its duties

hereunder or under the other Credit Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

7.3 Exculpatory Provisions. Neither the Agent nor any of its officers,

directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection herewith or in connection with any of the other Credit Documents (except for its or such Person's own gross negligence or willful misconduct), or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by the Borrower contained herein or in any of the other Credit Documents or in any certificate, report, statement or other document referred to or provided for in, or received by the Agent under or in connection herewith or in connection with the other Credit Documents, or enforceability or sufficiency hereof or of any of the other Credit Documents, or for any failure of the Borrower to perform its obligations hereunder or thereunder. The Agent shall not be responsible to any Lender for the effectiveness, genuineness, validity, enforceability, collectability or sufficiency of this Credit Agreement, or any of the other Credit Documents or for any representations, warranties, recitals or statements made herein or therein or made by the Borrower in any written or oral statement or in any financial or other statements, instruments, reports, certificates or any other documents in connection herewith or therewith furnished or made by the Agent to the Lenders or by or on behalf of the Borrower to the Agent or any Lender or be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained herein or therein or as to the use of the proceeds of the Loans or of the existence or possible existence of any Default or Event of Default or to inspect the properties, books or records of the Borrower.

7.4 Reliance on Communications. The Agent shall be entitled to rely, and

shall be fully protected in relying, upon any note, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower, independent accountants and other experts selected by the Agent with reasonable care). The Agent may deem and treat the Lenders as the owners of their respective interests hereunder for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Agent in accordance with Section 8.2(b) hereof. The Agent shall be fully justified in failing or

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refusing to take any action under this Credit Agreement or under any of the other Credit Documents unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense

which may be incurred by it by reason of taking or continuing to take any such action. The Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder or under any of the other Credit Documents in accordance with a request of the Required Lenders (or to the extent specifically provided in Section 8.5, all the Lenders) and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders (including their successors and assigns).

7.5 Notice of Default. The Agent shall not be deemed to have knowledge or

notice of the occurrence of any Default or Event of Default hereunder unless the Agent has received notice from a Lender or the Borrower referring to the Credit Document, describing such Default or Event of Default and stating that such notice is a "notice of default." In the event that the Agent receives such a notice, the Agent shall give prompt notice thereof to the Lenders. The Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders.

7.6 Non-Reliance on Agent and Other Lenders. Each Lender expressly

acknowledges that neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Agent or any affiliate thereof hereinafter taken, including any review of the affairs of the Borrower, shall be deemed to constitute any representation or warranty by the Agent to any Lender. Each Lender represents to the Agent that it has, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, assets, operations, property, financial and other conditions, prospects and creditworthiness of the Borrower and made its own decision to make its Loans hereunder and enter into this Credit Agreement. Each Lender also represents that it will, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Credit Agreement, and to make such investigation as it deems necessary to inform itself as to the business, assets, operations, property, financial and other conditions, prospects and creditworthiness of the Borrower. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Agent hereunder, the Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, assets, property, financial or other conditions, prospects or creditworthiness of the Borrower which

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may come into the possession of the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

7.7 Indemnification. The Lenders agree to indemnify the Agent in its

capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Committed Amounts, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including without limitation at any time following the payment of the Obligations) be imposed on, incurred by or asserted against the Agent in its capacity as such in any way relating to or arising out of this Credit Agreement or the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any

portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of the Agent. If any indemnity furnished to

the Agent for any purpose shall, in the opinion of the Agent, be insufficient or become impaired, the Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished. The agreements in this Section shall survive the payment of the Obligations and all other amounts payable hereunder and under the other Credit Documents.

7.8 Agent in its Individual Capacity. NationsBank, N.A. and its

affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower as though the Agent were not Agent hereunder. With respect to the Loans made and all Obligations owing to it, the Agent shall have the same rights and powers under this Credit Agreement as any Lender and may exercise the same as though it were not Agent, and the terms "Lender" and "Lenders" shall include the Agent in its individual capacity.

7.9 Successor Agent. The Agent may, at any time, resign upon 10 days'

written notice to the Lenders. Upon any such resignation, the Required Lenders shall have the right to appoint a successor Agent which has been approved by the Borrower (such approval not to be unreasonably withheld). If no successor Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the notice of resignation, as appropriate, then the retiring Agent shall select a successor Agent provided such successor is a Lender hereunder or a commercial bank organized under the laws of the United States of America or of any State thereof and has a combined capital and surplus of at least \$400,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor, such successor Agent shall thereupon succeed to and become vested

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with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations as Agent, as appropriate, under this Credit Agreement and the other Credit Documents and the provisions of this Section 7.9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Credit Agreement.

SECTION 8

MISCELLANEOUS

8.1 Notices. Except as otherwise expressly provided herein, all notices

and other communications shall have been duly given and shall be effective (i) when delivered, (ii) when transmitted via telecopy (or other facsimile device) to the number set out below, (iii) the day following the day on which the same has been delivered prepaid to a reputable national overnight air courier service, or (iv) the third Business Day following the day on which the same is sent by certified or registered mail, postage prepaid, in each case to the respective parties at the address, in the case of the Borrower and the Agent, set forth below, and in the case of the Lenders, set forth on Schedule 2.1(a),

or at such other address as such party may specify by written notice to the other parties hereto:

if to the Borrower:

Sonoco Products Company
One North Second Street
Hartsville, S.C. 29550
Attn: C. J. Hupfer
Telephone: (803) 383-7179
Telecopy: (803) 339-6098

if to the Agent:

NationsBank, N.A.
NationsBank Corporate Center
NC1-007-08-05
Charlotte, North Carolina 28255
Attn: Mike Short
Telephone: (704) 386-6274
Telecopy: (704) 386-3271

8.2 Benefit of Agreement.

(a) Generally. This Credit Agreement shall be binding upon and inure

to the benefit of and be enforceable by the respective successors and
assigns of the parties hereto; provided that the Borrower may not assign

and transfer any of its interests without prior written consent of the
Lenders; provided further that the rights of each Lender to transfer,

assign or grant

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participations in its rights and/or obligations hereunder shall be limited
as set forth in this Section 8.2, provided however that nothing herein

shall prevent or prohibit any Lender from (i) pledging its Loans hereunder
to a Federal Reserve Bank in support of borrowings made by such Lender from
such Federal Reserve Bank, or (ii) granting assignments or participation in
such Lender's Loans and/or Commitments hereunder to its parent company
and/or to any affiliate of such Lender and/or to any other Lender.

(b) Assignments. Each Lender may, upon obtaining the consent of the

Borrower and the Agent (which consent shall not be unreasonably withheld),
assign all or a portion of its rights and obligations hereunder pursuant to
an assignment agreement substantially in the form of Schedule 8.2(b) to one

or more additional banks or financial institutions, provided that (i) no

such consent shall be required with respect to any assignment by a Lender
to an affiliate of such Lender and no such consent shall be required from
the Borrower after the occurrence and during the continuation of any Event
of Default, and (ii) any such assignment shall be in a minimum aggregate
amount of \$10,000,000 of the Commitment (or the entire amount of such
Commitment if such entire amount is less than \$10,000,000) and that each
such assignment shall be of a constant, not varying, percentage of all of
the assigning Lender's rights and obligations under this Credit Agreement.
Any assignment hereunder shall be effective upon execution by all necessary
parties of the applicable assignment agreement, together with the payment
of a transfer fee of \$3,500 to the Agent for the account of the Agent. The
assigning Lender will give prompt notice to the Agent and the Borrower of
any such assignment. Upon the effectiveness of any such assignment (and
after notice to the Borrower as provided herein), the assignee shall become
a "Lender" for all purposes of this Credit Agreement and the other Credit
Documents and, to the extent of such assignment, the assigning Lender shall
be relieved of its obligations hereunder to the extent of the Loans and
Commitment components being assigned. Along such lines the Borrower agrees
that upon notice of any such assignment and surrender of the appropriate
Note or Notes, it will promptly provide to the assigning Lender and to the
assignee separate promissory notes in the amount of their respective
interests substantially in the form of the original Note (but with notation
thereon that it is given in substitution for and replacement of the

original Note or any replacement notes thereof).

(c) Participations. Each Lender may sell, transfer, grant or assign

participations in all or any

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part of such Lender's interests and obligations hereunder; provided that

(i) such selling Lender shall remain a "Lender" for all purposes under this Credit Agreement (such selling Lender's obligations under the Credit Documents remaining unchanged) and the participant shall not constitute a Lender hereunder and (ii) no such participant shall have, or be granted, rights to approve any amendment or waiver relating to this Credit Agreement or the other Credit Documents except to the extent any such amendment or waiver would (A) reduce the principal of or rate of interest on or fees in respect of any Loans in which the participant is participating, or (B) postpone the date fixed for any payment of principal (including the date of any mandatory prepayment), interest or fees in which the participant is participating. In the case of any such participation, the participant shall not have any rights under this Credit Agreement or the other Credit Documents (the participant's rights against the selling Lender in respect of such participation to be those set forth in the participation agreement with such Lender creating such participation) and all amounts payable by the Borrower hereunder shall be determined as if such Lender had not sold such participation.

8.3 No Waiver; Remedies Cumulative. No failure or delay on the part of

the Borrower, the Agent or any Lender in exercising any right, power or privilege hereunder or under any other Credit Document and no course of dealing between the Borrower and the Agent or any Lender shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights and remedies provided herein are cumulative and not exclusive of any rights or remedies which the Agent or any Lender would otherwise have. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Agent or the Lenders to any other or further action in any circumstances without notice or demand.

8.4 Payment of Expenses, etc. The Borrower agrees to: (i) pay all

reasonable out-of-pocket costs and expenses of the Agent in connection with any amendment, waiver or consent relating to this Credit Agreement and the other Credit Documents to which it shall consent, including, but not limited to, any such amendments, waivers or consents resulting from or related to any work-out, renegotiation or restructure relating to the performance by the Borrower under this Credit Agreement and of the Agent and each Lender in connection with enforcement of the Credit Documents and the documents and instruments referred to therein (including, without limitation, in connection with any such enforcement, the reasonable fees and disbursements of counsel for the Agent and each of the Lenders); (ii) pay and hold

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each of the Lenders harmless from and against any and all present and future stamp and other similar taxes with respect to the foregoing matters and save each of the Lenders harmless from and against any and all liabilities with respect to or resulting from any delay or omission (other than to the extent attributable to such Lender) to pay such taxes; and (iii) indemnify the Agent and each Lender, their respective officers, directors, employees, representatives and agents from and hold each of them harmless against any and

all losses, liabilities, claims, damages or expenses incurred by any of them as a result of, or arising out of, or in any way related to, or by reason of, any investigation, litigation or other proceeding (whether or not the Agent or any Lender is a party thereto) related to the entering into and/or performance of any Credit Document or the use of proceeds of any Loans (including other extensions of credit) hereunder or the consummation of any other transactions contemplated in any Credit Document, including, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any such investigation, litigation or other proceeding (but excluding any such losses, liabilities, claims, damages or expenses to the extent incurred by reason of gross negligence or willful misconduct on the part of the Person to be indemnified).

8.5 Amendments, Waivers and Consents. Neither this Credit Agreement nor

any other Credit Document nor any of the terms hereof or thereof may be amended, changed, waived, discharged or terminated unless such amendment, change, waiver, discharge or termination is in writing signed by the Required Lenders, provided

that no such amendment, change, waiver, discharge or termination shall, without the consent of each Lender, (i) extend the scheduled maturities (including the final maturity and any mandatory prepayments) of any Loan, or any portion thereof, or reduce the rate or extend the time of payment of interest (other than as a result of waiving the applicability of any post-default increase in interest rates) thereon or fees hereunder or reduce the principal amount thereof, or increase the Commitments of the Lenders or the Swingline Lender over the amount thereof in effect, (ii) amend, modify or waive any provision of this Section, (iii) reduce any percentage specified in, or otherwise modify, the definition of Required Lenders or (iv) consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Credit Agreement. No provision of Section 7 may be amended without the consent of the Agent. No provision of Section 2.3 may be amended without the consent of the Swingline Lender.

8.6 Audits/Inspections. Upon reasonable notice and during normal business

hours, the Borrower shall, at the expense of the Lenders, permit representatives appointed by the Agent, including, without limitation, independent accountants, agents, attorneys, and appraisers to visit and inspect its property, including its books and records, its accounts receivable and inventory, its facilities and its other business assets, and to make photocopies or photographs thereof and to write down and record any information such representative obtains and shall

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permit the Agent or its representatives to investigate and verify the accuracy of information provided to the Lenders and to discuss all such matters with the officers, employees and representatives of the Borrower.

8.7 Confidentiality. The Agent and each of the Lenders agrees that it

will use its reasonable efforts not to disclose without the prior consent of the Borrower (other than to its employees, directors, Subsidiaries, affiliates, auditors, counsel or other professional advisors or to another Lender) any information with respect to the Borrower which is furnished pursuant to this Credit Agreement, any other Credit Document or any documents contemplated by or referred to herein or therein and which is designated by the Borrower to the Lenders in writing as confidential or as to which it is otherwise reasonably clear such information is not public, except that any Lender may disclose any such information (a) as has become generally available to the public other than by a breach of this subsection 8.7, (b) at the request of, or as may be required or appropriate in any report, statement or testimony submitted to, any municipal, state or federal regulatory body having or claiming to have jurisdiction over such Lender or the Federal Reserve Board or the Federal Deposit Insurance Corporation or the Office of the Comptroller of the Currency or similar organizations (whether in the United States or elsewhere) or their successors or the National Association of Insurance Commissioners, (c) as may be

required or appropriate in response to any summons or subpoena or any law, order, regulation or ruling applicable to such Lender, (d) to any prospective participant or assignee in connection with any contemplated transfer pursuant to Section 8.2, provided that such prospective transferee shall have been made

aware of this Section 8.2 and shall have agreed to be bound by its provisions as if it were a party to this Credit Agreement, or (e) in connection with any litigation or dispute to which one or more of the Lenders or the Agent or the Borrower is a party.

8.8 Counterparts. This Credit Agreement may be executed in any number of

counterparts, each of which where so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. It shall not be necessary in making proof of this Credit Agreement to produce or account for more than one such counterpart.

8.9 Headings. The headings of the sections and subsections hereof are

provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Credit Agreement.

8.10 Survival of Indemnification. All indemnities set forth herein,

including, without limitation, in Sections 2.8, 2.11, 2.12, 2.13 and 8.5 shall survive the execution and delivery of this Credit Agreement, and the making of the Loans, the repayment of the Loans and other obligations and the termination of the Commitment hereunder.

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8.11 Governing Law; Submission to Jurisdiction; Venue.

(a) THIS CREDIT AGREEMENT AND THE OTHER CREDIT DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA. Any legal action or proceeding with respect to this Credit Agreement or any other Credit Document may be brought in the courts of the State of North Carolina in Mecklenburg County, or of the United States for the Western District of North Carolina, and, by execution and delivery of this Credit Agreement, each party hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such courts.

(b) Each party hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Credit Agreement or any other Credit Document brought in the courts referred to in subsection (a) hereof and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

(c) EACH OF THE AGENTS, EACH OF THE LENDERS AND THE BORROWER HEREBY IRREVOCABLY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS CREDIT AGREEMENT, ANY OF THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY.

8.12 Severability. If any provision of any of the Credit Documents is

determined to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions shall remain in full force and effect and shall be construed without giving effect to the illegal, invalid or unenforceable provisions.

8.13 Entirety. This Credit Agreement together with the other Credit

Documents represent the entire agreement of the parties hereto and thereto, and supersede all prior agreements and understandings, oral or written, if any, including any commitment letters or correspondence relating to the Credit Documents or the transactions contemplated herein and therein.

8.14 Survival of Representations and Warranties. All representations and

warranties made by the Borrower herein shall survive delivery of the Notes and the making of the Loans hereunder.

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IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Credit Agreement to be duly executed and delivered as of the date first above written.

BORROWER: SONOCO PRODUCTS COMPANY
- -----

By /s/ C.J. Hupfer

Title Vice President, Treasurer and Secretary

[Signatures Continue on Following Page]

Signature Page - 1

LENDERS: NATIONSBANK, N.A.,
- -----
individually in its capacity as a
Lender and in its capacity as Agent

By /s/ Michael Short

Title Vice President

SUNTRUST BANK, ATLANTA
By /s/ Brian K. Peters

Title Vice President

By /s/ Jarrett White III

Title GVP

THE BANK OF TOKYO-MITSUBISHI, LTD

By /s/ Brandon Meyerson

Title Assistant Vice President

FIRST UNION NATIONAL BANK OF
SOUTH CAROLINA

By /s/ Gregory G. Burke

Title Vice President

BANK OF AMERICA ILLINOIS

By /s/ Michael J. McKenney

Title Vice President

WACHOVIA BANK OF SOUTH CAROLINA

By /s/ Gina Wurthmann Lesslie

Title Vice President

Signature Page - 2

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By /s/ Patricia P. Lunka

Title Vice President

CREDIT SUISSE

By /s/ William P. Murray

Title Member of Senior Management

By /s/ Kristinn R. Kristiansson

Title Associate

BANK OF MONTREAL

By /s/ Kanu Modi

Title Director

THE BANK OF NEW YORK

By /s/ Alan F. Lyster, Jr.

Title Vice President

DEUTSCHE BANK AG - NEW YORK
AND/OR CAYMAN ISLANDS BRANCHES

By /s/ Flore F. Blaise Williams

Title Vice President

By /s/ Hans-Josef Thiele

Title Vice President

SOCIETE GENERALE

By /s/ Ralph Saheb

Title Vice President

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Schedule 2.1(a)
Schedule of Lenders and
Commitments

Lender	Address for Notices	Committed Amount	Commitment Percentage
NationsBank, N.A.	NationsBank Corporate Center 8th Floor Charlotte, NC 28255 Attn: Michael Short Telephone: (704) 386-6274	\$43,000,000	9.55555555

Facsimile: (704) 386-3271

SunTrust Bank, Atlanta	25 Park Place 26th Floor, MC-118 Atlanta, GA 30303 Attn: Brian K. Peters Telephone: (404) 827-6118 Facsimile: (404) 658-4905	\$37,000,000	8.22222222
The Bank of Tokyo-Mitsubishi, Ltd.	Atlanta Agency Georgia Pacific Center Suite 4970 133 Peachtree Street, N.E. Atlanta, GA 30303-1808 Attn: Sharon Durham Telephone: (404) 222-4214 Facsimile: (404) 577-1155	\$37,000,000	8.22222222
First Union National Bank of South Carolina	1441 Main Street 3rd Floor Columbia, SC 29201 Attn: Gregory Burke Telephone: (803) 251-4400 Facsimile: (803) 251-4434	\$37,000,000	8.22222222
Bank of America Illinois	1230 Peachtree Street Suite 3800 Atlanta, GA 30309 Attn: Michael J. McKenney Telephone: (404) 249-6913 Facsimile: (404) 249-6938	\$37,000,000	8.22222222

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Schedule 2.1(a)

Schedule of Lenders and

Commitments

Lender -----	Address for Notices -----	Committed Amount -----	Commitment Percentage -----
Wachovia Bank of South Carolina, N.A.	1401 Main Street Columbia, South Carolina 29226 Attn: Gina Wurthmann Lesslie Telephone: (803) 765-4355 Facsimile: (803) 765-3232	\$37,000,000	8.22222222
Morgan Guaranty Trust Company of New York	60 Wall Street 22nd Floor New York, NY 10260 Attn: Jenny Lee Telephone: (212) 648-6707 Facsimile: (212) 648-5336	\$37,000,000	8.22222222
Credit Suisse	12 East 49th Street 41st Floor New York, NY 10017 Attn: Kris Kristinsson Telephone: (212) 238-2000 Facsimile: (212) 238-5245	\$37,000,000	8.22222222
Bank of Montreal	430 Park Avenue, 14th Floor New York, NY 10022 Attn: Kanu Modi Telephone: (212) 605-1663 Facsimile: (212) 605-1454	\$37,000,000	8.22222222
The Bank of New York	1 Wall Street, 22nd Floor New York, NY 10286 Attn: Ann Marie Beeble Telephone: (212) 635-1339 Facsimile: (212) 635-6434	\$37,000,000	8.22222222
Deutsche Bank AG - New York and/or	31 West 52nd Street	\$37,000,000	8.22222222

Cayman Islands Branches

New York, NY 10019
Attn: Flora Blaisewilliams
Telephone: (212) 469-8679
Facsimile: (212) 474-8212

- 2 -

Schedule 2.1(a)

Schedule of Lenders and

Commitments

Lender -----	Address for Notices -----	Committed Amount -----	Commitment Percentage -----
Societe Generale	303 Peachtree Street, N.E. Suite 3840 Atlanta, GA 30308 Attn: Mike Schmidt Telephone: (404) 865-7410 Facsimile: (404) 865-7419	\$37,000,000	8.22222222

- 3 -

Schedule 2.1(b) (i)

FORM OF NOTICE OF COMMITTED BORROWING

NationsBank, N.A.,
as Agent for the Lenders

Attn: _____

Ladies and Gentlemen:

The undersigned, SONOCO PRODUCTS COMPANY (the "Borrower"), refers to the

Credit Agreement dated as of September __, 1996 (as amended and modified, from
time to time, the "Credit Agreement"), among the Borrower, the Lenders and

NationsBank, N.A., as Agent. Capitalized terms used herein and not otherwise
defined herein shall have the meanings assigned to such terms in the Credit
Agreement. The Borrower hereby gives notice/1/ that it requests a Committed
Loan borrowing pursuant to the provisions of Section 2.1(b) of the Credit
Agreement and in connection herewith sets forth below the terms on which such
borrowing is requested to be made:

- (A) Date of Borrowing
(which is a Business Day) _____
- (B) Principal Amount of
Borrowing/2/ _____
- (C) Interest rate basis/3/ _____
- (D) Interest Period and the
last day thereof/4/ _____

In accordance with the requirements of Section 3.2, the Borrower hereby reaffirms the representations and warranties set forth in the Credit Agreement as provided in subsection (c) of such Section, and confirms that the matters referenced in subsections (d) and (e) of such Section, are true and correct.

Very truly yours,

SONOCO PRODUCTS COMPANY

By: _____
Name: _____
Title: _____

- -----
/1/ Notice must be received by the Agent not later than 11:00 A.M. (Charlotte, North Carolina time) on the Business Day of the requested borrowing in the case of Base Rate Loans, and on the third Business Day prior to the date of the requested borrowing in the case of Eurodollar Loans.

/2/ A minimum of \$5,000,000 and increments of \$2,000,000.

/3/ Eurodollar and Base Rate Loans available.

/4/ Interest Periods of one, two, three and six months' duration for Eurodollar Loans.

- 1 -

SCHEDULE 2.1(e)

FORM OF COMMITTED NOTE

\$ _____

September 17, 1996

FOR VALUE RECEIVED, SONOCO PRODUCTS COMPANY, a _____
corporation (the "Borrower"), hereby promises to pay to the order of

_____, its successors and assigns (the "Lender"), at the _____
office of NationsBank, N.A., as Agent (the "Agent"), at 101 North Tryon Street,

NC1-001-15-04, Charlotte, North Carolina 28255 (or at such other place or
places as the holder hereof may designate), at the times set forth in the Credit
Agreement dated as of the date hereof among the Borrower, the Lenders and the
Agent (as it may be amended and modified from time to time, the "Credit

Agreement"; all capitalized terms not otherwise defined herein shall have the
- -----

meanings set forth in the Credit Agreement), but in no event later than the
Termination Date, in Dollars and in immediately available funds, the principal
amount of _____ DOLLARS (\$ _____) or, if less than such
principal amount, the aggregate unpaid principal amount of all Committed Loans
made by the Lender to the Borrower pursuant to the Credit Agreement, and to pay
interest from the date hereof on the unpaid principal amount hereof, in like
money, at said office, on the dates and at the rates selected in accordance with
Section 2.1(d) of the Credit Agreement.

Upon the occurrence and during the continuance of an Event of Default the
balance outstanding hereunder shall bear interest as provided in Section 2.4 of
the Credit Agreement. Further, in the event the payment of all sums due
hereunder is accelerated under the terms of the Credit Agreement, this Note and
all other indebtedness owing to the Lender under the Credit Documents shall
become immediately due and payable, without presentment, demand, protest or
notice of any kind, all of which are hereby waived by the Borrower.

In the event this Note is not paid when due at any stated or accelerated maturity, the Borrower agrees to pay, in addition to the principal and interest, all costs of collection, including reasonable attorneys' fees; provided that

such attorneys' fees shall be based on the actual amount of time expended in connection with such matters at the usual hourly rates of such attorneys, notwithstanding the provisions of N.C. Gen. Stat. (S) 6-21.2.

All borrowings evidenced by this Note and all payments and prepayments of the principal hereof and interest hereon and the respective dates thereof shall be endorsed by the holder hereof on Schedule A attached hereto and incorporated

herein by reference, or on a continuation thereof which shall be attached hereto and made a part hereof; provided, however, that any failure to endorse such

information on such schedule or continuation thereof shall not in any manner affect the obligation of the Borrower to make payments of principal and interest in accordance with the terms of this Note.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NORTH CAROLINA.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed by its duly authorized officer as of the day and year first above written.

SONOCO PRODUCTS COMPANY

By: _____
Name: _____
Title: _____

- 1 -

SCHEDULE A TO THE
COMMITTED NOTE
OF SONOCO PRODUCTS COMPANY
DATED SEPTEMBER __, 1996

Date	Type of Loan	Interest Period	Payments Principal	Interest	Unpaid Principal Balance of Note	Name of Person Making Notation
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -

- 2 -

Schedule 2.2(b)-1

FORM OF COMPETITIVE BID REQUEST

NationsBank, N.A.,
as Agent for the Lenders

Attn: _____

Ladies and Gentlemen:

The undersigned, SONOCO PRODUCTS COMPANY (the "Borrower"), refers to the Credit Agreement dated as of September __, 1996 (as amended and modified from

time to time, the "Credit Agreement"), among the Borrower, the Lenders and

NationsBank, N.A., as Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower hereby gives you notice/1/ pursuant to Section 2.2(b) of the Credit Agreement it requests solicitation of Competitive Bids under the Credit Agreement, and in connection herewith sets forth below the terms on which such Competitive Loan borrowing is requested to be made:

- (A) Date of Competitive Loan Borrowing
(which is a Business Day) _____
- (B) Principal Amount of
Competitive Loan Borrowing/2/ _____
- (C) Interest Period and the last
day thereof/3/ _____

- -----

/1/ Notice must be received by the Agent by 12:00 Noon (Charlotte, North Carolina time) on the second Business Day prior to the date of the requested Competitive Loan borrowing .

/2/ A minimum of \$5,000,000 and \$2,000,000 increments in excess thereof.

/3/ Subject to the provisions and definitions of the Credit Agreement, but generally not less than ____ days nor more than ____ days.

- 1 -

In accordance with the requirements of Section 3.2, the Borrower hereby reaffirms the representations and warranties set forth in the Credit Agreement as provided in subsection (c) of such Section, and confirms that the matters referenced in subsections (d) and (e) of such Section, are true and correct.

Very truly yours,

SONOCO PRODUCTS COMPANY

By: _____
Name: _____
Title: _____

- 2 -

Schedule 2.2(b)-2

FORM OF NOTICE OF COMPETITIVE BID REQUEST

[Name of Lender]
[Address]

Attention:

Dear Sirs:

Reference is made to the Credit Agreement dated as of September __, 1996 (as amended and modified from time to time, the "Credit Agreement"), among

SONOCO PRODUCTS COMPANY (the "Borrower"), the Lenders and NationsBank, N.A., as

Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower made a Competitive Bid Request on _____, 19__, pursuant to Section 2.2(b) of the Credit Agreement, and in that connection you are invited to submit a Competitive Bid by 10:00 A.M. (Charlotte, North Carolina time) _____, 19__ [Date of Proposed Competitive Loan Borrowing] Your Competitive Bid must comply with Section 2.2(c) of the Credit Agreement and the terms set forth below on which the Competitive Bid Request was made:

- (A) Date of Competitive Borrowing _____
- (B) Principal amount of
Competitive Borrowing _____
- (C) Interest Period and the last
day thereof _____

Very truly yours,

NATIONS BANK, N.A., as Agent

By: _____

Name: _____

Title: _____

- 1 -

Schedule 2.2(c)

FORM OF COMPETITIVE BID

NationsBank, N.A.,
as Agent for the Lenders

Attn: _____

Ladies and Gentlemen:

The undersigned, [Name of Lender], refers to the Credit Agreement dated as of September __, 1996 (as amended and modified from time to time, the "Credit

Agreement"), among SONOCO PRODUCTS COMPANY (the "Borrower"), the Lenders and

NationsBank, N.A., as Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The undersigned hereby makes a Competitive Bid pursuant to Section 2.2(c) of the Credit Agreement, in response to the Competitive Bid Request made by the Borrower on _____, 19__, and in that connection sets forth below the terms on which such Competitive Bid is made:

- (A) Principal Amount/1/ _____
- (B) Competitive Bid Rate _____
- (C) Interest Period and last
day thereof _____

The undersigned hereby confirms that it is prepared, subject to the conditions set forth in the Credit Agreement, to extend credit to the Borrower

upon acceptance by the Borrower of this bid in accordance with Section 2.2(e) of the Credit Agreement.

Very truly yours,

[NAME OF LENDER]

By: _____
Name: _____
Title: _____

- - - - -
/1/ Acceptance in a minimum principal amount of \$1,000,000 and \$500,000 increments in excess thereof.

-1-

Schedule 2.2(e)

FORM OF COMPETITIVE BID ACCEPT/REJECT LETTER

NationsBank, N.A.,
as Agent for the Lenders

Attn: _____

Ladies and Gentlemen:

The undersigned, SONOCO PRODUCTS COMPANY (the "Borrower"), refers to the

Credit Agreement dated as of September __, 1996 (as amended and modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders and

NationsBank, N.A., as Agent.

In accordance with Section 2.2(d) of the Credit Agreement, we have received a summary of bids in connection with our Competitive Bid Request dated _____ and in accordance with Section 2.2(d) of the Credit Agreement, we hereby accept the following bids for maturity on [date]:

Principal Amount	Competitive Bid Rate	Interest Paid	Lender
-----	-----	-----	-----
\$	[%]		
\$	[%]		

We hereby reject the following bids:

Principal Amount	Competitive Bid Rate	Interest Paid	Lender
-----	-----	-----	-----
\$	[%]		
\$	[%]		

The Competitive Loans accepted as provided above should be deposited in the general deposit account maintained by the Borrower with NationsBank, N.A. on [date].

Very truly yours,

SONOCO PRODUCTS COMPANY

By: _____
Name: _____
Title: _____

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SCHEDULE 2.2(i)

FORM OF COMPETITIVE NOTE

\$450,000,000

September __, 1996

FOR VALUE RECEIVED, SONOCO PRODUCTS COMPANY, a _____
corporation (the "Borrower"), hereby promises to pay to the order of

_____, its successors and permitted assigns (the "Lender"),

at the office of NationsBank, N.A., as Agent (the "Agent"), at 101 North Tryon

Street, NC1-001-15-04, Charlotte, North Carolina 28255 (or at such other place
or places as the holder hereof may designate), at the times set forth in the
Credit Agreement dated as of the date hereof among the Borrower, the Lenders and
the Agent (as it may be amended and modified from time to time, the "Credit

Agreement"; all capitalized terms not otherwise defined herein shall have the

meanings set forth in the Credit Agreement), but in no event later than the
Termination Date, in Dollars and in immediately available funds, the principal
amount of FOUR HUNDRED FIFTY MILLION DOLLARS (\$450,000,000) or, if less than
such principal amount, the aggregate unpaid principal amount of all Competitive
Loans made by the Lender to the Borrower pursuant to the Credit Agreement, and
to pay interest from the date hereof on the unpaid principal amount hereof, in
like money, at said office, on the dates and at the rates selected in accordance
with Section 2.2(g) of the Credit Agreement and in the respective Competitive
Bid applicable to each Competitive Loan borrowing evidenced hereby.

Upon the occurrence and during the continuance of an Event of Default the
balance outstanding hereunder shall bear interest as provided in Section 2.4 of
the Credit Agreement. Further, in the event the payment of all sums due
hereunder is accelerated under the terms of the Credit Agreement, this Note and
all other indebtedness owing to the Lender under the Credit Documents shall
become immediately due and payable, without presentment, demand, protest or
notice of any kind, all of which are hereby waived by the Borrower.

In the event this Note is not paid when due at any stated or accelerated
maturity, the Borrower agrees to pay, in addition to the principal and interest,
all costs of collection, including reasonable attorneys' fees; provided that

such attorneys' fees shall be based on the actual amount of time expended in
connection with such matters at the usual hourly rates of such attorneys,
notwithstanding the provisions of N.C. Gen. Stat. (S) 6-21.2.

All borrowings evidenced by this Note and all payments and prepayments of
the principal hereof and interest hereon and the respective dates thereof shall
be endorsed by the holder hereof on Schedule A attached hereto and incorporated

herein by reference, or on a continuation thereof which shall be attached hereto
and made a part hereof; provided, however, that any failure to endorse such

information on such schedule or continuation thereof shall not in any manner
affect the obligation of the Borrower to make payments of principal and interest
in accordance with the terms of this Note.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NORTH CAROLINA.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed by its duly authorized officer as of the day and year first above written.

SONOCO PRODUCTS COMPANY

By: _____
Name: _____
Title: _____

-1-

SCHEDULE A TO THE
COMPETITIVE NOTE
OF SONOCO PRODUCTS COMPANY
DATED SEPTEMBER __, 1996

Date	Type of Loan	Interest Period	Payments Principal Interest	Unpaid Principal Balance of Note	Name of Person Making Notation
-	-	-	-	-	-

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SCHEDULE 2.3(d)

FORM OF SWINGLINE NOTE

\$15,000,000.00

September __, 1996

FOR VALUE RECEIVED, SONOCO PRODUCTS COMPANY, a _____ corporation (the "Borrower"), hereby promises to pay to the order of NATIONSBANK, N.A., its

successors and registered assigns (the "Swingline Lender"), at the office of

NationsBank, N.A., as Agent (the "Agent"), at 100 N. Tryon Street, Charlotte,

North Carolina 28255 (or at such other place or places as the holder hereof may designate), at the times set forth in the Credit Agreement dated as of the date hereof among the Borrower, the Swingline Lender and other Lenders and the Agent (as it may be amended, modified, extended or restated from time to time, the

"Credit Agreement"; all capitalized terms not otherwise defined herein shall

have the meanings set forth in the Credit Agreement), but in no event later than the Termination Date, in Dollars and in immediately available funds, the principal amount of FIFTEEN MILLION DOLLARS (\$15,000,000.00) or, if less than such principal amount, the aggregate unpaid principal amount of all Swingline Loans made by the Swingline Lender to the Borrower pursuant to the Credit Agreement, and to pay interest from the date hereof on the unpaid principal amount hereof, in like money, at said office, on the dates and at the rates selected in accordance with Section 2.3(c) of the Credit Agreement .

Upon the occurrence and during the continuance of an Event of Default, the balance outstanding hereunder shall bear interest as provided in Section 2.4 of

the Credit Agreement. Further, in the event the payment of all sums due hereunder is accelerated under the terms of the Credit Agreement, this Note, and all other indebtedness of the Borrower to the Swingline Lender shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Borrower.

In the event this Note is not paid when due at any stated or accelerated maturity, the Borrower agrees to pay, in addition to the principal and interest, all costs of collection, including reasonable attorneys' fees.

All borrowings evidenced by this Note and all payments and prepayments of the principal hereof and interest hereon and the respective dates thereof shall be endorsed by the holder hereof on Schedule A attached hereto and incorporated

herein by reference, or on a continuation thereof which shall be attached hereto and made a part hereof; provided, however, that any failure to endorse such

information on such schedule or continuation thereof shall not in any manner affect the obligation of the Borrower to make payments of principal and interest in accordance with the terms of this Note.

-3-

This Note and the Loans evidenced hereby may be transferred in whole or in part only by registration of such transfer on the Register maintained by or on behalf of the Borrower as provided in Section 8.2 of the Credit Agreement.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed by its duly authorized officer as of the day and year first above written.

SONOCO PRODUCTS COMPANY

By_____

Title_____

-4-

SCHEDULE A TO THE
SWINGLINE NOTE
OF _____
DATED SEPTEMBER __, 1996

Date	Type of Loan	Interest Period	Payments Principal	Interest	Unpaid Principal Balance of Note	Name of Person Making Notation
-	----	-----	-----	-----	-----	-----

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Schedule 2.4

FORM OF NOTICE OF CONVERSION OR EXTENSION

NationsBank, N.A.,
as Agent for the Lenders

Attention: _____

Ladies and Gentlemen:

The undersigned, SONOCO PRODUCTS COMPANY (the "Borrower"), refers to the

Credit Agreement dated as of September __, 1996 (as amended and modified from
time to time, the "Credit Agreement"), among the Borrower, the Lenders and

NationsBank, N.A., as Agent. Capitalized terms used herein and not otherwise
defined herein shall have the meanings assigned to such terms in the Credit
Agreement. The Borrower hereby gives notice/1/ pursuant to Section 2.5 of the
Credit Agreement that it requests an extension or conversion of a Committed Loan
outstanding under the Credit Agreement, and in connection herewith sets forth
below the terms on which such extension or conversion is requested to be made:

- (A) Date of Extension or Conversion
(which, with regard to Eurodollar
Loans, is the last day of the
the applicable Interest Period) _____
- (B) Principal Amount of
Extension or Conversion/2/ _____
- (C) Interest rate basis/3/ _____
- (D) Interest Period and the
last day thereof/4/ _____

- -----
/1/ This Notice of Extension/Conversion (or telephone notice promptly confirmed
in writing) must be delivered to the Agent prior to 11:00 A.M. (Charlotte, North
Carolina time) on the Business Day of, in the case of the conversion of a
Eurodollar Loan into a Base Rate Loan, and on the second Business Day prior to,
in the case of the extension of a Eurodollar Loan as, or conversion of a Base
Rate Loan into, a Eurodollar Loan, the date of the proposed extension or
conversion.

/2/ A minimum of \$5,000,000 and increments of \$2,000,000.

/3/ Eurodollar and Base Rate Loans available.

/4/ Interest Periods of one, two, three and six months' duration for Eurodollar
Loans.

- 1 -

In accordance with the requirements of Section 3.2, the Borrower hereby
reaffirms the representations and warranties set forth in the Credit Agreement
as provided in subsection (c) of such Section, and confirms that the matters
referenced in subsections (d) and (e) of such Section, are true and correct.

Very truly yours,

SONOCO PRODUCTS COMPANY

By: _____
Name: _____
Title: _____

- 2 -

SCHEDULE 2.11

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

Reference is hereby made to the Credit Agreement, dated as of September __, 1996, as amended and modified from time to time thereafter, among Sonoco Products Company, the Lenders party thereto and NationsBank, N.A., as Agent (the "Credit Agreement"). Pursuant to Section 2.12 of the Credit Agreement, the

undersigned hereby certifies that it is not a "bank" as such term is used in Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended.

[NAME OF LENDER]

By: _____

Name: _____

Title: _____

- 1 -

SCHEDULE 3.1(c)

[Form of Legal Opinions]

September __, 1996

To the Agent and Lenders party to the
Credit Agreement referred to below

Ladies and Gentlemen:

We are general counsel to Sonoco Products Company, a _____
corporation ("Sonoco"). As such we have been asked to give certain legal

opinions set forth herein in connection with the Credit Agreement (the "Credit
Agreement"), dated as of September __, 1996 among Sonoco, the several lenders

- -----

identified on the signature pages thereto and such other lenders as may from time to time become a party thereto and NationsBank, N.A., as Agent. Terms used but not otherwise defined herein shall have the meanings provided in the Credit Agreement.

This opinion is given in accordance with the requirements of Section 3.1(c) of the Credit Agreement.

In rendering the opinions expressed below, we have examined an executed copy of the Credit Documents and originals or copies, certified or otherwise identified to our satisfaction, of such corporate records, agreements, documents and other instruments, and such certificates or comparable documents of public officials and of officers and representatives of Sonoco, and have made such inquiries of such officers and representatives, as we have deemed relevant and necessary as a basis for the opinions hereinafter set forth.

In such examination, we have assumed the genuineness of all signatures (other than signatures of officers of Sonoco), the authenticity of all documents (other than the Credit Documents) submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies and the authenticity of the originals of such latter documents.

Based on the foregoing, and subject to the qualifications stated herein, we are of the opinion that:

1. Sonoco (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of _____, (ii) is duly qualified and in good standing as a foreign corporation and authorized to do business in all other jurisdictions wherein the nature of its business or property makes such qualification necessary, except where its failure so to qualify would not have a Material Adverse Effect, and (iii) has the corporate power and authority to own its real properties and its material personal properties and to carry on its business as now conducted.

2. Neither the execution and delivery of the Credit Documents, nor the consummation of the transactions contemplated therein, nor performance of and compliance with the terms and provisions thereof by Sonoco will (a) violate or conflict with any provision of its articles of incorporation or bylaws, (b) violate, contravene or materially conflict with any law, regulation (including, without limitation, Regulation U or Regulation X), order, writ, judgment, injunction, decree or permit applicable to it, (c) violate, contravene or materially conflict with contractual provisions of, or cause an event of default under, any indenture, loan agreement, mortgage, deed of trust, contract or other agreement or instrument to which it is a party or by which it may be bound, the violation of which could have or might be

- 2 -

reasonably expected to have a Material Adverse Effect, or (d) result in or require the creation of any Lien upon or with respect to its properties.

3. No approval, consent or authorization of, or any other action by, or filing or registration with, any governmental department, agency or instrumentality, is necessary for the execution or delivery by Sonoco of the Credit Documents or for the performance by it of any of the terms or conditions thereof.

4. Each of the Credit Documents has been duly executed and delivered by Sonoco.

5. Each of the Credit Documents constitutes a legal, valid and binding obligation of Sonoco enforceable against it in accordance with its respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

7. To the best of our knowledge,

(i) there are no actions, suits or proceedings pending or threatened against or affecting Sonoco or any Subsidiary in any court or arbitration or before or by any governmental department, agency or instrumentality, domestic or foreign, which reasonably could be expected to have a Material Adverse Effect; and

(ii) neither Sonoco nor any Subsidiary is in violation of any judgment, order, writ, injunction, decree or award or in violation of any rule or regulation of any court or binding arbitration or governmental department, agency or instrumentality, domestic or foreign, the violation of which would have a Material Adverse Effect.

Very truly yours,

- 3 -

September 17, 1996

To the Lenders party to the Credit
Agreement referred to below and
NationsBank, N.A.,
as Agent thereunder

Ladies and Gentlemen:

We have acted as special counsel to the Agent and the Lenders party to that certain Credit Agreement of even date herewith among Sonoco Products Company (the "Borrower"), the Lenders party thereto and NationsBank, N.A., as Agent (the "Credit Agreement"). This opinion is delivered to you pursuant to Section 3.1(c) of the Credit Agreement. Terms defined in the Credit Agreement are incorporated herein by reference.

In connection with this opinion, we have examined the originals, or certified, conformed or reproduction copies, of all records, agreements, instruments and documents as we have deemed relevant or necessary as the basis for the opinions hereinafter expressed. In stating our opinion, we have assumed the genuineness of all signatures on original or certified copies, the authenticity of documents submitted to us as originals and the conformity to original or certified copies of all copies submitted to us as certified or reproduction copies.

We have also assumed, for purposes of the opinions expressed herein, (i) that the parties to the Credit Documents have the corporate power and authority to enter into and perform the Credit Documents and that the Credit Documents have been duly authorized, executed and delivered by each such party and (ii) the delivery of the consideration for the Credit Documents.

The opinions expressed herein are subject to the following further assumptions, limitations, qualifications and exceptions:

Certain rights, remedies and waivers contained in the Credit Documents may be rendered ineffective, or may be limited, by applicable laws or judicial decisions governing such provisions, but such laws and judicial decisions do not, in our opinion, make the Credit Documents inadequate for the practical realization of the benefits and security which the Credit Documents purport to provide.

Based upon the foregoing, and subject to the limitations set forth herein, we are of the opinion that the Credit Documents constitute the legal, valid and binding obligation of the Borrower, enforceable in accordance with their respective terms except to the extent that enforcement may be limited by applicable bankruptcy, fraudulent conveyance, insolvency, reorganization or other similar laws affecting creditors' rights generally and by equity principles (regardless of whether enforcement is sought in equity or at law). Without limiting the generality of the foregoing, we express no opinion as to the applicability to the obligations of the Borrower under the Credit Documents of Section 548 of the Bankruptcy Code or North Carolina General Statutes Section 39-15 relating to fraudulent transfers and obligations.

This opinion is limited to the federal law of the United States of America and the law of the State of North Carolina in effect on the date hereof.

This opinion is rendered solely for your benefit in connection with the transaction described above and may not be used or relied upon by any other person and may not be disclosed, quoted, filed with a governmental agency or

otherwise referred to without our prior written consent except to your bank examiners, auditors, and counsel and to prospective transferees of your interests under the Credit Documents and their professional advisers, or as required by law or pursuant to legal process.

Very truly yours,

MOORE & VAN ALLEN, PLLC

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SCHEDULE 4.12

Existing Liens

- 6 -

SCHEDULE 5.1(c)

Form of Officer's Compliance Certificate

For the fiscal quarter ended _____, 19__.

I, _____, [Title] of SONOCO PRODUCTS COMPANY (the "Borrower") hereby certify that, to the best of my knowledge and belief, with

respect to that certain Credit Agreement dated as of September __, 1996 (as amended and modified from time to time, the "Credit Facility"; all of the

defined terms in the Credit Agreement are incorporated herein by reference) among the Borrower, the Lenders party thereto and NationsBank, N.A., as Agent:

- a. The company-prepared financial statements which accompany this certificate are true and correct in all material respects and have been prepared in accordance with generally accepted accounting principles applied on a consistent basis, subject to changes resulting from audit and normal year-end audit adjustments; and
- b. Since _____ (the date of the last similar certification, or, if none, the Closing Date) no Default or Event of Default has occurred under the Credit Agreement.

This _____ day of _____, 19__.

SONOCO PRODUCTS COMPANY

By: _____
Name: _____
Title: _____

- 1 -

SCHEDULE 8.2(b)

Form of Assignment and Acceptance

THIS ASSIGNMENT AND ACCEPTANCE dated as of _____, 199_ is entered into between _____ ("Assignor") and _____ ("Assignee").

Reference is made to the Credit Agreement dated as of September __, 1996, as amended and modified from time to time thereafter (the "Credit Agreement") among

SONOCO PRODUCTS COMPANY, the Lenders party thereto and NationsBank, N.A., as Agent. Terms defined in the Credit Agreement are used herein with the same meanings.

1. The Assignor hereby sells and assigns, without recourse, to the Assignee, and the Assignee hereby purchases and assumes, without recourse, from the Assignor, effective as of the Effective Date set forth below, the interests set forth below (the "Assigned Interest") in the Assignor's rights and

obligations under the Credit Agreement, including, without limitation, the interests set forth below in the Commitments of the Assignor on the effective date of the assignment designated below (the "Effective Date") and the Committed

Loans owing to the Assignor which are outstanding on the Effective Date, together with unpaid interest accrued on the assigned Loans to the Effective Date and the amount, if any, set forth below of the Fees accrued to the Effective Date for the account of the Assignor. Each of the Assignor and the Assignee hereby makes and agrees to be bound by all the representations, warranties and agreements set forth in Section 8.2(b) of the Credit Agreement, a copy of which has been received by each such party. From and after the Effective Date (i) the Assignee, if it is not already a Lender under the Credit Agreement, shall be a party to and be bound by the provisions of the Credit Agreement and, to the extent of the interests assigned by this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent of the interests assigned by this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

2. This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of North Carolina.

3. Terms of Assignment

(a) Date of Assignment:

(b) Legal Name of Assignor:

(c) Legal Name of Assignee:

(d) Effective Date of Assignment:

(e) Commitment Percentage Assigned
(expressed as a percentage of
the Total Committed Amount and
set forth to at least 8 decimals) %

(f) Commitment Percentage of
Assignor after Assignment
(set forth to at least 8 decimals) %

(g) Total Committed Loans outstanding
as of Effective Date \$ _____

(h) Principal Amount of Committed
Loans assigned on Effective
Date (the amount set forth
in (g) multiplied by the
percentage set forth in (e)) \$ _____

The terms set forth above
are hereby agreed to:

_____, as Assignor

By: _____
Name: _____
Title: _____

_____, as Assignee

By: _____
Name: _____
Title: _____

CONSENTED TO:

NATIONSBANK, N.A.,
as Agent

By: _____
Name: _____
Title: _____

SONOCO PRODUCTS COMPANY

By: _____
Name: _____
Title: _____

Sinkler & Boyd, P.A.
Attorneys at Law
The Palmetto Center
1426 Main Street, Suite 1200
Columbia, South Carolina 29201
(803) 779-3080

September 25, 1996

Sonoco Products Company
Post Office Box 160
Hartsville, South Carolina 29551

Dear Sirs:

In connection with the registration under the Securities Act of 1933 (the "Act") of \$200,000,000 aggregate amount of debt securities (the "Securities") of Sonoco Products Company, a South Carolina corporation (the "Company"), we, as your counsel, have examined such corporate records, certificates and other documents, and such questions of law, as we have considered necessary or appropriate for the purposes of this opinion.

Upon the basis of such examination, we advise you that, in our opinion, when the Registration Statement has become effective under the Act, the terms of the Securities and of their issuance and sale have been duly established in conformity with the Indenture relating to the Securities so as not to violate any applicable law or result in a default under or breach of any agreement or instrument binding upon the Company and so as to comply with any requirement or restriction imposed by any court or governmental body having jurisdiction over the Company, and the Securities have been duly executed and authenticated in accordance with the Indenture and issued and sold as contemplated in the Registration Statement, the Securities will constitute valid and legally binding obligations of the Company, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

We note that, as of the date of this opinion, a judgment for money in an action based on a Security denominated in a foreign currency or currency unit in a federal or state court in the United States ordinarily would be enforced in the United States only in United States dollars. The date used to determine the rate of conversion of the foreign currency or currency unit in which a particular Security is denominated into United States dollars will depend upon various factors, including which court renders the judgment. In the case of a Security denominated in a foreign currency, a state court in the State of New York rendering a judgment on such Security would be required under Section 27 of the New York Judiciary Law to render such judgment in the foreign

Sonoco Products Company
September 25, 1996
Page 2

currency in which the Security is denominated, and such judgment would be converted into United States dollars at the exchange rate prevailing on the date of entry of the judgment.

The foregoing opinion is limited to the Federal laws of the United States, the laws of the State of New York, and the laws of the State of South Carolina, and we are expressing no opinion as to the effect of the laws of any other

jurisdiction. With respect to all matters of New York law, we have relied upon the opinion of Sullivan & Cromwell, of even date herewith, and our opinion is subject to the same assumptions, qualifications and limitations with respect to such matters as are contained in such opinion of Sullivan & Cromwell.

Also, we have relied as to certain matters on information obtained from public officials, officers of the Company and other sources believed by us to be responsible, and we have assumed that the Indenture has been duly authorized, executed and delivered by the Trustee thereunder, an assumption which we have not independently verified.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the heading "Validity of Debt Securities" in the Prospectus. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act.

Very truly yours,

/s/ Sinkler & Boyd, P.A.

Sinkler & Boyd, P.A.

September 25, 1996

Sonoco Products Company,
Post Office Box 160,
Hartsville, South Carolina 29551.

Dear Sirs:

In connection with the registration under the Securities Act of 1933 (the "Act") of \$200,000,000 aggregate amount of debt securities (the "Securities") of Sonoco Products Company, a South Carolina corporation (the "Company"), we, as your special counsel, have examined such corporate records, certificates and other documents, and such questions of law, as we have considered necessary or appropriate for the purposes of this opinion.

Upon the basis of such examination, we advise you that, in our opinion, when the Registration Statement has become effective under the Act, the terms of the Securities and of their issuance and sale have been duly established in conformity with the Indenture relating to the Securities so as not to violate any applicable law or result in a default under or breach of any agreement or instrument binding upon the Company and so as to comply with any requirement or restriction imposed by any court or governmental body having jurisdiction over the Company, and the Securities have been duly executed and authenticated in accordance with the Indenture and issued and sold as contemplated in the Registration Statement, the Securities will constitute valid and legally binding obligations of the Company, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

We note that, as of the date of this opinion, a judgment for money in an action based on a Security denominated in a foreign currency or currency unit in a Federal or state court in the United States ordinarily would be enforced in the United States only in United States dollars. The date used to determine the rate of conversion of the foreign currency unit in which a particular Security is denominated into United States dollars will depend upon various factors, including which court renders the judgment. In the case of a Security denominated in a foreign currency, a state court in the State of New York rendering a judgment on such Security would be required under Section 27 of the New York Judiciary Law to render such judgment in the foreign currency in which the Security is denominated, and such judgment would be converted into United States dollars at the exchange rate prevailing on the date of entry of the judgment.

The foregoing opinion is limited to the Federal laws of the United States, the laws of the State of New York, and the laws of the State of South Carolina, and we are expressing no opinion as the effect of the laws of any other jurisdiction. With respect to all matters of South Carolina law, we have relied upon the opinion of Sinkler & Boyd, P.A., of even date herewith, and our opinion is subject to the same assumptions, qualifications and limitations with respect to such matters as are contained in such opinion of Sinkler & Boyd, P.A.

Also, we have relied as to certain matters on information obtained from public officials, officers of the Company and other sources believed by us to be responsible, and we have assumed that the Indenture has been duly authorized, executed and delivered by the Trustee thereunder, an assumption which we have not independently verified.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the heading "Validity of Debt Securities" in the Prospectus. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act.

Very truly yours,

/s/ Sullivan & Cromwell

Sullivan & Cromwell

EXHIBIT 12.1

SONOCO PRODUCTS COMPANY

Computation of Ratio of Earnings to Fixed Charges
(Dollars in Thousands)

	Six Months Ended	Years Ended December 31,				
	June 30, 1996	1995	1994	1993	1992 (A)	1991
Income from continuing operations before provision for income taxes	\$149,742	\$270,790	\$210,930	\$192,907	\$131,003	\$155,724
Add:						
Interest on indebtedness	25,192	44,004	35,861	31,154	30,364	28,186
Portion of rents representative of the interest factor	5,454	10,436	9,629	9,130	8,172	7,644
Income as adjusted	\$180,388	\$325,230	\$256,420	\$233,191	\$169,539	\$191,554
Fixed Charges:						
Interest on indebtedness	\$25,192	\$44,004	\$35,861	\$31,154	\$30,364	\$28,186
Portion of rents representative of the interest factor	5,454	10,436	9,629	9,130	8,172	7,644
Fixed Charges	\$30,646	\$54,440	\$45,490	\$40,284	\$38,536	\$35,830
Ratio of earnings to fixed charges	5.89	5.97	5.64	5.79	4.40	5.35
Rents	\$16,363	\$31,309	\$28,886	\$27,389	\$24,517	\$22,931
Interest factor	33-1/3%	33-1/3%	33-1/3%	33-1/3%	33-1/3%	33-1/3%
Portion of rents representative of the interest factor	\$5,454	\$10,436	\$9,629	\$9,130	\$8,172	\$7,644

(A) Excludes cumulative effect of changes in accounting principles; includes \$42,000 pre-tax restructuring charges.

Coopers & Lybrand L. L. P.

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in this registration statement of Sonoco Products Company on Form S-3 of our report dated January 31, 1996, on our audits of the consolidated financial statements and financial statement schedules of Sonoco Products Company as of December 31, 1995 and 1994 and for each of the three years in the period ended December 31, 1995. We also consent to the reference to our firm under the caption "Experts".

/s/ Coopers & Lybrand L.L.P.

Charlotte, North Carolina
September 25, 1996

THIS CONFORMING PAPER FORMAT DOCUMENT IS BEING SUBMITTED
PURSUANT TO RULE 901(d) OF REGULATION S-T

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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	13-5160382
(State of incorporation	(I.R.S. employer
if not a U.S. national bank)	identification no.)
48 Wall Street, New York, N.Y.	10286
(Address of principal executive offices)	(Zip code)

SONOCO PRODUCTS COMPANY
(Exact name of obligor as specified in its charter)

South Carolina	57-0248420
(State or other jurisdiction of	(I.R.S. employer
incorporation or organization)	identification no.)
Post Office Box 160	29551
Hartsville, South Carolina	(Zip code)
(Address of principal executive offices)	

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

(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. (See Note on page 3.)

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 RULE 24 OF THE COMMISSION'S RULES OF PRACTICE.

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.)

-2-

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.

NOTE

Inasmuch as this Form T-1 is filed prior to the ascertainment by the Trustee of all facts on which to base a responsive answer to Item 2, the answer to said Item is based on incomplete information.

Item 2 may, however, be considered as correct unless amended by an amendment to this Form T-1.

-3-

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 13th day of September, 1996.

THE BANK OF NEW YORK

By: /S/ STEPHEN J. GIURLANDO

Name: STEPHEN J. GIURLANDO

Title: ASSISTANT VICE PRESIDENT

-4-

Exhibit 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of 48 Wall Street, New York, N.Y. 10286

And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business March 31, 1996,
published in accordance with a call made by the Federal Reserve Bank of this
District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts in Thousands
Cash and balances due from depos- itory institutions:	
Noninterest-bearing balances and currency and coin.....	\$ 2,461,550
Interest-bearing balances.....	835,563
Securities:	
Held-to-maturity securities.....	802,064
Available-for-sale securities.....	2,051,263
Federal funds sold in domestic of- fices of the bank:	
Federal funds sold.....	3,885,475
Loans and lease financing receivables:	
Loans and leases, net of unearned income	27,820,159
LESS: Allowance for loan and lease losses	509,817
LESS: Allocated transfer risk reserve.....	1,000
Loans and leases, net of unearned income, allowance, and reserve	27,309,342
Assets held in trading accounts.....	837,118
Premises and fixed assets (including capitalized leases).....	614,567
Other real estate owned.....	51,631
Investments in unconsolidated subsidiaries and associated companies.....	225,158
Customers' liability to this bank on acceptances outstanding.....	800,375
Intangible assets.....	436,668
Other assets.....	1,247,908
Total assets.....	\$41,558,682
	=====

LIABILITIES

Deposits:

In domestic offices.....	\$18,851,327
Noninterest-bearing	7,102,645
Interest-bearing	11,748,682
In foreign offices, Edge and	
Agreement subsidiaries, and IBFs.....	10,965,604
Noninterest-bearing	37,855

Interest-bearing	10,927,749
Federal funds purchased and secu-	
rities sold under agreements to re-	
purchase in domestic offices of	
the bank and of its Edge and	
Agreement subsidiaries, and in	
IBFs:	
Federal funds purchased.....	1,224,886
Securities sold under agreements	
to repurchase.....	29,728
Demand notes issued to the U.S.	
Treasury.....	118,870
Trading liabilities.....	673,944
Other borrowed money:	
With original maturity of one year	
or less.....	2,713,248
With original maturity of more than	
one year.....	20,780
Bank's liability on acceptances exe-	
cuted and outstanding.....	803,292
Subordinated notes and debentures.....	1,022,860
Other liabilities.....	1,590,564

Total liabilities.....	38,015,103

EQUITY CAPITAL	
Common stock.....	942,284
Surplus.....	525,666
Undivided profits and capital	
reserves.....	2,078,197
Net unrealized holding gains	
(losses) on available-for-sale	
securities.....	3,197
Cumulative foreign currency transla-	
tion adjustments.....	(5,765)

Total equity capital.....	3,543,579

Total liabilities and equity	
capital	\$41,558,682
	=====

I, Robert E. Keilman, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

Robert E. Keilman

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions

issued by the Board of Governors of the Federal Reserve System and is true and correct.

J. Carter Bacot]	
Thomas A. Renyi		Directors
Alan R. Griffith]	

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