

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 27, 1997

REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

BANCORP HAWAII, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)
HAWAII
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)
6712
(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)
99-0148992
(I.R.S. EMPLOYER IDENTIFICATION NUMBER)
130 MERCHANT STREET
HONOLULU, HI 96813
(808) 643-3888
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

BANCORP HAWAII CAPITAL TRUST I
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)
DELAWARE
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)
6719
(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)
APPLIED FOR
(I.R.S. EMPLOYER IDENTIFICATION NUMBER)
130 MERCHANT STREET
HONOLULU, HI 96813
(808) 643-3888
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

JOSEPH T. KIEFER, ESQ.
GENERAL COUNSEL
BANCORP HAWAII, INC.
130 MERCHANT STREET
HONOLULU, HI 96813
(808) 643-3888
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE OF EACH REGISTRANT)

WITH COPIES TO:
BRIAN D. ALPRIN
LAURENCE S. LESE
METZGER, HOLLIS, GORDON & ALPRIN
SUITE 1000
1275 K STREET NW
WASHINGTON, D.C. 20005

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, please check the following box. []

CALCULATION OF REGISTRATION FEE

AMOUNT	PROPOSED MAXIMUM OFFERING	PROPOSED MAXIMUM AGGREGATE	AMOUNT OF
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TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	TO BE REGISTERED	PRICE PER UNIT(1)	OFFERING PRICE(1)	REGISTRATION FEE
8.25% Capital Securities, Series A of Bancorp Hawaii Capital Trust I.....	\$100,000,000	100%	\$100,000,000	\$30,304
8.25% Junior Subordinated Debt Securities of Bancorp Hawaii, Inc.(2).....	--	--	--	NA
Bancorp Hawaii, Inc. Guarantee with respect to Capital Securities and Common Securities(3)...	--	--	--	NA
Total(4).....	\$100,000,000(5)	100%	\$100,000,000	\$30,304

- (1) Estimated solely for the purpose of computing the registration fee.
- (2) The Junior Subordinated Debt Securities were originally purchased by Bancorp Hawaii Capital Trust I with the proceeds of the sale of the Capital Securities Series A (the "Old Capital Securities"). No separate consideration will be received for the Junior Subordinated Debt Securities distributed upon any liquidation of Bancorp Hawaii Capital Trust I.
- (3) No separate consideration will be received for the Bancorp Hawaii, Inc. Guarantee.
- (4) This Registration Statement is deemed to cover the Junior Subordinated Debt Securities of Bancorp Hawaii, Inc., the rights of holders of Junior Subordinated Debt Securities of Bancorp Hawaii, Inc. under the Junior Subordinated Indenture, the rights of holders of Old Capital Securities of Bancorp Hawaii Capital Trust I under a Declaration of Trust, the rights of holders of the Old Capital Securities under the Guarantee and certain backup undertakings as described herein.
- (5) Such amount represents the initial offering price of the Old Capital Securities to be exchanged hereunder and the principal amount of Junior Subordinated Debt Securities that may be distributed upon any liquidation of Bancorp Hawaii Capital Trust I.

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

BANCORP HAWAII CAPITAL TRUST I

OFFER TO EXCHANGE ITS 8.25% CAPITAL SECURITIES
WHICH HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933
FOR ANY AND ALL OF ITS OUTSTANDING 8.25% CAPITAL SECURITIES

(LIQUIDATION AMOUNT \$1,000 PER CAPITAL SECURITY)
FULLY AND UNCONDITIONALLY GUARANTEED, TO THE EXTENT DESCRIBED HEREIN, BY

LOGO

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M.,
NEW YORK CITY TIME, ON _____, 1997, UNLESS EXTENDED.

Bancorp Hawaii Capital Trust I, a statutory business trust formed under the laws of the State of Delaware (the "Trust"), and Bancorp Hawaii, Inc., a Hawaii corporation, as Depositor (the "Corporation"), hereby offer, upon the terms and subject to the conditions set forth in this Prospectus (as the same may be amended or supplemented from time to time, the "Prospectus") and in the accompanying Letter of Transmittal (which together constitute the "Exchange Offer"), to exchange up to \$100,000,000 aggregate Liquidation Amount of its 8.25% Capital Securities, Series A (the "Exchange Capital Securities") which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to a Registration Statement (as defined herein) of

which this Prospectus constitutes a part, for a like Liquidation Amount of its outstanding 8.25% Capital Securities, Series A (the "Old Capital Securities"), of which \$100,000,000 aggregate Liquidation Amount is outstanding. Pursuant to the Exchange Offer, the Corporation is also exchanging its guarantee of the payment of Distributions (as defined herein) and payments on liquidation or redemption of the Old Capital Securities (the "Old Guarantee") for a like guarantee of the Old Capital Securities and the Exchange Capital Securities (the "Exchange Guarantee") and all of its 8.25% Junior Subordinated Debt Securities (the "Old Junior Subordinated Debt Securities"), of which \$103,093,000 aggregate principal amount is outstanding, for a like aggregate principal amount of its 8.25% Junior Subordinated Debt Securities (the "Exchange Junior Subordinated Debt Securities"), which Exchange Guarantee and Exchange Junior Subordinated Debt Securities also have been registered under the Securities Act. The Old Capital Securities, the Old Guarantee and the Old Junior Subordinated Debt Securities are collectively referred to herein as the "Old Securities" and the Exchange Capital Securities, the Exchange Guarantee and the Exchange Junior Subordinated Debt Securities are collectively referred to herein as the "Exchange Securities".

The terms of the Exchange Securities are identical in all material respects to the respective terms of the Old Securities, except that (i) the Exchange Securities have been registered under the Securities Act and therefore will not be subject to certain restrictions on transfer applicable to the Old Securities, (ii) the Exchange Capital Securities will not provide for any increase in the Distribution rate thereon as a result of failing to satisfy certain conditions of registration and (iii) the Exchange Junior Subordinated Debt Securities will not provide for any increase in the interest rate thereon as a result of failing to satisfy certain conditions of registration. See "Description of the Exchange Securities" and "Description of the Old Securities".

Each broker-dealer that receives Exchange Securities (as defined herein) for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Old Securities (as defined herein) acquired by such broker-dealer as a result of market-making activities or other trading activities. The Trust and the Corporation have agreed that they will make this Prospectus available to any broker-dealer for use in connection with any such resale until the close of business on the 180th day following the Expiration Date (as defined herein). See "Plan of Distribution".

SEE "RISK FACTORS" COMMENCING ON PAGE 18 FOR CERTAIN INFORMATION THAT SHOULD BE CONSIDERED BY HOLDERS WHO TENDER OLD CAPITAL SECURITIES IN THE EXCHANGE OFFER.

THESE SECURITIES ARE NOT DEPOSITS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

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 Exchange Capital Securities will be issued, and may be transferred, only in blocks having a liquidation amount of not less than \$100,000 (100 Exchange Capital Securities). Any transfer, sale or other disposition of Exchange Capital Securities in a block having a liquidation amount of less than \$100,000 shall be deemed to be void and of no legal effect whatsoever. Any such transferee shall

be deemed not to be the holder of such Exchange Capital Securities for any purpose, including but not limited to the receipt of distributions on such Exchange Capital Securities, and such transferee shall be deemed to have no interest whatsoever in such Exchange Capital Securities. There can be no assurance as to the development or liquidity of any market for the Exchange Capital Securities.

The date of this Prospectus is _____, 1997.

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(cover page continued)

The Exchange Capital Securities, the Exchange Junior Subordinated Debt Securities and Exchange Guarantee are being offered for exchange in order to satisfy certain obligations of the Corporation and the Trust under the Registration Agreement dated December 30, 1996 (the "Registration Agreement") among the Corporation, the Trust and the Initial Purchasers (as defined herein). In the event that the Exchange Offer is consummated, any Old Capital Securities which remain outstanding after consummation of the Exchange Offer and the Exchange Capital Securities issued in the Exchange Offer will vote together as a single class for purposes of determining whether holders of the requisite percentage in outstanding Liquidation Amount thereof have taken certain actions or exercised certain rights under the Declaration (as defined herein).

The Exchange Capital Securities and the Old Capital Securities (together, the "Capital Securities") represent beneficial ownership interests in the Trust. The Corporation will initially be the direct or indirect owner of all of the beneficial ownership interests represented by common securities of the Trust (the "Common Securities") and, collectively with the Capital Securities, the "Trust Securities"). The Bank of New York is the Property Trustee of the Trust. The Trust exists for the exclusive purposes of issuing the Trust Securities, investing the proceeds of the Old Capital Securities and the Common Securities in the Old Junior Subordinated Debt Securities, exchanging the Old Junior Subordinated Debt Securities for the Exchange Junior Subordinated Debentures, making Distributions (as defined herein) and certain other limited activities described herein. The Junior Subordinated Debt Securities will mature on December 15, 2026 (the "Stated Maturity"). The Capital Securities will have a preference under certain circumstances over the Common Securities with respect to cash distributions and amounts payable on liquidation, redemption or otherwise. See "Description of Exchange Securities -- Description of Capital Securities -- Subordination of Common Securities."

Holders of the Capital Securities and the holder of the Common Securities will be entitled to receive cumulative cash distributions, in each case arising from the payment of interest on the Junior Subordinated Debt Securities accumulating from the later of the date of original issuance or the last interest payment date and payable semi-annually in arrears on the 15th day of June and December of each year, commencing June 15, 1997, at the annual rate of 8.25% of the Liquidation Amount of \$1,000 per Capital Security and at the annual rate of 8.25% of the Liquidation Amount of \$1,000 per Common Security ("Distributions"). Subject to certain exceptions, the Corporation has the right to defer payments of interest on the Junior Subordinated Debt Securities at any time or from time to time for a period not exceeding 10 consecutive semi-annual periods with respect to each deferral period (each, an "Extension Period"); provided, however, that no Extension Period may end on a date other than an Interest Payment Date or extend beyond the Stated Maturity of the Junior Subordinated Debt Securities. No interest shall be due and payable during an Extension Period, except at the end thereof. Upon the termination of any Extension Period and the payment of all interest then accrued and unpaid (together with interest thereon at the rate of 8.25%, compounded semi-annually, to the extent permitted by applicable law), the Corporation may elect to begin a new Extension Period, subject to the requirements set forth herein. If interest payments on the Junior Subordinated Debt Securities are so deferred, during any Extension Period, Distributions on the Capital Securities and on the Common Securities will also be deferred and the Corporation will not be permitted, subject to certain exceptions described herein, to declare or pay any cash distributions with respect to the Corporation's capital stock (which includes common and preferred stock) or to make any payment with respect to debt

securities of the Corporation that rank pari passu in all respects with or junior to the Junior Subordinated Debt Securities. During an Extension Period (or any other time when interest is not paid timely), interest on the Junior Subordinated Debt Securities will continue to accrue (and the amount of Distributions to which holders of the Capital Securities and the Common Securities are entitled will accumulate) at the rate of 8.25% per annum, compounded semi-annually, and, in the case of an Extension Period, holders of Capital Securities will be required to accrue interest income for United States Federal income tax purposes. There is no limitation on the number of times that the Corporation may elect to begin an Extension Period. See "Description of Exchange Securities -- Description of Junior Subordinated Debt Securities -- Option to Extend Interest Payment Date" and "Certain United States Federal Income Tax Consequences -- Interest and Original Issue Discount." As a result of the existence of the Corporation's right to defer interest payments on the Junior Subordinated Debt Securities, the market price of the Capital Securities (if a market should develop) may be more volatile than the market prices of other securities that are not subject to such deferrals.

The Corporation has, through the Guarantee Agreement, the Declaration, the Junior Subordinated Debt Securities and the Indenture (each as defined herein), taken together, fully, irrevocably and unconditionally guaranteed all of the Trust's obligations under the Capital Securities. See "Relationship Among the Capital Securities, the Junior Subordinated Debt Securities and the Guarantee -- Full and Unconditional Guarantee." The Corporation has agreed to guarantee the payment of Distributions and payments on liquidation or redemption of the Trust Securities, but only in each case to the extent of funds available for distribution by the Trust, as described herein (the "Guarantee"). See "Description of Exchange Securities -- Description of Guarantee." If the Corporation does not make interest payments on the Junior Subordinated Debt Securities held by the Trust, the Trust will have insufficient funds to pay Distributions on the Capital

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(cover page continued)

Securities. The Guarantee does not cover the payment of Distributions when the Trust does not have funds available for distribution to pay such Distributions. In such event, a holder of Capital Securities may institute a legal proceeding directly against the Corporation for enforcement of payment to such holder of the principal of or interest on Junior Subordinated Debt Securities having a principal amount equal to the aggregate Liquidation Amount of the Capital Securities held by such holder (a "Direct Action"). See "Description of Exchange Securities -- Description of Junior Subordinated Debt Securities -- Enforcement of Certain Rights by Holders of Capital Securities." The obligations of the Corporation under the Guarantee and the Junior Subordinated Debt Securities are subordinate and junior in right of payment to all Senior Debt (as defined in "Description of Exchange Securities -- Description of Junior Subordinated Debt Securities -- Subordination") of the Corporation. None of the Indenture, the Guarantee Agreement or the Declaration places any limitation upon the amount of secured and unsecured debt including Senior Debt (as defined herein) that may be incurred by the Corporation.

The Trust Securities are subject to mandatory redemption (i) in whole, but not in part upon repayment in full, at the Stated Maturity of the Junior Subordinated Debt Securities at a redemption price equal to the principal amount of, plus accrued interest on, the Junior Subordinated Debt Securities (the "Maturity Redemption Price") and (ii) in whole or in part on or after December 15, 2006 contemporaneously with any optional redemption by the Corporation of Junior Subordinated Debt Securities at a redemption price (the "Optional Redemption Price") equal to the Optional Prepayment Price (as defined below). Either of the Maturity Redemption Price or the Optional Redemption Price may be referred to herein as the "Redemption Price." See "Description of Capital Securities -- Redemption." Subject to the Corporation having received prior approval of the Board of Governors of the Federal Reserve System (the "Federal Reserve") to do so if then required under applicable regulations, guidelines or

policies of the Federal Reserve, the Junior Subordinated Debt Securities are redeemable at the option of the Corporation during the 12-month periods beginning on or after December 15, 2006, in whole or in part, at any time at a redemption price (the "Optional Prepayment Price") equal to 104.125% of the principal amount thereof on December 15, 2006, declining ratably on each December 15 thereafter to 100% on or after December 15, 2016, plus accrued but unpaid interest thereon to the date of redemption. See "Description of Exchange Securities -- Description of Junior Subordinated Debt Securities -- Optional Redemption."

The Corporation, as the holder of the outstanding Common Securities, has the right at any time (including, without limitation, upon the occurrence of a Tax Event (as defined herein) or a Capital Treatment Event (as defined herein)) to terminate the Trust and cause a Like Amount (as defined herein) of the Junior Subordinated Debt Securities to be distributed to the holders of the Trust Securities upon liquidation of the Trust, subject to prior approval of the Federal Reserve to do so if then required under applicable regulations, guidelines or policies of the Federal Reserve. In the event of any such termination of the Trust, after satisfaction of liabilities to creditors of the Trust as required by applicable law, the holders of the Capital Securities generally will be entitled to receive a Liquidation Amount of \$1,000 per Capital Security plus accumulated and unpaid Distributions thereon to the date of payment, which shall be in the form of a distribution of a Like Amount of Junior Subordinated Debt Securities, subject to certain exceptions. In addition, if the Junior Subordinated Debt Securities are distributed to the holders of the Trust Securities as the result of the occurrence of a Tax Event or a Capital Treatment Event, as the case may be, and such Tax Event or Capital Treatment Event, as the case may be, continues notwithstanding such distribution, the Corporation has the right to prepay the Junior Subordinated Debt Securities in whole, but not in part, at the Event Prepayment Price (as defined herein) together with accumulated Distributions to but excluding the date fixed for redemption. See "Description of Exchange Securities -- Description of Capital Securities -- Liquidation of the Trust and Distribution of Junior Subordinated Debt Securities" and "Description of Exchange Securities -- Description of Junior Subordinated Debt Securities -- Tax Event or Capital Treatment Event Prepayment."

The Exchange Capital Securities will be issued, and may be transferred, only in a block having a Liquidation Amount of not less than \$100,000 or integral multiples thereof (100 Exchange Capital Securities).

As used herein, (i) the "Indenture" means the Junior Subordinated Indenture, as amended and supplemented from time to time, between the Corporation and The Bank of New York, as trustee (the "Debenture Trustee") and (ii) the "Declaration" means the Amended and Restated Declaration of Trust relating to the Trust among the Corporation, as Depositor, The Bank of New York, as Property Trustee (the "Property Trustee"), The Bank of New York (Delaware), as Delaware Trustee (the "Delaware Trustee"), and the Administrative Trustees named therein (collectively with the Property Trustee and the Delaware Trustee, the "Issuer Trustees"). In addition, as the context may require, (i) the term "Capital Securities" includes the Old Capital Securities and the Exchange Capital Securities, (ii) the term "Junior Subordinated Debt Securities" includes the Old Junior Subordinated Debt Securities and the Exchange Junior Subordinated Debt Securities and (iii) the term "Guarantee" includes the Old Guarantee and the Exchange Guarantee. Any transfer, sale or other disposition of Exchange Capital Securities in a block having a liquidation amount of less than \$100,000 shall be deemed to be void and of no legal effect whatsoever. Any such Transferee shall be deemed not to be the holder of such Exchange Capital Securities for any purpose, including but not limited to the receipt of distributions on such Exchange Capital Securities, and such Transferee shall be deemed to have no interest whatsoever in such Exchange Capital Securities.

Based on existing interpretations by the staff of the Securities and Exchange Commission (the "Commission") set forth in several no-action letters to

third parties and subject to the two immediately following sentences, the Corporation and the Trust believe that the Exchange Capital Securities, the Exchange Guarantee and the Exchange Junior Subordinated Debt Securities issued pursuant to the Exchange Offer may be offered for resale, resold and otherwise transferred by a holder thereof (other than a holder who is a broker-dealer) without further compliance with the registration and prospectus delivery requirements of the Securities Act; provided, that, such Exchange Capital Securities are acquired in the ordinary course of such holder's business and such holder is not participating, and has no arrangement or understanding with any person to participate, in a distribution (within the meaning of the Securities Act) of the Exchange Capital Securities. However, any holder of Old Capital Securities who is an "affiliate" of the Trust or the Corporation or who intends to participate in the Exchange Offer for the purpose of distributing Exchange Capital Securities, or any broker-dealer who purchased Old Capital Securities from the Trust to resell pursuant to Rule 144A under the Securities Act ("Rule 144A") or any other available exemption under the Securities Act, (a) will not be able to rely on the interpretations of the staff of the Commission set forth in the above-mentioned no-action letters, (b) will not be permitted or entitled to tender such Old Capital Securities in the Exchange Offer and (c) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or other transfer of such Old Capital Securities unless such sale is made pursuant to an exemption from such requirements. In addition, as described below, if any broker-dealer holds Old Capital Securities acquired for its own account as a result of market-making or other trading activities and exchanges such Old Capital Securities for Exchange Capital Securities, then such broker-dealer must deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of such Exchange Capital Securities.

Each holder of Old Capital Securities who wishes to exchange Old Capital Securities for Exchange Capital Securities in the Exchange Offer will be required to represent that (i) it is not an "affiliate" of the Trust or the Corporation, (ii) any Exchange Capital Securities to be received by it are being acquired in the ordinary course of its business and (iii) it has no arrangement or understanding with any person to participate in a distribution (within the meaning of the Securities Act) of such Exchange Capital Securities. Each broker-dealer that receives Exchange Capital Securities for its own account pursuant to the Exchange Offer must acknowledge that it acquired the Old Capital Securities for its own account as the result of market-making activities or other trading activities and must agree that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Capital Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. Based on the position taken by the staff of the Commission in the no-action letters referred to above, the Corporation and the Trust believe that broker-dealers who acquired Old Capital Securities for their own accounts as a result of market-making activities or other trading activities may fulfill their prospectus delivery requirements with respect to the Exchange Capital Securities received upon exchange of such Old Capital Securities (other than Old Capital Securities which represent an unsold allotment from the original sale of the Old Capital Securities) with the prospectus prepared for the Exchange Offer so long as it contains a description of the plan of distribution with respect to the resale of such Exchange Capital Securities. Accordingly, subject to certain provisions set forth in the Registration Agreement, the Corporation and the Trust have agreed that this Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of such Exchange Capital Securities for a period commencing on the Expiration Date and ending

180 days after the Expiration Date or, if earlier, when all such Exchange Capital Securities have been disposed of by such broker-dealer. See "Plan of Distribution." Any broker-dealer who is an "affiliate" of the Trust or the Corporation may not rely on such no-action letters and must comply with the

registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. See "The Exchange Offer -- Resales of Exchange Capital Securities."

Each broker-dealer who surrenders Old Capital Securities pursuant to the Exchange Offer will be deemed to have agreed, by execution of the Letter of Transmittal, that, upon receipt of notice from the Corporation or the Trust of the occurrence of any event or the discovery of any fact which makes any statement contained or incorporated by reference in this Prospectus untrue in any material respect or which causes this Prospectus to omit to state a material fact necessary in order to make the statements contained or incorporated by reference herein, in light of the circumstances under which they were made, not misleading or of the occurrence of certain other events specified in the Registration Agreement, such broker-dealer will suspend the sale of Exchange Capital Securities (or the Exchange Junior Subordinated Debt Securities, as applicable) pursuant to this Prospectus until the Corporation or the Trust has amended or supplemented this Prospectus to correct such misstatement or omission and has furnished copies of the amended or supplemented Prospectus to such broker-dealer or the Corporation or the Trust has given notice that the sale of the Exchange Capital Securities (or the Exchange Junior Subordinated Debt Securities, as applicable) may be resumed.

Neither the Corporation nor the Trust has sought its own interpretive letter and there can be no assurance that the staff of the Commission would make a similar determination with respect to the Exchange Offer as it has in such no-action letters to third parties.

Prior to the Exchange Offer, there has been only a limited secondary market and no public market for the Old Capital Securities. The Exchange Capital Securities will be a new issue of securities for which there currently is no market. Although the Initial Purchasers have informed the Corporation and the Trust that they currently intend to make a market in the Exchange Capital Securities, they are not obligated to do so, and any such market-making may be discontinued at any time without notice. Accordingly, there can be no assurance as to the development or liquidity of any market for the Exchange Capital Securities.

Any Old Capital Securities not tendered and accepted in the Exchange Offer will remain outstanding and will be entitled to all the same rights and will be subject to the same limitations applicable to the Old Capital Securities under the Declaration (except for those rights relating to the Registration Agreement which terminate upon consummation of the Exchange Offer). Following consummation of the Exchange Offer, the holders of Old Capital Securities will continue to be subject to all of the existing restrictions upon transfer thereof and neither the Corporation nor the Trust will have any further obligation to such holders (other than under certain limited circumstances) to provide for registration under the Securities Act of the Old Capital Securities held by them. Even though a market might develop for the Exchange Capital Securities, holders of Old Capital Securities will not be permitted or entitled to utilize that market. To the extent that Old Capital Securities are tendered and accepted in the Exchange Offer, a holder's ability to sell untendered Old Capital Securities could be adversely affected. See "Risk Factors -- Consequences of a Failure to Exchange Old Capital Securities."

THIS PROSPECTUS AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION. HOLDERS OF OLD CAPITAL SECURITIES ARE URGED TO READ THIS PROSPECTUS AND THE RELATED LETTER OF TRANSMITTAL CAREFULLY BEFORE DECIDING WHETHER TO TENDER THEIR OLD CAPITAL SECURITIES PURSUANT TO THE EXCHANGE OFFER.

Old Capital Securities may be tendered for exchange on or prior to 5:00 p.m., New York City time, on _____, 1997 (such time on such date being hereinafter called the "Expiration Date"), unless the Exchange Offer is extended by the Corporation and the Trust (in which case the term "Expiration Date" shall mean the latest date and time to which the Exchange Offer is extended). Tenders of Old Capital Securities may be withdrawn at any time prior to the Expiration Date. The Exchange Offer is not conditioned upon any minimum Liquidation Amount of Old Capital Securities being tendered for exchange. However, the Exchange Offer is subject to certain events and conditions which may be waived by the

Corporation or the Trust and to the terms and provisions of the Registration Agreement. Old Capital Securities may be tendered in whole or in part having a Liquidation Amount of not less than \$100,000 (100 Old Capital Securities) or any integral multiple of \$1,000 Liquidation Amount (1 Old Capital Security) in excess thereof. The Corporation has agreed to pay all expenses of the Exchange Offer (other than certain transfer taxes relating to

changes of ownership). See "The Exchange Offer -- Fees and Expenses." Each Exchange Capital Security will pay cumulative Distributions from the most recent Distribution Date (as defined herein) on the Old Capital Securities surrendered in exchange for such Exchange Capital Securities or, if no Distribution Date has occurred, from December 30, 1996. Holders of the Old Capital Securities whose Old Capital Securities are accepted for exchange will not receive accumulated Distributions on such Old Capital Securities for any period, and will be deemed to have waived the right to receive such Distributions. See "Risk Factors -- Consequences of a Failure to Exchange Old Capital Securities." This Prospectus, together with the Letter of Transmittal, is being sent to all registered holders of Old Capital Securities as of _____, 1997.

Neither the Corporation nor the Trust will receive any cash proceeds from the issuance of the Exchange Capital Securities offered hereby. No dealer-manager is being used in connection with this Exchange Offer. See "Use of Proceeds From Sale of Old Capital Securities" and "Plan of Distribution."

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CORPORATION OR THE TRUST. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF ANY SECURITIES OTHER THAN THE SECURITIES TO WHICH IT RELATES OR AN OFFER TO ANY PERSON IN ANY JURISDICTION WHERE SUCH OFFER WOULD BE UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS NOT BEEN ANY CHANGE IN THE AFFAIRS OF THE CORPORATION OR THE TRUST SINCE THE DATE HEREOF.

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RECENT DEVELOPMENTS

On February 24, 1997, the Corporation and CU Bancorp executed a definitive merger agreement. The merger would result in the acquisition by the Corporation of California United Bank, a California-chartered bank that is the sole subsidiary of CU Bancorp. California United Bank serves middle-market businesses and consumers throughout Southern California from 21 branches in Westwood, the San Gabriel and San Fernando valleys, the South Bay, and Ventura and Orange counties. At December 31, 1996, CU Bancorp had total assets of approximately \$843.2 million, total deposits of approximately \$737.4 million, and total shareholders' equity of approximately \$88.5 million. The transaction will be structured as a merger of CU Bancorp into the Corporation and is intended to be tax-free to CU Bancorp shareholders with respect to Corporation common stock received. The merger, which will be accounted for as a purchase transaction, will convert outstanding CU Bancorp stock into rights to receive \$15.34 per share in cash and/or Corporation common stock. At least 60% and not more than 80% of CU Bancorp's stock will be subject to stock-for-stock conversion. The total merger consideration will be approximately \$183 million. CU Bancorp has issued a stock option to the Corporation that, following certain events, would permit the Corporation to purchase shares of CU Bancorp stock equal to 19.9% of CU Bancorp's outstanding stock at a price of \$13.00 per share. The transaction is expected to close before the end of the third quarter of 1997, subject to approval by CU Bancorp shareholders and federal and state regulators.

CERTAIN ERISA CONSIDERATIONS

Each fiduciary of a pension, profit-sharing or other employee benefit plan (a "Plan") subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), should consider the fiduciary standards of ERISA in the context of the Plan's particular circumstances before authorizing an investment in the Capital Securities. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the Plan.

Section 406 of ERISA and Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") prohibit Plans, as well as individual retirement accounts and Keogh plans subject to Section 4975 of the Code (also "Plans"), from engaging in certain transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code ("Parties in Interest") with respect to such Plan. A violation of these "prohibited transaction" rules may result in an excise tax or other liabilities under ERISA and/or Section 4975 of the Code for such persons, unless exemptive relief is available under an applicable statutory or administrative exemption. Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(5) of ERISA) are not subject to the requirements of ERISA or Section 4975 of the Code.

Under a regulation (the "Plan Assets Regulation") issued by the U.S. Department of Labor (the "DOL"), the assets of the Trust would be deemed to be "plan assets" of a Plan for purposes of ERISA and Section 4975 of the Code if "plan assets" of the Plan were used to acquire an equity interest in the Trust and no exception were applicable under the Plan Assets Regulation. An "equity interest" is defined under the Plan Assets Regulation as any interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features and specifically includes a beneficial interest in a trust.

Pursuant to an exception contained in the Plan Assets Regulation, the assets of the Trust would not be deemed to be "plan assets" of investing Plans if, immediately after the most recent acquisition of any equity interest in the Trust, less than 25% of the value of each class of equity interest in the Trust were held by Plans, other employee benefit plans not subject to ERISA or Section 4975 of the Code (such as governmental, church and foreign plans) and entities

holding assets deemed to be "plan assets" of any Plan (collectively, "Benefit Plan Investors"). No assurance can be given by the Corporation, the Trust or the Initial Purchasers that the value of the Capital Securities held by Benefit Plan Investors will be less than 25% of the total value of such Capital Securities at the completion of the initial offering or thereafter, and no monitoring or other measures will be taken with respect to the satisfaction of the conditions to this exception. All of the Common Securities will be purchased and held directly or indirectly by the Corporation.

Certain transactions involving the Trust could be deemed to constitute direct or indirect prohibited transactions under ERISA and Section 4975 of the Code with respect to a Plan if the Capital Securities were acquired with "plan assets" of such Plan and assets of the Trust were deemed to be "plan assets" of Plans investing in the Trust. For example,

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if the Corporation is a Party in Interest with respect to an investing Plan (either directly or by reason of its ownership of the Trust or of any of the Corporation's other subsidiaries), extensions of credit between the Corporation and the Trust (as represented by the Junior Subordinated Debt Securities and the Guarantee) would likely be prohibited by Section 406(a)(1)(B) of ERISA and Section 4975(c)(1)(B) of the Code, unless exemptive relief were available under an applicable administrative exemption (see below).

The DOL has issued five prohibited transaction class exemptions ("PTCEs") that may provide exemptive relief for direct or indirect prohibited transactions resulting from the purchase or holding of the Capital Securities, assuming that assets of the Trust were deemed to be "plan assets" of Plans investing in the Trust (see above). Those class exemptions are PTCE 96-23 (for certain transactions determined by in-house asset managers), PTCE 95-60 (for certain transactions involving insurance company general accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 90-1 (for certain transactions involving insurance company pooled separate accounts) and PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers).

Because the Capital Securities may be deemed to be equity interests in the Trust for purposes of applying ERISA and Section 4975 of the Code, the Capital Securities may not be purchased or held by any Plan, any entity whose underlying assets include "plan assets" by reason of any Plan's investment in the entity (a "Plan Asset Entity") or any person investing "plan assets" of any Plan, unless such purchaser or holder is eligible for the exemptive relief available under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14. Any purchaser or holder of the Capital Securities or any interest therein will be deemed to have represented by its purchase and holding thereof that it either (a) is not a Plan or a Plan Asset Entity and is not purchasing such securities on behalf of or with "plan assets" of any Plan or (b) is eligible for the exemptive relief available under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14 with respect to such purchase or holding. See "Notice to Investors" herein.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the Capital Securities on behalf of or with "plan assets" of any Plan consult with their counsel regarding the potential consequences if the assets of the Trust were deemed to be "plan assets" and the availability of exemptive relief under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14.

AVAILABLE INFORMATION

The Corporation 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 Commission. Such reports, proxy statements and other information can be inspected and copied at the public reference facilities of the Commission at

Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549 and at the regional offices of the Commission located at 7 World Trade Center, 13th Floor, Suite 1300, New York, New York 10048 and Suite 1400, Citicorp Center, 14th Floor, 500 West Madison Street, Chicago, Illinois 60661. Copies of such material can also be obtained at prescribed rates by writing to the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. Such information may also be accessed electronically by means of the Commission's home page on the Internet (<http://www.sec.gov>). In addition, such reports, proxy statements and other information concerning the Corporation can be inspected at the offices of The New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005 on which exchange securities of the Corporation are listed.

No separate financial statements of the Trust have been included herein. The Corporation and the Trust do not consider that such financial statements would be material to holders of the Capital Securities because the Trust is a newly formed special purpose entity, has no operating history or independent operations and is not engaged in and does not propose to engage in any activity other than holding as trust assets the Junior Subordinated Debt Securities and issuing the Trust Securities. See "Bancorp Hawaii Capital Trust I," "Description of Capital Securities," "Description of Junior Subordinated Debt Securities" and "Description of Guarantee." In addition, the Corporation does not expect that the Trust will file reports under the Exchange Act with the Commission.

This Prospectus constitutes a part of a registration statement on Form S-4 (the "Registration Statement") filed by the Corporation and the Trust with the Commission under the Securities Act. This Prospectus does not contain all the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and

regulations of the Commission, and reference is hereby made to the Registration Statement and to the exhibits relating thereto for further information with respect to the Corporation, the Trust and the Exchange Securities. Any statements contained herein concerning the provisions of any document are not necessarily complete, and, in each instance, reference is made to the copy of such document filed as an exhibit to the Registration Statement or otherwise filed with the Commission. Each such statement is qualified in its entirety by such reference.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by the Corporation with the Commission are incorporated into this Prospectus by reference:

- (i) the Corporation's Annual Report on Form 10-K for the year ended December 31, 1996;
- (ii) the Corporation's Current Report on Form 8-K dated February 27, 1997; and
- (iii) all other reports filed by the Corporation pursuant to Section 13(a) or 15(d) of the Exchange Act since December 31, 1996.

Each document or report filed by the Corporation pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date hereof and prior to the termination of any offering of securities made by this Prospectus shall be deemed to be incorporated by reference into this Prospectus and to be a part of this Prospectus from the date of filing of such document. Any statement contained herein, or in a document all or a portion of which is incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed,

except as so modified or superseded, to constitute a part of this Prospectus.

As used herein, the terms "Prospectus" and "herein" mean this Prospectus, including the documents incorporated or deemed to be incorporated herein by reference, as the same may be amended, supplemented or otherwise modified from time to time. Statements contained in this Prospectus as to the contents of any contract or other document referred to herein do not purport to be complete, and where reference is made to the particular provisions of such contract or other document, such provisions are qualified in all respects by reference to all of the provisions of such contract or other document. The Corporation will provide without charge to any person to whom this Prospectus is delivered, on the written or oral request of such person, a copy of any or all of the foregoing documents incorporated by reference herein (other than exhibits not specifically incorporated by reference into the texts of such documents). Requests for such documents should be directed to:

Bancorp Hawaii, Inc.
130 Merchant Street
Honolulu, Hawaii 96813
Telephone: (808) 643-3888
Attention: Corporate Secretary

THIS PROSPECTUS INCORPORATES DOCUMENTS BY REFERENCE WHICH ARE NOT PRESENTED HEREIN OR DELIVERED HERewith. THESE DOCUMENTS ARE AVAILABLE UPON REQUEST TO THE ABOVE ADDRESS. IN ORDER TO ENSURE TIMELY DELIVERY OF DOCUMENTS, ANY REQUEST SHOULD BY MADE BY , 1997.

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SUMMARY

The following summary is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus.

BANCORP HAWAII CAPITAL TRUST I

The Trust is a statutory business trust formed under Delaware law pursuant to (i) the Declaration (as defined herein) and (ii) the filing of a certificate of trust with the Delaware Secretary of State. The Trust's business and affairs are conducted by the Issuer Trustees: The Bank of New York, as Property Trustee, The Bank of New York (Delaware), as Delaware Trustee, and two individual Administrative Trustees who are employees or officers of or affiliated with the Corporation. The Trust exists for the exclusive purposes of (i) issuing and selling the Trust Securities and effecting the Exchange Offer for the Exchange Securities, (ii) using the proceeds from the sale of the Old Capital Securities and the Common Securities to acquire the Old Junior Subordinated Debt Securities, (iii) exchanging the Old Junior Subordinated Debt Securities for the Exchange Subordinated Debt Securities in the Exchange Offer and (iv) engaging in only those other activities necessary, advisable or incidental thereto. Accordingly, the Exchange Junior Subordinated Debt Securities will be the sole assets of the Trust, and payments under the Exchange Junior Subordinated Debt Securities and the expense provisions under the Indenture will be the sole revenues of the Trust. All of the Common Securities will be owned directly or indirectly by the Corporation.

BANCORP HAWAII, INC.

Bancorp Hawaii, Inc. is a regional multi-bank holding company registered under the Bank Holding Company Act of 1956, as amended. As of December 31, 1996, the Corporation had total assets of \$14.0 billion and was, in terms of assets, the largest bank holding company headquartered in Hawaii.

The Corporation was organized under the laws of Hawaii on August 12, 1971, as the first bank holding company in the State of Hawaii, and has been continuously in business since. Its principal executive offices are located at 130 Merchant Street, Honolulu, Hawaii, and its telephone number is 808-643-3888.

The Corporation provides varied financial services to customers in Hawaii, other areas of the Pacific Basin, Asia and the U.S. Mainland. The principal subsidiaries of the Corporation are Bank of Hawaii (the "Bank") and Bancorp Pacific, Inc. (a savings and loan holding company formerly known as FirstFed America, Inc.).

The Bank was organized under the laws of Hawaii on December 17, 1897, and has been continuously in business since. Its headquarters are in Honolulu, Hawaii, and its deposits are insured by the Federal Deposit Insurance Corporation ("FDIC"). It is not a member of the Federal Reserve.

The Bank, with total assets of \$12.5 billion as of December 31, 1996, provides general retail and commercial banking services in its four primary markets: Hawaii, the Pacific Islands, Asia, and the U.S. Mainland, through branch offices in the State of Hawaii, an Edge Act office in New York City and branches or representative offices in American Samoa, Bahamas (Nassau), Commonwealth of the Northern Mariana Islands (Saipan), Federated States of Micronesia (Pohnpei, Kosrae and Yap), Guam, Hong Kong, Japan (Tokyo), Korea (Seoul), Philippines (Manila, Davao, and Cebu), Republic of Fiji (Suva, Nadi, and Lautoka), Republic of the Marshall Islands (Majuro), Republic of Palau (Koror), Singapore and Taiwan (Taipei). The Bank also has affiliates in New Caledonia, Solomon Islands, Tahiti, Tonga, Vanuatu and Western Samoa.

The Bank focuses its lending activities on loans to small and middle market businesses operating in its local markets, loans to Fortune 1000 companies that may have a Pacific orientation, loans to the communications and media industry, and loans secured by real estate properties. At December 31, 1996, the Bank's net loan portfolio totaled \$7.1 billion and consisted of approximately 23.7% commercial and industrial loans, approximately 39.4% real estate loans, 20.3% foreign loans, with the balance of loans concentrated in the consumer, international and lease financing sectors. The largest segment of the Bank's real estate loan portfolio was represented by domestic loans secured by residential properties which totaled approximately 55.2% of the total domestic real estate loan portfolio at December 31, 1996. The remainder of this portfolio consisted mainly of loans on income producing commercial properties. Non-performing assets for the Bank totaled \$69.4 million at December 31, 1996, which was 0.94% of total loans and other real estate owned. The Bank's loan loss reserve at that date was 2.06% of total loans, representing 215.3% of non-performing assets.

The Bank owns all the outstanding stock of Hawaiian Trust Company, Limited, Bank of Hawaii International, Inc. and other subsidiaries engaged in lease financing, international payments, securities brokerage, insurance agency and investment advisory services. Hawaiian Trust Company, Limited, which was organized under the laws of Hawaii on August 10, 1898, offers trust services primarily in the State of Hawaii and the Territory of Guam. Through the Bank's ownership of Bank of Hawaii International, Inc., formed in 1968, equity interests are held in the following foreign financial institutions: Bank of Tonga -- 30%; Banque de Nouvelle Calédonie, New Caledonia -- 91%; Banque de Tahiti -- 92%; Pacific Commercial Bank, Limited, Western Samoa -- 43%; Banque d'Hawaii (Vanuatu) Ltd. -- 100%; and National Bank of Solomon Islands Ltd. -- 51%.

Bancorp Pacific, Inc.'s only significant business is conducted through its wholly owned subsidiary, First Federal Savings and Loan Association of America ("First Federal").

First Federal, a federally chartered stock savings and loan association, has been in operation since 1904. In 1978, First Federal merged with Island Federal Savings and Loan Association of Honolulu, Hawaii, and during the 1980s acquired several smaller savings and loan associations. First Federal operates 25 full service offices throughout Hawaii. Its deposits are also insured by the FDIC. As of December 31, 1996, First Federal had total assets of \$1.2 billion

and total deposits of \$867.9 million. Its subsidiary, First Savings and Loan Association of America, operates three offices in the Territory of Guam and one in Saipan.

The Corporation also owns all the outstanding stock (except for directors' qualifying shares) of First National Bank of Arizona, organized under the laws of the United States and having its principal office in Phoenix, Arizona. First National Bank of Arizona, with assets of \$203.3 million as of December 31, 1996, provides customary banking services through six branches located in the State of Arizona. First National Bank of Arizona has agreed to acquire four additional branches in Arizona from Home Savings of America, F.S.B. with combined deposits of approximately \$250 million. In addition, the Corporation owns other non-banking subsidiaries engaged in insurance agency and credit life insurance services.

The Corporation and its subsidiaries are subject to extensive regulation by federal and state regulators, including the Board of Governors of the Federal Reserve, the FDIC, the Office of Thrift Supervision, the Comptroller of the Currency, and the Department of Commerce and Consumer Affairs of the State of Hawaii. These regulatory bodies examine the Corporation or one or more of its subsidiaries and supervise numerous aspects of their business.

Various provisions of federal and state law may affect the ability of the Corporation to pay capital distributions to holders of the Exchange Capital Securities under certain circumstances. These are described in the paragraphs which follow.

The Corporation is a legal entity separate and distinct from the Bank and its other subsidiaries and affiliates. Because the Corporation is a holding company, its rights and the rights of its creditors and stockholders, including the holders of the Junior Subordinated Debt Securities and the Guarantee, to participate in the assets of any subsidiary upon the latter's liquidation or recapitalization will be subject to the prior claims of such subsidiary's creditors, except to the extent that the Corporation may itself be a creditor with recognized claims against such subsidiary, in which case it will share in such assets with other creditors. Moreover, in the event of the institution of a proceeding under the Bankruptcy Code to reorganize or liquidate the Corporation, any commitment by the Corporation made to a federal regulator to maintain the capital of an insured depository institution subsidiary would be entitled to a priority over third party creditors of the Corporation.

There are various legal limitations on the extent to which the Corporation's depository institution subsidiaries may extend credit, pay dividends or otherwise supply funds to the Corporation. In determining whether and to what extent to pay dividends, each depository subsidiary must consider the effect of dividend payments on applicable risk-based capital and leverage ratio requirements, as well as statutory restrictions and policy statements of the federal regulatory agencies that indicate that depository organizations should generally pay dividends out of current operating earnings. Where a depository institution subsidiary of the Corporation fails to meet any minimum capital requirement or where the payment of a capital distribution would cause it to fail to meet such requirement, federal law generally prohibits such subsidiary from making a capital distribution to the Corporation and in certain circumstances, the Corporation from making any capital distribution to its shareholders.

The Corporation also derives dividends from its non-depository institution subsidiaries. These subsidiaries may be subject to regulatory restrictions on their payment of dividends to the Corporation. In addition, there are numerous governmental requirements and regulations that affect the activities of the Corporation and its depository institution and non-depository institution subsidiaries.

Under long-standing policy of the Federal Reserve, a bank holding company

is expected to act as a source of financial strength for its subsidiary banks and to commit resources to support such banks. As a result of that policy, the Corporation may be required to commit resources to its subsidiary banks in circumstances where it might not otherwise do so.

In the event that the FDIC sustains losses resulting from the provision of assistance to or the failure of a depository institution owned by the Corporation, other depository institution subsidiaries of the Corporation could be assessed for such losses under federal law.

THE EXCHANGE OFFER

THE EXCHANGE OFFER..... Up to \$100,000,000 aggregate Liquidation Amount of Exchange Capital Securities are being offered in exchange for a like aggregate Liquidation Amount of Old Capital Securities. Old Capital Securities may be tendered for exchange in whole or in part in a Liquidation Amount of \$100,000 (100 Old Capital Securities) or any integral multiple of \$1,000 in excess thereof. The Corporation and the Trust are making the Exchange Offer in order to satisfy their obligations under the Registration Agreement relating to the Old Capital Securities. For a description of the procedures for tendering Old Capital Securities, see "The Exchange Offer -- Procedures for Tendering Old Capital Securities."

EXPIRATION DATE..... 5:00 p.m., New York City time, on _____, 1997 unless the Exchange Offer is extended by the Corporation and the Trust, in which case the term "Expiration Date" shall mean the latest date and time to which the Exchange Offer is extended. See "The Exchange Offer -- Expiration Date; Extensions; Amendments."

CONDITIONS TO THE EXCHANGE

OFFER..... The Exchange Offer is subject to certain conditions, which may be waived by the Corporation and the Trust in their sole discretion. The Exchange Offer is not conditioned upon any minimum Liquidation Amount of Old Capital Securities being tendered. See "The Exchange Offer -- Conditions to the Exchange Offer."

The Corporation and the Trust reserve the right in their sole and absolute discretion, subject to applicable law, at any time and from time to time, (i) to delay the acceptance of the Old Capital Securities for exchange, (ii) to terminate the Exchange Offer if certain specified conditions have not been satisfied, (iii) to extend the Expiration Date of the Exchange Offer and retain all Old Capital Securities tendered pursuant to the Exchange Offer, subject, however, to the right of holders of Old Capital Securities to withdraw their tendered Old Capital Securities, or (iv) to waive any condition or otherwise amend the terms of the Exchange Offer in any respect. See "The Exchange Offer -- Expiration Date; Extensions; Amendments."

WITHDRAWAL RIGHTS..... Tenders of Old Capital Securities may be withdrawn at any time prior to the Expiration Date by delivering a written notice of such withdrawal to the Exchange Agent in conformity with certain procedures set forth below under "The Exchange Offer -- Withdrawal Rights."

PROCEDURES FOR TENDERING

OLD CAPITAL SECURITIES.....

Tendering holders of Old Capital Securities must complete and sign a Letter of Transmittal in accordance with the instructions contained therein and forward the same by mail, facsimile or hand delivery, together with any other required documents, to the Exchange Agent, either with the Old Capital Securities to be tendered or in compliance with the specified procedures for guaranteed delivery of such Old Capital Securities. Certain brokers, dealers, commercial banks, trust companies and other nominees may also effect tenders by book-entry transfer. Holders of Old Capital Securities registered in the name of a broker, dealer, commercial bank, trust company or other nominee are urged to contact such person promptly if they wish to tender Old Capital Securities pursuant to the Exchange Offer. See "The Exchange Offer -- Procedures for Tendering Old Capital Securities."

Letters of Transmittal and certificates representing Old Capital Securities should not be sent to the Corporation or the Trust. Such documents should only be sent to the Exchange Agent. Questions regarding how to tender and requests for information should be directed to the Exchange Agent. See "The Exchange Offer -- Exchange Agent."

RESALES OF EXCHANGE CAPITAL
SECURITIES.....

Based on existing interpretations by the staff of the Commission and subject to the two immediately following sentences, the Corporation and the Trust believe that the Exchange Securities issued pursuant to the Exchange Offer may be offered for resale, resold and otherwise transferred by a holder thereof (other than a holder who is a broker-dealer or an "affiliate" as described below) without further compliance with the registration and prospectus delivery requirements of the Securities Act; provided, that, such Exchange Securities are acquired in the ordinary course of such holder's business and such holder is not participating, and has no arrangement or understanding with any person to participate, in a distribution (within the meaning of the Securities Act) of the Exchange Capital Securities. However, any holder of Old Capital Securities who is an "affiliate" of the Trust or the Corporation or who intends to participate in the Exchange Offer for the purpose of distributing the Exchange Capital Securities, or any broker-dealer who purchased the Old Capital Securities from the Trust to resell pursuant to Rule 144A or any other available exemption under the Securities Act, (a) will not be able to rely on the interpretations of the staff of the Commission set forth in the above-mentioned no-action letters, (b) will not be permitted or entitled to tender such Old Capital Securities in the Exchange Offer and (c) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or other transfer of such Old Capital Securities

unless such sale is made pursuant to an exemption from such requirements. In addition, as described below, if any broker-dealer holds Old Capital Securities acquired for its own account as a result of market-making or other trading activities and exchanges such Old Capital Securities for Exchange Capital Securities, then such broker-dealer must deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of such Exchange Capital Securities.

Each holder of Old Capital Securities who wishes to exchange Old Capital Securities for Exchange Capital Securities in the Exchange Offer will be required to represent that (i) it is not an "affiliate" of the Trust or the Corporation, (ii) any Exchange Capital Securities to be received by it are being acquired in the ordinary course of its business and (iii) it has no arrangement or

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understanding with any person to participate in a distribution (within the meaning of the Securities Act) of such Exchange Capital Securities. Each broker-dealer that receives Exchange Capital Securities for its own account pursuant to the Exchange Offer must acknowledge that it acquired the Old Capital Securities for its own account as the result of market-making activities or other trading activities and must agree that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Capital Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. Based on the position taken by the staff of the Commission in the no-action letters referred to above, the Corporation and the Trust believe that broker-dealers who acquired Old Capital Securities for their own accounts as a result of market-making activities or other trading activities may fulfill their prospectus delivery requirements with respect to the Exchange Capital Securities received upon exchange of such Old Capital Securities (other than Old Capital Securities which represent an unsold allotment from the original sale of the Old Capital Securities) with the prospectus prepared for the Exchange Offer so long as it contains a description of the plan of distribution with respect to the resale of such Exchange Capital Securities. Accordingly, subject to certain provisions set forth in the Registration Agreement and to the limitations described below under "The Exchange Offer -- Resales of Exchange Capital Securities", the Corporation and the Trust have agreed that this Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of such Exchange Capital Securities for a period commencing on the Expiration Date and ending 180 days after the Expiration Date or, if earlier, when all such Exchange Capital Securities have been disposed of by such broker-dealer. See "Plan of Distribution."

Any broker-dealer who is an "affiliate" of the Corporation or the Trust may not rely on such no-action letters and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. See "The Exchange Offer -- Resales of Exchange Capital Securities."

Neither the Corporation nor the Trust has sought its own interpretive letter and there can be no assurance that the staff of the Commission would make a similar determination with respect to the Exchange Offer as it has in such no-action letters to third parties.

- EXCHANGE AGENT..... The exchange agent with respect to the Exchange Offer is The Bank of New York (the "Exchange Agent"). The address, and telephone and facsimile numbers, of the Exchange Agent are set forth in "The Exchange Offer -- Exchange Agent" and in the Letter of Transmittal.
- USE OF PROCEEDS..... Neither the Corporation nor the Trust will receive any cash proceeds from the issuance of the Exchange Capital Securities offered hereby. See "Use of Proceeds From Sale of Old Capital Securities."
- CERTAIN FEDERAL INCOME TAX CONSEQUENCES..... Holders of Old Capital Securities should review the information set forth under "Certain Federal Income Tax Consequences" prior to tendering Old Capital Securities in the Exchange Offer.

THE EXCHANGE CAPITAL SECURITIES

- SECURITIES OFFERED..... Up to \$100,000,000 aggregate Liquidation Amount of the Trust's 8.25% Capital Securities which have been registered under the Securities Act (Liquidation Amount \$1,000 per Capital Security). The Exchange Capital Securities will be issued and the Old Capital Securities were issued under the Declaration. The Exchange Capital Securities and any Old Capital Securities which remain outstanding after consummation of the Exchange Offer will constitute separate series of a single class of Capital Securities under the Declaration and, accordingly, will vote together as a single class for purposes of determining whether holders of the requisite percentage in outstanding Liquidation Amount thereof have taken certain actions or exercised certain rights under the Declaration. See "Description of Exchange Securities -- Description of Capital Securities -- General." The terms of the Exchange Capital Securities are identical in all material respects to the terms of the Old Capital Securities, except that the Exchange Capital Securities have been registered under the Securities Act and therefore are not subject to certain restrictions on transfer applicable to the Old Capital Securities and will not provide for any increase in the Distribution rate thereon as previously required by the Registration Agreement. See "The Exchange Offer -- Purpose and Effect of the Exchange Offer," "Description of Exchange

Securities" and "Description of the Old Securities."

- DISTRIBUTION DATES..... June 15 and December 15 of each year, commencing the later of the first such date, following the original issuance of the Exchange Capital Securities or the next Distribution Date.
- EXTENSION PERIODS..... The Corporation may choose to defer payments of interest on the Junior Subordinated Debt Securities. Distributions on Exchange Capital Securities will be deferred for the duration of any Extension Period elected by the Corporation with respect to the payment of interest on the Junior Subordinated Debt Securities. Such deferrals will not constitute an event of default with respect to the Junior Subordinated Debt Securities or the Exchange Capital Securities or the Old Capital Securities, as the case may be. No Extension Period will exceed 10 consecutive semi-annual periods or extend beyond the Stated Maturity of the Junior Subordinated Debt Securities. See "Description of Exchange Securities -- Description of Junior Subordinated Debt Securities -- Option to Extend Interest Payment Date" and "Certain United States Federal Income Tax Consequences -- Interest and Original Issue Discount."
- RANKING..... The Exchange Capital Securities will rank pari passu, and payments thereon will be made pro rata, with the Old Capital Securities and the Common Securities except as described under "Description of Exchange Securities -- Description of Capital Securities -- Subordination of Common Securities." The Exchange Junior Subordinated Debt Securities will rank pari passu with the Old Junior Subordinated Debt Securities and all other junior subordinated debt securities issued or to be issued by the Corporation pursuant to the Indenture with substantially similar subordination terms ("Other Debentures") and which have been or will be issued and sold to other trusts established by the Corporation, in each case similar to the Trust ("Other Trusts"), and will be unsecured and subordinate and junior in right of payment to the extent and in the manner set forth in the Indenture to all Senior Debt of the Corporation. See "Description of Exchange Securities -- Description of Junior Subordinated Debt Securities." The Exchange Guarantee will rank pari passu with all other guarantees issued or to be issued by the Corporation with respect to securities issued by Other Trusts ("Other Guarantees") and will constitute an unsecured
- obligation of the Corporation and will rank subordinate and junior in right of payment to the extent and in the manner set forth in the Guarantee to all Senior Debt. See "Description of Exchange Securities -- Description of Guarantee."
- REDEMPTION..... The Trust Securities are subject to mandatory redemption (i) in whole, but not in part, upon the repayment in full at the Stated Maturity of the

Junior Subordinated Debt Securities and (ii) in whole or in part at any time on or after December 15, 2006 contemporaneously with any optional redemption by the Corporation of Junior Subordinated Debt Securities, in each case at the applicable Redemption Price. See "Description of Exchange Securities -- Description of Capital Securities -- Redemption."

RATING..... The Exchange Capital Securities are expected to be rated "BBB" by Standard & Poor's Ratings Services and "a2" by Moody's Investors Service, Inc. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization.

ERISA CONSIDERATIONS..... Prospective purchasers must carefully consider the restrictions on purchase set forth under "Certain ERISA Considerations."

ABSENCE OF MARKET FOR THE EXCHANGE CAPITAL SECURITIES..... The Exchange Capital Securities will be a new issue of securities for which there is currently no market. Although UBS Securities LLC, Credit Suisse First Boston Corporation and Salomon Brothers Inc (the "Initial Purchasers") have informed the Trust and the Corporation that they currently intend to make a market in the Exchange Capital Securities, the Initial Purchasers are not obligated to do so, and any such market making may be discontinued at any time without notice. Accordingly, there can be no assurance as to the development or liquidity of any market for the Exchange Capital Securities. Even though a market might develop for the Exchange Capital Securities, there will be no market for the Old Capital Securities, and holders of Old Capital Securities will not be permitted or entitled to trade Old Capital Securities on any market developed for Exchange Capital Securities.

For additional information regarding the Exchange Securities, see "Description of Exchange Securities," and "Certain United States Federal Income Tax Consequences."

RATIOS OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratios of earnings to fixed charges of the Corporation for the respective periods indicated.

CONSOLIDATED RATIOS OF EARNINGS TO FIXED CHARGES

	YEARS ENDED DECEMBER 31,				
	1992	1993	1994	1995	1996
Excluding interest on deposits.....	3.92	2.81	2.51	2.22	2.59
Including interest on deposits.....	1.52	1.67	1.61	1.49	1.50

For the purpose of computing the consolidated ratios of earnings to fixed charges, earnings represent consolidated income before income taxes plus fixed charges. Fixed charges excluding interest on deposits consist of interest on long-term debt and short-term borrowings and one-third of rental expense (which is deemed representative of the interest factor). Fixed charges including

interest on deposits consist of the foregoing items plus interest on deposits.

RISK FACTORS

Holders tendering Old Capital Securities in the Exchange Offer should carefully consider the matters set forth under "Risk Factors."

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RISK FACTORS

Before deciding whether to accept the Exchange Offer, holders of the Capital Securities should carefully review the information contained elsewhere in this Prospectus and should particularly consider the following matters.

RANKING OF OBLIGATIONS UNDER THE JUNIOR SUBORDINATED DEBT SECURITIES AND THE GUARANTEE

The obligations of the Corporation pursuant to the Junior Subordinated Debt Securities and under the Guarantee issued by the Corporation for the benefit of the holders of Trust Securities are unsecured and rank subordinate and junior in right of payment to all Senior Debt of the Corporation (which, as defined, includes all outstanding subordinated debt of the Corporation). At December 31, 1996, the aggregate of such outstanding Senior Debt of the Corporation was approximately \$118.7 million. Because the Corporation is a bank holding company, the right of the Corporation to participate in any distribution of assets of any subsidiary, including the Bank, upon such subsidiary's liquidation or reorganization or otherwise (and thus the ability of holders of the Capital Securities to benefit indirectly from such distribution) is subject to the prior claims of creditors of such subsidiary, except to the extent that the Corporation may itself be recognized as a creditor of such subsidiary. Accordingly, the Junior Subordinated Debt Securities and the Guarantee will be effectively subordinated to all existing and future liabilities of the Corporation's subsidiaries, and holders of Junior Subordinated Debt Securities and beneficiaries of the Guarantee should look only to the assets of the Corporation for payments thereon. See "Bancorp Hawaii, Inc." None of the Indenture, the Guarantee or the Declaration places any limitation on the amount of secured or unsecured debt, including Senior Debt, that may be incurred by the Corporation. See "Description of Exchange Securities -- Description of Junior Subordinated Debt Securities -- Subordination" and "Description of Exchange Securities -- Description of Guarantee -- Status of the Guarantee."

The ability of the Trust to pay amounts due on the Capital Securities is solely dependent upon the Corporation making payments on the Junior Subordinated Debt Securities as and when required.

OPTION TO EXTEND INTEREST PAYMENT DATE; TAX CONSEQUENCES; MARKET PRICE CONSEQUENCES

So long as no Debenture Event of Default (as defined herein) has occurred and is continuing, the Corporation has the right under the Indenture to defer the payment of interest on the Junior Subordinated Debt Securities at any time or from time to time for a period not exceeding 10 consecutive semi-annual periods with respect to each Extension Period; provided, however, that no Extension Period may extend beyond the Stated Maturity of the Junior Subordinated Debt Securities. As a consequence of any such deferral, semi-annual Distributions on the Capital Securities by the Trust will also be deferred (and the amount of Distributions to which holders of the Capital Securities are entitled will accumulate additional Distributions thereon at the rate of 8.25% per annum, compounded semi-annually) from the relevant payment date for such Distributions during any such Extension Period. The deferral(s) of the payment of interest on the Junior Subordinated Debt Securities and resulting deferral of Distributions on the Capital Securities will not constitute an event of default with respect to the Junior Subordinated Debt Securities or the Capital Securities. During any Extension Period, the Corporation may not (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a

liquidation payment with respect to, any of the Corporation's capital stock, (ii) make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities of the Corporation (including Other Debentures) that rank pari passu in all respects with or junior in interest to the Junior Subordinated Debt Securities or (iii) make any guarantee payments with respect to any guarantee by the Corporation of the debt securities of any subsidiary of the Corporation (including Other Guarantees) if such guarantee ranks pari passu in all respects with or junior in interest to the Junior Subordinated Debt Securities (other than (a) dividends or distributions in common stock of the Corporation, (b) any declaration of a dividend in connection with the implementation of a stockholders' rights plan, or the issuance of stock under any such plan in the future, or the redemption or repurchase of any such rights pursuant thereto, (c) payments under the Guarantee, (d) purchases or acquisitions of shares of the Corporation's common stock in connection with the satisfaction by the Corporation of its obligations under any employee benefit plan or any other contractual obligation of the Corporation (other than a contractual obligation ranking pari passu in all respects, with or junior to the Junior Subordinated Debt Securities), (e) as a result of a reclassification of the Corporation's capital stock or the exchange or conversion of one class or series of the Corporation's capital stock for another class or series of the Corporation's capital stock or (f) the purchase of fractional interests in shares of the Corporation's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged). Prior to the termination of any Extension Period, the Corporation may further extend such Extension Period; provided, however, that

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such extension does not cause such Extension Period to exceed 10 consecutive semi-annual periods or to extend beyond the Stated Maturity. Upon the termination of any Extension Period and the payment of all interest then accrued and unpaid on the Junior Subordinated Debt Securities (together with interest thereon at the annual rate of 8.25%, compounded semi-annually, to the extent permitted by applicable law), the Corporation may elect to begin a new Extension Period, subject to the above requirements. There is no limitation on the number of times that the Corporation may elect to begin an Extension Period. See "Description of Exchange Securities -- Description of Capital Securities -- Distributions" and "Description of Exchange Securities -- Description of Junior Subordinated Debt Securities -- Option to Extend Interest Payment Date."

Because the Corporation believes that the likelihood of its exercising its option to defer payments of interest is remote, the Junior Subordinated Debt Securities will be treated under Treasury regulations as issued without "original issue discount" ("OID") for United States Federal income tax purposes. As a result, holders of Capital Securities generally will include their allocable share of the interest on the Junior Subordinated Debt Securities in taxable income under their own methods of tax accounting (i.e., cash or accrual). Under the Treasury regulations, however, if the Corporation exercises its right to defer payments of interest, the Junior Subordinated Debt Securities will become original issue discount instruments and holders of Junior Subordinated Debt Securities and, consequently, holders of Capital Securities will be required to include their pro rata share of original issue discount in gross income as it accrues for United States Federal income tax purposes in advance of the receipt of cash attributable to such interest income. See "Certain United States Federal Income Tax Consequences -- Interest and Original Issue Discount" and "-- Disposition of the Capital Securities."

Should the Corporation elect to exercise its right to defer payments of interest on the Junior Subordinated Debt Securities in the future, the market price of the Capital Securities is likely to be affected. A holder that disposes of its Capital Securities during an Extension Period, therefore, might not receive the same return on its investment as a holder that continues to hold its Capital Securities. In addition, as a result of the existence of the Corporation's right to defer interest payments on the Junior Subordinated Debt Securities, the market price of the Capital Securities (which represent beneficial ownership interests in the Trust holding the Junior Subordinated Debt

Securities as its sole assets) may be more volatile than the market prices of other securities on which original issue discount accrues that are not subject to such deferrals.

TAX EVENT OR CAPITAL TREATMENT EVENT REDEMPTION;
POSSIBLE TAX LAW CHANGES AFFECTING THE CAPITAL SECURITIES

Upon the occurrence and continuation of a Tax Event or Capital Treatment Event, the Corporation has the right to terminate the Trust and distribute a Like Amount of the Junior Subordinated Debt Securities to the holders of the Trust Securities in liquidation of the Trust within 90 days following the occurrence of such Tax Event or Capital Treatment Event, as the case may be, and, if a Tax Event or Capital Treatment Event, as the case may be, continues notwithstanding the taking of such actions, to redeem the Junior Subordinated Debt Securities in whole, but not in part, at the Event Prepayment Price together with accumulated Distributions to but excluding the date fixed for redemption. The exercise of such right is subject to the Corporation's having received prior approval of the Federal Reserve to do so if then required under applicable regulations, guidelines or policies of the Federal Reserve. See "Description of Exchange Securities -- Description of Junior Subordinated Debt Securities -- Tax Event or Capital Treatment Event Prepayment" and "Description of Capital Securities -- Liquidation of the Trust and Distribution of Junior Subordinated Debt Securities."

A "Tax Event" means the receipt by the Corporation of an opinion of counsel experienced in such matters to the effect that, as a result of any amendment to, or change (including any announced proposed change) in, the laws or any regulations thereunder of the United States or any political subdivision or taxing authority thereof or therein, or as a result of any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or which proposed change, pronouncement or decision is announced on or after the Issue Date, there is more than an insubstantial risk that (i) the Trust is, or will be within 90 days of the date of such opinion, subject to United States Federal income tax with respect to income received or accrued on the Junior Subordinated Debt Securities, (ii) interest payable by the Corporation on the Junior Subordinated Debt Securities is not, or within 90 days of the date of such opinion, will not be, deductible by the Corporation, in whole or in part, for United States Federal income tax purposes or (iii) the Trust is, or will be within 90 days of the date of such opinion, subject to more than a de minimis amount of other taxes, duties or other governmental charges.

On March 19, 1996, during the 104th Congress, the Revenue Reconciliation Bill of 1996 (the "Bill") was introduced. This Bill would have, among other things, generally denied interest deductions for interest on an instrument issued by a corporation that has a maximum term of more than 20 years and that is not shown as indebtedness on the separate balance sheet of the issuer or, when the instrument is issued to a related party (other than a corporation), when the holder or some other related party issues a related instrument that is not shown as indebtedness on the issuer's consolidated balance sheet. The above-described provision of the Bill was proposed to be effective generally for instruments issued on or after December 7, 1995. If this provision were to apply to the Junior Subordinated Debt Securities, the Corporation would be unable to deduct interest on the Junior Subordinated Debt Securities. However, on March 29, 1996, the Chairmen of the Senate Finance and House Ways and Means Committees issued a joint statement (the "Joint Statement") to the effect that it was their intention that the effective date of the Bill, if enacted, would be no earlier than the date of appropriate Congressional action. In addition, subsequent to the publication of the Joint Statement, Senator Daniel Patrick Moynihan and Representatives Sam M. Gibbons and Charles B. Rangel wrote letters to Treasury Department officials concurring with the views expressed in the Joint Statement (the "Letters"). If the principles contained in the Joint Statement and the Letters were followed, any proposed legislation in this area that is subsequently enacted would not adversely affect the ability of the Corporation

to deduct interest on the Junior Subordinated Debt Securities. Although the 104th Congress adjourned without enacting the Bill, there can be no assurance that current or future legislative proposals or final legislation will not adversely affect the ability of the Corporation to deduct interest on the Junior Subordinated Debt Securities. Such a change could give rise to a Tax Event, which would permit the Corporation to terminate the Trust and distribute the Junior Subordinated Debt Securities to the holders of the Trust Securities upon liquidation of the Trust (and, if a Tax Event continued to exist notwithstanding the taking of such actions, to prepay the Junior Subordinated Debt Securities), as described more fully under "Description of Exchange Securities -- Description of Capital Securities -- Liquidation of the Trust and Distribution of Junior Subordinated Debt Securities" and "Description of Junior Subordinated Debt Securities -- Tax Event or Capital Treatment Event Prepayment."

A "Capital Treatment Event" means the reasonable determination by the Corporation that, as a result of the occurrence of any amendment to, or change (including any announced prospective change) in, the laws (or any rules or regulations thereunder) of the United States or any political subdivision thereof or therein, or as a result of any official or administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or such pronouncement, action or decision is announced on or after the date of issuance of the Old Capital Securities, there is more than an insubstantial risk that the Corporation will not be entitled to treat an amount equal to the Liquidation Amount of the Capital Securities as "Tier 1 Capital" (or the then equivalent thereof) for purposes of the capital adequacy guidelines of the Federal Reserve, as then in effect and applicable to the Corporation.

LIQUIDATION DISTRIBUTION OF JUNIOR SUBORDINATED DEBT SECURITIES

Upon liquidation of the Trust and certain other events, the Junior Subordinated Debt Securities may be distributed to holders of the Capital Securities. Under current United States Federal income tax law and interpretations thereof and assuming, as expected, that the Trust is treated as a grantor trust for United States Federal income tax purposes, a distribution by the Trust of the Junior Subordinated Debt Securities pursuant to a liquidation of the Trust will not be a taxable event to the Trust or to holders of the Capital Securities and will result in a holder of the Capital Securities receiving directly such holder's pro rata share of the Junior Subordinated Debt Securities (previously held indirectly through the Trust). If, however, the liquidation of the Trust were to occur because the Trust is subject to United States Federal income tax with respect to income accrued or received on the Junior Subordinated Debt Securities as a result of the occurrence of a Tax Event or otherwise, the distribution of Junior Subordinated Debt Securities to holders of the Capital Securities by the Trust would be a taxable event to the Trust and each holder, and holders of the Capital Securities would recognize gain or loss as if they had exchanged their Capital Securities for the Junior Subordinated Debt Securities they received upon the liquidation of the Trust. See "Certain United States Federal Income Tax Consequences -- Distribution of Junior Subordinated Debt Securities or Cash Upon Liquidation of the Trust."

There can be no assurance that a market will exist for, or if a market exists as to the market prices for the Capital Securities or the Junior Subordinated Debt Securities that may be distributed in exchange for the Capital Securities if a liquidation of the Trust occurs. Accordingly, the Capital Securities that an investor may purchase, whether pursuant to the offer made hereby or in the secondary market, or the Junior Subordinated Debt Securities that a holder of Capital

Securities may receive upon liquidation of the Trust, may trade at a discount to the price that the investor paid to purchase the Capital Securities. Because holders of Capital Securities may receive Junior Subordinated Debt Securities on termination of the Trust, prospective purchasers of Capital Securities are also making an investment decision with regard to the Junior Subordinated Debt

Securities and should carefully review all the information regarding the Junior Subordinated Debt Securities contained herein. See "Description of Exchange Securities -- Description of Capital Securities -- Liquidation of the Trust and Distribution of Junior Subordinated Debt Securities" and "Description of Exchange Securities -- Description of Junior Subordinated Debt Securities -- General."

RIGHTS UNDER THE GUARANTEE

The Guarantee guarantees to the holders of the Trust Securities the following payments, to the extent not paid by the Trust: (i) any accumulated and unpaid Distributions required to be paid on the Trust Securities, to the extent that the Trust has funds on hand available therefor at such time, (ii) the applicable Redemption Price with respect to any Trust Securities called for redemption, to the extent that the Trust has funds on hand available therefor at such time, and (iii) upon a voluntary or involuntary dissolution, winding-up or liquidation of the Trust, unless the Junior Subordinated Debt Securities are distributed to holders of the Trust Securities, the lesser of (a) the aggregate of the Liquidation Amount and all accumulated and unpaid Distributions to the date of payment, to the extent that the Trust has funds on hand available therefor at such time, and (b) the amount of assets of the Trust remaining available for distribution to holders of the Trust Securities after the satisfaction of liabilities to creditors of the Trust as provided by applicable law.

The holders of not less than a majority in aggregate Liquidation Amount of the Capital Securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee (as defined herein) in respect of the Guarantee or to direct the exercise of any trust power conferred upon the Guarantee Trustee under the Guarantee. Any holder of the Capital Securities may institute a legal proceeding directly against the Corporation to enforce its rights under the Guarantee without first instituting a legal proceeding against the Trust, the Guarantee Trustee or any other person or entity. If the Corporation were to default on its obligation to pay amounts payable under the Junior Subordinated Debt Securities, the Trust would lack funds for the payment of Distributions or amounts payable on redemption of the Capital Securities or otherwise, and, in such event, holders of the Capital Securities would not be able to rely upon the Guarantee for payment of such amounts. Instead, in the event a Debenture Event of Default shall have occurred and be continuing and such event is attributable to the failure of the Corporation to pay principal of or interest on the Junior Subordinated Debt Securities on the applicable payment date, then a holder of Capital Securities may institute a Direct Action. Notwithstanding any payments made to a holder of Capital Securities by the Corporation in connection with a Direct Action, the Corporation shall remain obligated to pay the principal of and interest on the Junior Subordinated Debt Securities, and the Corporation shall be subrogated to the rights of the holder of such Capital Securities with respect to payments on the Capital Securities to the extent of any payments made by the Corporation to such holder in any Direct Action. Except as described herein, holders of Capital Securities will not be able to exercise directly any other remedy available to the holders of the Junior Subordinated Debt Securities or assert directly any other rights in respect of the Junior Subordinated Debt Securities. See "Description of Exchange Securities -- Description of Junior Subordinated Debt Securities -- Enforcement of Certain Rights by Holders of Capital Securities," "Description of Exchange Securities -- Description of Junior Subordinated Debt Securities -- Debenture Events of Default" and "Description of Exchange Securities -- Description of Guarantee."

The Declaration provides that each holder of Trust Securities by acceptance thereof agrees to the provisions of the Guarantee and the Indenture. The Bank of New York acts as Guarantee Trustee under the Guarantee Agreement and holds the Guarantee for the benefit of the holders of the Trust Securities. The Bank of New York also acts as Property Trustee under the Declaration and as Debenture Trustee under the Indenture.

LIMITED VOTING RIGHTS

Holders of Capital Securities will generally have limited voting rights

relating only to the modification of the Capital Securities, the dissolution, winding-up or liquidation of the Trust and the exercise of the Trust's rights as holder of Junior Subordinated Debt Securities. The right to vote to appoint, remove or replace the Property Trustee or the Delaware Trustee is vested exclusively in the holder of the Common Securities except upon the occurrence of certain events described herein. The Property Trustee, the Administrative Trustees and the Corporation may amend the Declaration without the consent of holders of Capital Securities to ensure that the Trust will be classified for United States Federal

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income tax purposes as a grantor trust even if such action adversely affects the interests of such holders. See "Description of Exchange Securities -- Description of Capital Securities -- Removal of Issuer Trustees" and " -- Voting Rights; Amendment of the Declaration."

CONSEQUENCES OF A FAILURE TO EXCHANGE OLD CAPITAL SECURITIES

The Old Capital Securities have not been registered under the Securities Act or any state securities laws and therefore may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act and any other applicable securities laws, or pursuant to an exemption therefrom or in a transaction not subject thereto, and in each case in compliance with certain other conditions and restrictions. Old Capital Securities which remain outstanding after consummation of the Exchange Offer will continue to bear a legend reflecting such restrictions on transfer. In addition, upon consummation of the Exchange Offer, holders of Old Capital Securities which remain outstanding will not be entitled to any rights to have such Old Capital Securities registered under the Securities Act or to any similar rights under the Registration Agreement (subject to certain limited exceptions). The Corporation and the Trust do not intend to register under the Securities Act any Old Capital Securities which remain outstanding after consummation of the Exchange Offer (subject to such limited exceptions, if applicable).

The Registration Agreement provides, under certain circumstances, for additional interest to become payable in respect of the Old Junior Subordinated Debt Securities as liquidated damages, and for corresponding additional Distributions to become payable in respect of the Old Capital Securities. Following consummation of the Exchange Offer, the Old Capital Securities will not be entitled to any such additional Distributions.

To the extent that Old Capital Securities are tendered and accepted in the Exchange Offer, a holder's ability to sell untendered Old Capital Securities could be adversely affected. In addition, any trading market for Old Capital Securities which remain outstanding after the Exchange Offer could be adversely affected.

The Exchange Capital Securities and any Old Capital Securities which remain outstanding after consummation of the Exchange Offer will constitute separate series of a single class of Capital Securities under the Declaration and, accordingly, will vote together as a single class for purposes of determining whether holders of the requisite percentage in outstanding Liquidation Amount thereof have taken certain actions or exercised certain rights under the Declaration. See "Description of Exchange Securities -- Description of Capital Securities -- General."

ABSENCE OF PUBLIC MARKET

The Old Capital Securities were issued to, and the Corporation believes are currently owned by, a relatively small number of beneficial owners. The Old Capital Securities have not been registered under the Securities Act and will be subject to restrictions on transferability to the extent that they are not exchanged for the Exchange Capital Securities. Although the Exchange Capital Securities will generally be permitted to be resold or otherwise transferred by

the holders thereof without compliance with the registration requirements under the Securities Act, they will constitute a new issue of securities with no established trading market. Capital Securities may be transferred by the holders thereof only in blocks having a Liquidation Amount of not less than \$100,000 (100 Capital Securities). The Corporation and the Trust have been advised by the Initial Purchasers that the Initial Purchasers presently intend to make a market in the Exchange Capital Securities and the Old Capital Securities. However, the Initial Purchasers are not obligated to do so and any market-making activity with respect to the Exchange Capital Securities or the Old Capital Securities may be discontinued at any time without notice. In addition, such market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, no assurance can be given that an active public or other market will develop for the Exchange Capital Securities or the Old Capital Securities or as to the liquidity of or the trading market for the Exchange Capital Securities or the Old Capital Securities. If an active public market does not exist for the Exchange Capital Securities or the Old Capital Securities, as the case may be, the market price and liquidity of such Capital Securities may be adversely affected.

Future trading prices of the Capital Securities will depend on many factors, including, among other things, prevailing interest rates, results of operations of the Corporation and the market for similar securities. Under certain circumstances, the Capital Securities may trade at a discount.

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Notwithstanding the registration of the Exchange Capital Securities in the Exchange Offer, holders who are "affiliates" (as defined under Rule 405 of the Securities Act) of the Corporation or the Trust may publicly offer for sale or resell the Exchange Securities only in compliance with the provisions of Rule 144 under the Securities Act.

Each broker-dealer that receives Exchange Capital Securities for its own account in exchange for Old Capital Securities, where such Old Capital Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Capital Securities. See "Plan of Distribution."

EXCHANGE OFFER PROCEDURES

Issuance of Exchange Capital Securities in exchange for Old Capital Securities pursuant to the Exchange Offer will be made only after timely receipt by the Trust of such Old Capital Securities, a properly completed and duly executed Letter of Transmittal and all other required documents. Therefore, holders of Old Capital Securities desiring to tender such Old Capital Securities in exchange for Exchange Capital Securities should allow sufficient time to ensure timely delivery. The Trust is under no duty to give notification of defects or irregularities with respect to the tenders of Old Capital Securities for exchange. Alternate arrangements are available under limited circumstances provided specific conditions are satisfied. See "The Exchange Offer -- Procedures for Tendering Old Capital Securities -- Guaranteed Delivery."

RATIOS OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratios of earnings to fixed charges of the Corporation for the respective periods indicated.

CONSOLIDATED RATIOS OF EARNINGS TO FIXED CHARGES

YEARS ENDED DECEMBER 31,				
1992	1993	1994	1995	1996

	----	----	----	----	----
Excluding interest on deposits.....	3.92	2.81	2.51	2.22	2.59
Including interest on deposits.....	1.52	1.67	1.61	1.49	1.50

For the purpose of computing the consolidated ratios of earnings to fixed charges, earnings represent consolidated income before income taxes plus fixed charges. Fixed charges excluding interest on deposits consist of interest on long-term debt and short-term borrowings and one-third of rental expense (which is deemed representative of the interest factor). Fixed charges including interest on deposits consist of the foregoing items plus interest on deposits.

USE OF PROCEEDS FROM SALE OF OLD CAPITAL SECURITIES

Neither the Corporation nor the Trust will receive any cash proceeds from the issuance of the Exchange Capital Securities offered hereby. In consideration for issuing the Exchange Capital Securities in exchange for Old Capital Securities as described in this Prospectus, the Trust will receive Old Capital Securities in like Liquidation Amount. The Old Capital Securities surrendered in exchange for the Exchange Capital Securities will be retired and canceled.

All of the proceeds from the sale of the Old Capital Securities and the Common Securities were invested by the Trust in the Old Junior Subordinated Debt Securities. The Corporation has applied the net proceeds from the sale of the Old Junior Subordinated Debt Securities to its general funds to be used by its management for general corporate purposes, including, from time to time, the making of advances to its subsidiaries. Such advances may require the approval of bank regulatory authorities, and, pending ultimate application, the net proceeds may be used to make short-term investments or reduce short-term borrowings. Pending such application by the Corporation, such net proceeds may be temporarily invested in short-term interest-bearing securities or used to reduce short-term borrowings.

Management anticipates that the Corporation may, from time to time, engage in additional equity or debt financings.

CAPITALIZATION OF THE CORPORATION

The following table sets forth the consolidated capitalization of the Corporation and its subsidiaries as of December 31, 1996. The following data should be read in conjunction with the consolidated financial statements and notes thereto of the Corporation and its subsidiaries incorporated herein by reference. See "Incorporation of Certain Documents by Reference."

	DECEMBER 31, 1996

	(IN THOUSANDS)
DEBT:	
Short-term borrowings.....	293,257
Total long-term debt(1).....	932,143

Total debt.....	1,225,400
	=====
SHAREHOLDERS' EQUITY:	
Common stock -- \$2.00 par value -- 100,000,000 shares authorized, 39,959,234 shares issued and outstanding.....	79,918
Surplus.....	186,391
Unrealized Valuation Adjustments.....	(3,722)
Retained earnings.....	803,535

Total shareholders' equity.....	1,066,122

TOTAL CAPITALIZATION.....	\$ 2,291,522
	=====

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(1) The company-obligated mandatorily redeemable capital securities of subsidiary trust are included in long-term debt. The Trust is a wholly owned subsidiary of the Corporation and holds the Junior Subordinated Debt Securities as its sole asset.

DIVIDEND HISTORY

The Corporation has paid a regular quarterly dividend on its Common Stock since such payment began in 1971.

BANCORP HAWAII CAPITAL TRUST I

The Trust is a statutory business trust formed under Delaware law pursuant to (i) the original declaration of trust executed by the Corporation, as Depositor, The Bank of New York (Delaware), as Delaware Trustee, and the administrative trustees named therein, which original declaration of trust was amended and restated and executed by the Corporation, as Depositor, The Bank of New York, as Property Trustee, The Bank of New York (Delaware), as Delaware Trustee, and the Administrative Trustees named therein (the "Declaration") and (ii) the filing of a certificate of trust with the Delaware Secretary of State. The Trust exists for the exclusive purposes of (i) issuing and selling the Trust Securities, (ii) using the proceeds from the sale of the Old Capital Securities and the Common Securities to acquire the Old Junior Subordinated Debt Securities, (iii) exchanging the Old Junior Subordinated Debt Securities for the Exchange Subordinated Debt Securities in the Exchange Offer, (iv) making Distributions and (v) engaging in only those other activities necessary, advisable or incidental thereto. Holders of the Trust Securities have no preemptive or similar rights. The Trust may not borrow money or issue debt or mortgage or pledge any of its assets. Accordingly, the Junior Subordinated Debt Securities will be the sole assets of the Trust, and payments under the Junior Subordinated Debt Securities and the expense provisions under the Indenture will be the sole revenues of the Trust. All of the Common Securities will be owned directly or indirectly by the Corporation. The Common Securities will rank pari passu, and payments will be made thereon pro rata, with the Capital Securities, except that upon the occurrence and continuance of an Event of Default under the Declaration resulting from a Debenture Event of Default, the rights of the Corporation as holder of the Common Securities to payment in respect of Distributions and payments upon liquidation, redemption or otherwise will be subordinated to the rights of the holders of the Capital Securities. See "Description of Exchange Securities -- Description of Capital Securities -- Subordination of Common Securities." The Corporation acquired Common Securities in an aggregate Liquidation Amount equal to 3% of the total capital of the Trust. The Trust has a term of 54 years, but may terminate earlier as provided in the Declaration. The Trust's business and affairs are conducted by its trustees, each appointed by the Corporation as holder of the Common Securities. The trustees for the Trust are The Bank of New York, as Property Trustee, The Bank of New York (Delaware), as Delaware Trustee, and two individual trustees as Administrative Trustees who are employees or officers of or affiliated with the Corporation (collectively, the "Issuer Trustees"). The Bank of New York, as Property Trustee, acts as sole indenture trustee under the Declaration. The Bank of New York also acts as trustee under the Guarantee and the Indenture. See "Description of Exchange Securities -- Description of Junior Subordinated Debt Securities" and "Description of Exchange Securities -- Description of Guarantee." The holder of the Common Securities of the Trust, or the holders of a majority in Liquidation Amount of the Capital Securities if an Event of Default under the Declaration resulting from a Debenture Event of Default has occurred and is continuing, will be entitled to appoint, remove or replace the Property Trustee and/or the Delaware Trustee. In no event will the holders of the Capital Securities have the right to vote to appoint, remove or replace the Administrative Trustees; such voting rights are vested exclusively in the holder of the Common Securities. The duties and

obligations of each Issuer Trustee are governed by the Declaration. Pursuant to the expense provisions under the Indenture, the Corporation will pay all fees and expenses related to the Trust and the Exchange Offer and will pay, directly or indirectly, all ongoing costs, expenses and liabilities of the Trust. See "Description of Exchange Securities -- Description of Capital Securities -- Expenses and Taxes." The principal executive office of the Trust is in care of

Bancorp Hawaii, Inc.
130 Merchant Street
Honolulu, Hawaii 96813
Telephone: (808) 643-3888
Attention: Corporate Secretary

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BANCORP HAWAII, INC.

Bancorp Hawaii, Inc. is a regional multi-bank holding company registered under the Bank Holding Company Act of 1956, as amended. As of December 31, 1996, the Corporation had total assets of \$14.0 billion and was, in terms of assets, the largest bank holding company headquartered in Hawaii.

The Corporation was organized under the laws of Hawaii on August 12, 1971, as the first bank holding company in the State of Hawaii, and has been continuously in business since. Its principal executive offices are located at 130 Merchant Street, Honolulu, Hawaii, and its telephone number is 808-643-3888.

The Corporation provides varied financial services to customers in Hawaii, other areas of the Pacific Basin, Asia and the U.S. Mainland. The principal subsidiaries of the Corporation are Bank of Hawaii and Bancorp Pacific, Inc. (a savings and loan holding company formerly known as FirstFed America, Inc.).

The Bank was organized under the laws of Hawaii on December 17, 1897, and has been continuously in business since. Its headquarters are in Honolulu, Hawaii, and its deposits are insured by the Federal Deposit Insurance Corporation ("FDIC"). It is not a member of the Federal Reserve.

The Bank, with total assets of \$12.5 billion as of December 31, 1996, provides general retail and commercial banking services in its four primary markets: Hawaii, the Pacific Islands, Asia, and the U.S. Mainland, through branch offices in the State of Hawaii, an Edge Act office in New York City and branches or representative offices in American Samoa, Bahamas (Nassau), Commonwealth of the Northern Mariana Islands (Saipan), Federated States of Micronesia (Pohnpei, Kosrae and Yap), Guam, Hong Kong, Japan (Tokyo), Korea (Seoul), Philippines (Manila, Davao, and Cebu), Republic of Fiji (Suva, Nadi, and Lautoka), Republic of the Marshall Islands (Majuro), Republic of Palau (Koror), Singapore and Taiwan (Taipei). The Bank also has affiliates in New Caledonia, Solomon Islands, Tahiti, Tonga, Vanuatu and Western Samoa.

The Bank focuses its lending activities on loans to small and middle market businesses operating in its local markets, loans to Fortune 1000 companies that may have a Pacific orientation, loans to the communications and media industry, and loans secured by real estate properties. At December 31, 1996, the Bank's net loan portfolio totaled \$7.1 billion and consisted of approximately 23.7% commercial and industrial loans, approximately 39.4% real estate loans, 20.3% foreign loans, with the balance of loans concentrated in the consumer, international and lease financing sectors. The largest segment of the Bank's real estate loan portfolio was represented by domestic loans secured by residential properties which totaled approximately 55.2% of the total domestic real estate loan portfolio at December 31, 1996. The remainder of this portfolio consisted mainly of loans on income producing commercial properties. Non-performing assets for the Bank totaled \$69.4 million at December 31, 1996, which was 0.94% of total loans and other real estate owned. The Bank's loan loss reserve at that date was 2.06% of total loans, representing 215.3% of non-performing assets.

Bank of Hawaii owns all the outstanding stock of Hawaiian Trust Company, Limited, Bank of Hawaii International, Inc. and other subsidiaries engaged in lease financing, international payments, securities brokerage, insurance agency and investment advisory services. Hawaiian Trust Company, which was organized under the laws of Hawaii on August 10, 1898, offers trust services primarily in the State of Hawaii and the Territory of Guam. Through the Bank's ownership of Bank of Hawaii International, Inc., formed in 1968, equity interests are held in the following foreign financial institutions: Bank of Tonga -- 30%; Banque de Nouvelle Calédonie, New Caledonia -- 91%; Banque de Tahiti -- 92%; Pacific Commercial Bank, Limited, Western Samoa -- 43%; Banque d'Hawaii (Vanuatu) Ltd. -- 100%; and National Bank of Solomon Islands Ltd. -- 51%.

Bancorp Pacific, Inc.'s only significant business is conducted through its wholly owned subsidiary, First Federal Savings and Loan Association of America.

First Federal, a federally chartered stock savings and loan association, has been in operations since 1904. In 1978, First Federal merged with Island Federal Savings and Loan Association of Honolulu, Hawaii, and during the 1980s acquired several smaller savings and loan associations. First Federal operates 25 full service offices throughout Hawaii. Its deposits are also insured by the FDIC. As of December 31, 1996, First Federal had total assets of \$1.2 billion and total deposits of \$867.9 million. Its subsidiary, First Savings and Loan Association of America, operates three offices in the Territory of Guam and one in Saipan.

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The Corporation also owns all the outstanding stock (except for directors' qualifying shares) of First National Bank of Arizona, organized under the laws of the United States and having its principal office in Phoenix, Arizona. First National Bank of Arizona, with assets of \$203.3 million as of December 31, 1996, provides customary banking services through six branches located in the State of Arizona. First National Bank of Arizona has agreed to acquire four additional branches in Arizona from Home Savings of America, F.S.B. with combined deposits of approximately \$250 million. In addition, the Corporation owns other non-banking subsidiaries engaged in insurance agency and credit life insurance services.

The Corporation and its subsidiaries are subject to extensive regulation by federal and state regulators, including the Board of Governors of the Federal Reserve, the FDIC, the Office of Thrift Supervision, the Comptroller of the Currency, and the Department of Commerce and Consumer Affairs of the State of Hawaii. These regulatory bodies examine the Corporation or one or more of its subsidiaries and supervise numerous aspects of their business.

Various provisions of federal and state law may affect the ability of the Corporation to pay capital distributions to holders of the Exchange Capital Securities under certain circumstances. These are described in the paragraphs which follow.

The Corporation is a legal entity separate and distinct from the Bank and its other subsidiaries and affiliates. Because the Corporation is a holding company, its rights and the rights of its creditors and stockholders, including the holders of the Junior Subordinated Debt Securities and the Guarantee, to participate in the assets of any subsidiary upon the latter's liquidation or recapitalization will be subject to the prior claims of such subsidiary's creditors, except to the extent that the Corporation may itself be a creditor with recognized claims against such subsidiary, in which case it will share in such assets with other creditors. Moreover, in the event of the institution of a proceeding under the Bankruptcy Code to reorganize or liquidate the Corporation, any commitment by the Corporation made to a federal regulator to maintain the capital of an insured depository institution subsidiary would be entitled to a priority over third party creditors of the Corporation.

There are various legal limitations on the extent to which the

Corporation's depository institution subsidiaries may extend credit, pay dividends or otherwise supply funds to the Corporation. In determining whether and to what extent to pay dividends, each depository subsidiary must consider the effect of dividend payments on applicable risk-based capital and leverage ratio requirements, as well as statutory restrictions and policy statements of the federal regulatory agencies that indicate that organizations should generally pay dividends out of current operating earnings. Where a depository institution subsidiary of the Corporation fails to meet any minimum capital requirement or where the payment of a capital distribution would cause it to fail to meet such requirement, federal law generally prohibits such subsidiary from making a capital distribution to the Corporation and in certain circumstances, the Corporation from making any capital distribution to its shareholders.

The Corporation also derives dividends from its non-depository institution subsidiaries. These subsidiaries may be subject to regulatory restrictions on their payment of dividends to the Corporation. In addition, there are numerous governmental requirements and regulations that affect the activities of the Corporation and its depository institution and non-depository institution subsidiaries.

Under long-standing policy of the Federal Reserve, a bank holding company is expected to act as a source of financial strength for its subsidiary banks and to commit resources to support such banks. As a result of that policy, the Corporation may be required to commit resources to its subsidiary banks in circumstances where it might not otherwise do so.

In the event that the FDIC sustains losses resulting from the provision of assistance to or the failure of a depository institution owned by the Corporation, other depository institution subsidiaries of the Corporation could be assessed for such losses under federal law.

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THE EXCHANGE OFFER

PURPOSE AND EFFECT OF THE EXCHANGE OFFER

In connection with the sale of the Old Capital Securities, the Corporation and the Trust entered into the Registration Agreement with the Initial Purchasers, pursuant to which the Corporation and the Trust agreed, among other things, to file and to use their reasonable efforts to cause to become effective with the Commission a registration statement with respect to the exchange of the Old Capital Securities for capital securities with terms identical in all material respects to the terms of the Old Capital Securities. A copy of the Registration Agreement has been filed as an Exhibit to the Registration Statement of which this Prospectus is a part.

The Exchange Offer is being made to satisfy the contractual obligations of the Corporation and the Trust under the Registration Agreement. The form and terms of the Exchange Capital Securities are the same as the form and terms of the Old Capital Securities except that the Exchange Capital Securities have been registered under the Securities Act and therefore will not be subject to certain restrictions on transfer applicable to the Old Capital Securities and will not provide for any additional Distributions for failing to comply with the Registration Agreement. In that regard, the Old Capital Securities provide, among other things, that, if the Exchange Offer is not consummated within a specified period after the date the Old Capital Securities were issued, the Old Capital Securities will be entitled to additional Distributions at the rate of 0.25% per annum of the Liquidation Amount thereof until the Exchange Offer is consummated. Upon consummation of the Exchange Offer, holders of Old Capital Securities will not be entitled to any such additional Distributions or any further registration rights under the Registration Agreement, except under limited circumstances. See "Risk Factors -- Consequences of a Failure to Exchange Old Capital Securities" and "Description of the Old Securities."

The Exchange Offer is not being made to, nor will the Corporation or the Trust accept tenders for exchange from, holders of Old Capital Securities in any jurisdiction in which the Exchange Offer or the acceptance thereof would not be in compliance with the securities or blue sky laws of such jurisdiction.

Unless the context requires otherwise, the term "holder" with respect to the Exchange Offer means any person in whose name the Old Capital Securities are registered on the books of the Trust or any other person who has obtained a properly completed bond power from the registered holder, or any person whose Old Capital Securities are held of record by The Depository Trust Company ("DTC") who desires to deliver such Old Capital Securities by book-entry transfer at DTC.

Pursuant to the Exchange Offer, the Corporation will exchange, as soon as practicable after the date hereof, the Old Guarantee for the Exchange Guarantee and all of the Old Junior Subordinated Debt Securities, of which \$[] aggregate principal amount is outstanding, for a like aggregate principal amount of the Exchange Junior Subordinated Debt Securities. The Exchange Guarantee and the Exchange Junior Subordinated Debt Securities have been registered under the Securities Act.

TERMS OF THE EXCHANGE

The Corporation and the Trust hereby offer, upon the terms and subject to the conditions set forth in this Prospectus and in the accompanying Letter of Transmittal, to exchange up to \$100,000,000 aggregate Liquidation Amount of Exchange Capital Securities for a like aggregate Liquidation Amount of Old Capital Securities properly tendered on or prior to the Expiration Date and not properly withdrawn in accordance with the procedures described below. The Trust will issue, promptly after the Expiration Date, an aggregate Liquidation Amount of up to \$100,000,000 of Exchange Capital Securities in exchange for a like Liquidation Amount of outstanding Old Capital Securities tendered and accepted in connection with the Exchange Offer. Holders may tender their Old Capital Securities in whole or in part in a Liquidation Amount of not less than \$100,000 or any integral multiple of \$1,000 in excess thereof.

The Exchange Offer is not conditioned upon any minimum Liquidation Amount of Old Capital Securities being tendered. As of the date of this Prospectus, \$100,000,000 aggregate Liquidation Amount of the Old Capital Securities is outstanding.

Holders of Old Capital Securities do not have any appraisal or dissenters' rights in connection with the Exchange Offer. Old Capital Securities which are not tendered or are tendered but not accepted in connection with the Exchange

Offer will remain outstanding and be entitled to the benefits of the Declaration, but will not be entitled to any additional Distributions under the Registration Agreement, except under limited circumstances. See "Risk Factors -- Consequences of a Failure to Exchange Old Capital Securities" and "Description of the Old Securities."

If any tendered Old Capital Securities are not accepted for exchange because of an invalid tender, the occurrence of certain other events set forth herein or otherwise, certificates for any such unaccepted Old Capital Securities will be returned, without expense, to the tendering holder thereof promptly after the Expiration Date.

Holders who tender Old Capital Securities in connection with the Exchange Offer will not be required to pay brokerage commissions or fees or, subject to the instructions in the Letter of Transmittal, transfer taxes with respect to the exchange of Old Capital Securities in connection with the Exchange Offer. The Corporation will pay all charges and expenses, other than certain applicable taxes described below, in connection with the Exchange Offer. See "-- Fees and Expenses."

NEITHER THE BOARD OF DIRECTORS OF THE CORPORATION NOR THE TRUSTEES OF THE TRUST MAKES ANY RECOMMENDATION TO HOLDERS OF OLD CAPITAL SECURITIES AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING ALL OR ANY PORTION OF THEIR OLD CAPITAL SECURITIES PURSUANT TO THE EXCHANGE OFFER. IN ADDITION, NO ONE HAS BEEN AUTHORIZED TO MAKE ANY SUCH RECOMMENDATION. HOLDERS OF OLD CAPITAL SECURITIES MUST MAKE THEIR OWN DECISION BASED ON THEIR OWN FINANCIAL POSITION AND REQUIREMENTS WHETHER TO TENDER PURSUANT TO THE EXCHANGE OFFER AND, IF SO, THE AGGREGATE LIQUIDATION AMOUNT OF OLD CAPITAL SECURITIES TO TENDER AFTER READING THIS PROSPECTUS AND THE LETTER OF TRANSMITTAL AND CONSULTING WITH THEIR ADVISERS, IF ANY.

EXPIRATION DATE; EXTENSIONS; AMENDMENTS

The term "Expiration Date" means 5:00 p.m., New York City time, on _____, 1997 unless the Exchange Offer is extended by the Corporation and the Trust (in which case the term "Expiration Date" shall mean the latest date and time to which the Exchange Offer is extended).

The Corporation and the Trust expressly reserve the right in their sole and absolute discretion, subject to applicable law, at any time and from time to time, (i) to delay the acceptance of the Old Capital Securities for exchange, (ii) to terminate the Exchange Offer (whether or not any Old Capital Securities have theretofore been accepted for exchange) if the Corporation and the Trust determine, in their sole and absolute discretion, that any of the events or conditions referred to under "-- Conditions to the Exchange Offer" have occurred or exist or have not been satisfied, (iii) to extend the Expiration Date of the Exchange Offer and retain all Old Capital Securities tendered pursuant to the Exchange Offer, subject, however, to the right of holders of Old Capital Securities to withdraw their tendered Old Capital Securities as described under "-- Withdrawal Rights," and (iv) to waive any condition or otherwise amend the terms of the Exchange Offer in any respect. If the Exchange Offer is amended in a manner determined by the Corporation and the Trust to constitute a material change, or if the Corporation and the Trust waive a material condition of the Exchange Offer, the Corporation or the Trust will promptly disclose such amendment or waiver by means of a prospectus supplement that will be distributed to the registered holders of the Old Capital Securities, and the Corporation and the Trust will extend the Exchange Offer to the extent required by applicable law.

Any such delay in acceptance, extension, termination or amendment will be followed promptly by oral or written notice thereof to the Exchange Agent and by making a public announcement thereof, and such announcement in the case of an extension will be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. Without limiting the manner in which the Corporation or the Trust may choose to make any public announcement and subject to applicable law, neither the Corporation nor the Trust shall have any obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a release to an appropriate news agency.

PROCEDURES FOR TENDERING OLD CAPITAL SECURITIES

Valid Tender. Except as set forth below, in order for Old Capital Securities to be validly tendered pursuant to the Exchange Offer, a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required

signature guarantees and any other required documents, must be received by the Exchange Agent at its address set forth under "-- Exchange Agent". In addition, either (i) certificates for such Old Capital Securities must be received by the Exchange Agent or (ii) a timely confirmation of a book-entry transfer ("Book-Entry Confirmation") of such Old Capital Securities, if that procedure is available, into the Exchange Agent's account at DTC pursuant to the procedure

for book-entry transfer described below, must be received by the Exchange Agent, in each case on or prior to the Expiration Date or (iii) the holder must comply with the guaranteed delivery procedures set forth below.

THE METHOD OF DELIVERY OF CERTIFICATES, THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND SOLE RISK OF THE TENDERING HOLDER, AND DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE EXCHANGE AGENT. IF DELIVERY IS BY MAIL, REGISTERED MAIL, RETURN RECEIPT REQUESTED, PROPERLY INSURED, OR AN OVERNIGHT DELIVERY SERVICE IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

The tender by a holder of Old Capital Securities that is not withdrawn before the Expiration Date will constitute an agreement between such holder and the Corporation and the Trust in accordance with the terms and subject to the conditions set forth herein and in the Letter of Transmittal.

Any beneficial owner whose Old Capital Securities are registered in the name of a broker, dealer, commercial bank, trust company, or other nominee and who wishes to tender should contact the registered holder promptly and instruct such registered holder to tender on the beneficial owner's behalf. If the beneficial owner wishes to tender on his own behalf, the owner must, prior to completing and executing the Letter of Transmittal and delivering Old Capital Securities Certificates, either make appropriate arrangements to register ownership of the Old Capital Securities in such beneficial owner's name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time.

If less than all of the Old Capital Securities held by a holder are tendered, such tendering holder should fill in the amount of Old Capital Securities being tendered in the appropriate box on the Letter of Transmittal. The entire amount of Old Capital Securities delivered to the Exchange Agent will be deemed to have been tendered unless otherwise indicated.

Signatures. Certificates for the Old Capital Securities need not be endorsed and signature guarantees on the Letter of Transmittal, or a notice of withdrawal, as the case may be, are unnecessary unless (a) a certificate for the Old Capital Securities is registered in a name other than that of the person surrendering the certificate or (b) such registered holder completes the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" in the Letter of Transmittal. In the case of (a) or (b) above, such certificates for Old Capital Securities must be duly endorsed or accompanied by a properly executed bond power, with the endorsement or signature on the bond power and on the Letter of Transmittal guaranteed by a firm or other entity identified in Rule 17Ad-15 under the Exchange Act as an "eligible guarantor institution," including (as such terms are defined therein): (i) a bank; (ii) a broker, dealer, municipal securities broker or dealer or government securities broker or dealer; (iii) a credit union; (iv) a national securities exchange, registered securities association or clearing agency; or (v) a savings association that is a participant in a Securities Transfer Association (each, an "Eligible Institution"), unless surrendered on behalf of such Eligible Institution. See Instruction 1 to the Letter of Transmittal.

If any Letter of Transmittal, endorsement, bond power, power of attorney, or any other document required by the Letter of Transmittal is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and unless waived by the Corporation or the Trust, proper evidence satisfactory to the Corporation or the Trust, in its sole discretion, of such person's authority to so act must be submitted.

Determination of Validity. All questions as to the form of documents, validity, eligibility (including time of receipt) and acceptance for exchange of any tendered Old Capital Securities will be determined by the Corporation and the Trust, in their sole discretion, whose determination shall be final and binding on all parties. The Corporation and the Trust reserve the absolute right, in their sole and absolute discretion, to reject any and all tenders determined by them not to be in proper form or the acceptance of which, or

exchange for, may, in the view of counsel to the Corporation and the Trust, be unlawful. The Corporation and the Trust also reserve the absolute right, subject to applicable law, to waive any

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of the conditions of the Exchange Offer as set forth under "-- Conditions to the Exchange Offer" or any condition or irregularity in any tender of Old Capital Securities of any particular holder, whether or not similar conditions or irregularities are waived in the case of other holders.

The Corporation's and the Trust's interpretation of the terms and conditions of the Exchange Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding. No tender of Old Capital Securities will be deemed to have been validly made until all irregularities with respect to such tender have been cured or waived. Neither the Corporation, the Trust, any affiliates or assigns of the Corporation, the Trust, the Exchange Agent nor any other person shall be under any duty to give any notification of any irregularities in tenders or incur any liability for failure to give any such notification.

Acceptance of Old Capital Securities for Exchange; Delivery of Exchange Capital Securities. Upon the terms and subject to the conditions of the Exchange Offer, the Corporation will exchange, and will issue to the Exchange Agent, Exchange Capital Securities for Old Capital Securities validly tendered and not withdrawn (pursuant to the withdrawal rights described under "-- Withdrawal of Tenders") promptly after the Expiration Date.

In all cases, delivery of Exchange Capital Securities in exchange for Old Capital Securities tendered and accepted for exchange pursuant to the Exchange Offer will be made only after timely receipt by the Exchange Agent of (i) Old Capital Securities or a Book-Entry Confirmation (as defined below), (ii) the Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees, and (iii) any other documents required by the Letter of Transmittal.

Subject to the terms and conditions of the Exchange Offer, the Corporation and the Trust will be deemed to have accepted for exchange, and thereby exchanged, Old Capital Securities validly tendered and not withdrawn as, if and when the Corporation or the Trust gives oral or written notice to the Exchange Agent of the Corporation's and the Trust's acceptance of such Old Capital Securities for exchange pursuant to the Exchange Offer. The Exchange Agent will act as Agent for the Corporation and the Trust for the purpose of receiving tenders of Old Capital Securities, Letters of Transmittal and related documents, and as agent for tendering holders for the purpose of receiving Old Capital Securities, Letters of Transmittal and related documents and transmitting Exchange Capital Securities to validly tendering holders. Such exchange will be made promptly after the Expiration Date. If, for any reason whatsoever, acceptance for exchange or the exchange of any Old Capital Securities tendered pursuant to the Exchange Offer is delayed (whether before or after the Corporation's and the Trust's acceptance for exchange of Old Capital Securities) or the Corporation or the Trust extends the Exchange Offer or is unable to accept for exchange or exchange Old Capital Securities tendered pursuant to the Exchange Offer, then, without prejudice to the Corporation or the Trust's rights set forth herein, the Exchange Agent may, nevertheless, on behalf of the Corporation and the Trust (and subject to applicable law), retain tendered Old Capital Securities and such Old Capital Securities may not be withdrawn except to the extent tendering holders are entitled to withdrawal rights as described under "-- Withdrawal of Tenders."

Pursuant to the Letter of Transmittal, a holder of Old Capital Securities will represent and warrant in the Letter of Transmittal that it has full power and authority to tender, exchange, sell, assign and transfer Old Capital Securities, that the Trust will acquire good, marketable and unencumbered title to the tendered Old Capital Securities, free and clear of all liens, restrictions, charges and encumbrances, and that the Old Capital Securities

tendered for exchange are not subject to any adverse claims or proxies. The holder will further represent and warrant that any Exchange Capital Securities acquired in exchange for Old Capital Securities tendered thereby will have been acquired in the ordinary course of business by the person receiving such Exchange Capital Securities, that neither the holder of the Old Capital Securities nor other person presenting the Old Capital Securities for Exchange has an arrangement or understanding with any person to participate in the distribution of the Exchange Capital Securities and that neither the holder of the Old Capital Securities nor other person presenting the Old Capital Securities for Exchange is an "affiliate" as defined in Rule 405 under the Securities Act of the Company or the Trust. The holder also will represent and warrant that it will, upon request, execute and deliver any additional documents deemed by the Corporation, the Trust or the Exchange Agent to be necessary or desirable to complete the exchange, sale, assignment and transfer of the Old Capital Securities tendered pursuant to the Exchange Offer.

Notwithstanding any other provision hereof, the delivery of Exchange Capital Securities in exchange for Old Capital Securities tendered and accepted for exchange pursuant to the Exchange Offer will in all cases be made only after timely receipt by the Exchange Agent of Old Capital Securities and a properly completed and duly executed Letter of

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Transmittal (or facsimile thereof), together with any required signature guarantees and any other documents required by the Letter of Transmittal, or of a Book-Entry Confirmation with respect to such Old Capital Securities. Accordingly, the delivery of Exchange Capital Securities might not be made to all tendering holders at the same time, and will depend upon when Old Capital Securities, Book-Entry Confirmations with respect to Old Capital Securities and other required documents are received by the Exchange Agent.

Book-Entry Transfer. The Exchange Agent will make a request to establish an account with respect to the Old Capital Securities at DTC for purposes of the Exchange Offer within two business days after the date of this Prospectus. Any financial institution that is a participant in DTC's book-entry transfer facility system may make a book-entry delivery of the Old Capital Securities by causing DTC to transfer such Old Capital Securities into the Exchange Agent's account at DTC in accordance with DTC's procedures for transfers. However, although delivery of Old Capital Securities may be effected through book-entry transfer into the Exchange Agent's account at DTC, the Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees and any other required documents, must, in any case other than as set forth in the following paragraph, be transmitted to and received by the Exchange Agent at its address set forth under "-- Exchange Agent" on or prior to the Expiration Date, or the guaranteed delivery procedure set forth below must be complied with in order for such Old Capital Securities to be properly tendered.

DTC's Automated Tender Offer Program ("ATOP") is the only method of processing exchange offers through DTC. To accept the Exchange Offer through ATOP, participants in DTC must send electronic instructions to DTC through DTC's communication system in place for sending signed, hard copies of the Letter of Transmittal. DTC is obligated to communicate those electronic instructions to the Exchange Agent. To tender Old Capital Securities through ATOP, the electronic instructions sent to DTC and transmitted by DTC to the Exchange Agent must contain the character by which the participant acknowledges its receipt of and agrees to be bound by the Letter of Transmittal.

Guaranteed Delivery. If a holder desires to tender Old Capital Securities pursuant to the Exchange Offer and the certificates for such Old Capital Securities are not immediately available or time will not permit all required documents to reach the Exchange Agent on or before the Expiration Date, or the procedures for book-entry transfer cannot be completed on a timely basis, such Old Capital Securities may nevertheless be tendered, provided that all of the following guaranteed delivery procedures are complied with:

(i) such tenders are made by or through an Eligible Institution;

(ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form accompanying the Letter of Transmittal, is received by the Exchange Agent on or prior to Expiration Date; and

(iii) the certificates (or a book-entry confirmation) representing all tendered Old Capital Securities, in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees and any other documents required by the Letter of Transmittal, are received by the Exchange Agent within five New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery.

The Notice of Guaranteed Delivery may be delivered by hand, or transmitted by facsimile or mail, to the Exchange Agent and must include a guarantee by an Eligible Institution in the form set forth in such notice.

Withdrawal of Tenders. Tenders of Old Capital Securities may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date.

For withdrawal to be effective, a written electronic ATOP transmission notice of withdrawal (for DTC participants) must be received by the Exchange Agent at its address set forth herein prior to 5:00 p.m., New York City time, on the Expiration Date. Any such notice of withdrawal must (i) specify the name of the person having tendered the Old Capital Securities to be withdrawn, (ii) identify the Old Capital Securities to be withdrawn (including the certificate number or numbers and Liquidation Amount of such Old Capital Securities) and (iii) where physical certificates for Old Capital Securities have been transmitted, specify the name in which any such Old Capital Securities are registered, if different from that of the withdrawing holder. If physical certificates for Old Capital Securities have been delivered or otherwise identified to the Exchange Agent, prior to the release of such certificates, the withdrawing holder must also submit the serial numbers of the particular certificates to be withdrawn and a signed notice of withdrawal with signatures guaranteed,

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as necessary. If Old Capital Securities have been tendered pursuant to the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn Old Capital Securities and otherwise comply with DTC's procedures. All questions as to validity, form, and eligibility (including time of receipt) of such notices will be determined by the Corporation or the Trust, whose determination shall be final and binding on all parties. Any Old Capital Securities so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the Exchange Offer. Any Old Capital Securities which have been tendered for exchange but which are not exchanged for any reason will be returned to the holder thereof without cost to such holder (or, in the case of Old Capital Securities tendered by book-entry transfer into the Exchange Agent's account at DTC pursuant to the book-entry transfer procedures described above, such Old Capital Securities will be credited to an account maintained with DTC for the Old Capital Securities) as soon as practicable after withdrawal, rejection of tender, or termination of the Exchange Offer. Properly withdrawn Old Capital Securities may be retendered by following one of the procedures described above at any time on or prior to the Expiration Date.

RESALES OF EXCHANGE CAPITAL SECURITIES

Based on existing interpretations by the staff of the Commission and subject to the two immediately following sentences, the Corporation and the Trust believe that the Exchange Capital Securities, the Exchange Guarantee and the Exchange Junior Subordinated Debt Securities issued pursuant to this Exchange Offer may be offered for resale, resold and otherwise transferred by a

holder thereof (other than a holder who is a broker-dealer) without further compliance with the registration and prospectus delivery requirements of the Securities Act; provided, that, such Exchange Capital Securities are acquired in the ordinary course of such holder's business and such holder is not participating, and has no arrangement or understanding with any person to participate, in a distribution (within the meaning of the Securities Act) of the Exchange Capital Securities. However, any holder of Old Capital Securities who is an "affiliate" of the Trust or the Corporation or who intends to participate in the Exchange Offer for the purpose of distributing the Exchange Capital Securities, or any broker-dealer who purchased the Old Capital Securities from the Trust to resell pursuant to Rule 144A or any other available exemption under the Securities Act, (a) will not be able to rely on the interpretations of the staff of the Commission set forth in the above-mentioned no-action letters, (b) will not be permitted or entitled to tender such Old Capital Securities in the Exchange Offer and (c) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or other transfer of such Old Capital Securities unless such sale is made pursuant to an exemption from such requirements. In addition, as described below, if any broker-dealer holds Old Capital Securities acquired for its own account as a result of market-making or other trading activities and exchanges such Old Capital Securities for Exchange Capital Securities, then such broker-dealer must deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of such Exchange Capital Securities.

Each holder of Old Capital Securities who wishes to exchange Old Capital Securities for Exchange Capital Securities in the Exchange Offer will be required to represent that (i) it is not an "affiliate" of the Trust or the Corporation, (ii) any Exchange Capital Securities to be received by it are being acquired in the ordinary course of its business and (iii) it has no arrangement or understanding with any person to participate in a distribution (within the meaning of the Securities Act) of such Exchange Capital Securities. Each broker-dealer that receives Exchange Capital Securities for its own account pursuant to the Exchange Offer must acknowledge that it acquired the Old Capital Securities for its own account as the result of market-making activities or other trading activities and must agree that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Capital Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. Based on the position taken by the staff of the Commission in the no-action letters referred to above, the Corporation and the Trust believe that broker-dealers who acquired Old Capital Securities for their own accounts as a result of market-making activities or other trading activities may fulfill their prospectus delivery requirements with respect to the Exchange Capital Securities received upon exchange of such Old Capital Securities (other than Old Capital Securities which represent an unsold allotment from the original sale of the Old Capital Securities) with the prospectus prepared for the Exchange Offer so long as it contains a description of the plan of distribution with respect to the resale of such Exchange Capital Securities. Accordingly, subject to certain provisions set forth in the Registration Agreement and to the limitations set out herein, the Corporation and the Trust have agreed that this Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of such Exchange Capital Securities for a period commencing

on the Expiration Date and ending 180 days after the Expiration Date or, if earlier, when all such Exchange Capital Securities have been disposed of by such broker-dealer. See "Plan of Distribution." Any broker-dealer who is an "affiliate" of the Trust or the Corporation may not rely on such no-action letters and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

In that regard, each broker-dealer who surrenders Old Capital Securities pursuant to the Exchange Offer will be deemed to have agreed, by execution of

the Letter of Transmittal, that, upon receipt of notice from the Corporation or the Trust of the occurrence of any event or the discovery of any fact which makes any statement contained or incorporated by reference in this Prospectus untrue in any material respect or which causes this Prospectus to omit to state a material fact necessary in order to make the statements contained or incorporated by reference herein, in light of the circumstances under which they were made, not misleading or of the occurrence of certain other events specified in the Registration Agreement, such broker-dealer will suspend the sale of Exchange Capital Securities (or the Exchange Junior Subordinated Debt Securities, as applicable) pursuant to this Prospectus until the Corporation or the Trust has amended or supplemented this Prospectus to correct such misstatement or omission and has furnished copies of the amended or supplemented Prospectus to such broker-dealer or the Corporation or the Trust has given notice that the sale of the Exchange Capital Securities (or the Exchange Junior Subordinated Debt Securities, as applicable) may be resumed.

Neither the Corporation nor the Trust has sought its own interpretive letter and there can be no assurance that the staff of the Commission would make a similar determination with respect to the Exchange Offer as it has in such no-action letters to third parties.

Holders of Old Capital Securities who choose not to tender their Old Capital Securities for exchange pursuant to this exchange offer may not be able readily to sell their securities in the future, and the Corporation and the Trust will have no obligation to register their securities or in any way assist such holders in future efforts to sell their Old Capital Securities.

DISTRIBUTIONS ON THE EXCHANGE CAPITAL SECURITIES

Holders of Old Capital Securities whose Old Capital Securities are accepted for exchange will not receive accumulated Distributions on such Old Capital Securities for any period from the Distribution Date with respect to such Old Capital Securities immediately preceding the original issue date of the Exchange Capital Securities or, if no such Distribution Date has occurred, from the original issue date of such Old Capital Securities, and such tendering holders will be deemed to have waived the right to receive any such Distributions. However, because Distributions on the Exchange Capital Securities will accumulate from the later of the Distribution Date of the Old Capital Securities immediately preceding the original issue date of the Exchange Capital Securities and the original issue date of the Old Capital Securities, the amount of the Distributions received by holders whose Old Capital Securities are accepted for exchange will not be affected by the exchange.

CONDITIONS TO THE EXCHANGE OFFER

Notwithstanding any other provisions of the Exchange Offer, or any extension of the Exchange Offer, the Trust will not be required to accept for exchange, or to exchange, any Old Capital Securities for any Exchange Capital Securities, and, as described below, may terminate the Exchange Offer (whether or not any Old Capital Securities have theretofore been accepted for exchange) or may waive any conditions to or amend the Exchange Offer, if any of the following conditions have occurred or exist or have not been satisfied:

(a) there shall occur a change in the current interpretation by the staff of the Commission which permits the Exchange Capital Securities issued pursuant to the Exchange Offer in exchange for Old Capital Securities to be offered for resale, resold and otherwise transferred by holders thereof (other than broker-dealers and any such holder which is an "affiliate" of the Trust or the Corporation within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act; provided that such Exchange Capital Securities are acquired in the ordinary course of such holder's business and such holders have no arrangement or understanding with any person to participate in the distribution of such Exchange Capital Securities; or

(b) any action or proceeding shall have been instituted or threatened in any court or by or before any governmental agency or body with respect

to the Exchange Offer which, in the Corporation's and the Trust's

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judgment, would reasonably be expected to impair the ability of the Corporation or the Trust to proceed with the Exchange Offer; or

(c) any law, statute, rule or regulation shall have been adopted or enacted which, in the Corporation's and the Trust's judgment, would reasonably be expected to impair the ability of the Corporation or the Trust to proceed with the Exchange Offer; or

(d) a banking moratorium shall have been declared by United States federal or New York State authorities which, in the Corporation's and the Trust's judgment, would reasonably be expected to impair the ability of the Corporation or the Trust to proceed with the Exchange Offer; or

(e) trading on the New York Stock Exchange or generally in the United States over-the-counter market shall have been suspended by order of the Commission or any other governmental authority which, in the Corporation's and the Trust's judgment, would reasonably be expected to impair the ability of the Corporation or the Trust to proceed with the Exchange Offer; or

(f) a stop order shall have been issued by the Commission or any state securities authority suspending the effectiveness of the Registration Statement or proceedings shall have been initiated or, to the knowledge of the Corporation or the Trust, threatened for that purpose, or

(g) any change, or any development involving a prospective change, in the business or financial affairs of the Corporation or the Trust or any of their subsidiaries shall have occurred which, in the judgment of the Corporation and the Trust, might materially impair the ability of the Corporation or the Trust to proceed with the Exchange Offer; or

(h) there is a reasonable likelihood in the Corporation's and the Trust's judgment that, or a material uncertainty exists in the Corporation's and the Trust's judgment as to whether, consummation of the Exchange Offer would result in an adverse tax consequence to the Corporation.

If the Corporation and the Trust determine in their sole and absolute discretion that any of the foregoing events or conditions has occurred or exists or has not been satisfied, the Corporation and the Trust may, subject to applicable law, terminate the Exchange Offer (whether or not any Old Capital Securities have theretofore been accepted for exchange) or may waive any such condition or otherwise amend the terms of the Exchange Offer in any respect. If such waiver or amendment constitutes a material change to the Exchange Offer, the Corporation and the Trust will promptly disclose such waiver or amendment by means of a prospectus supplement that will be distributed to the registered holders of the Old Capital Securities, and the Corporation and the Trust will extend the Exchange Offer to the extent required by applicable law.

EXCHANGE AGENT

The Bank of New York has been appointed as Exchange Agent for the Exchange Offer. Delivery of the Letters of Transmittal and any other required documents, questions, requests for assistance, and requests for additional copies of this Prospectus or of the Letter of Transmittal should be directed to the Exchange Agent as follows:

THE BANK OF NEW YORK

By Registered or Certified

Facsimile Transmission

By Hand/Overnight Delivery:

Mail:
The Bank of New York
101 Barclay Street - 7E
Attn.: Reorganization
Section
Jodi Mancato
New York, New York 10286

Number:
(212) 571-3080
(For Eligible Institutions
Only)
Confirm by Telephone:
(212) 815-2791
For Information Call:
(212) 815-2791

The Bank of New York
101 Barclay Street
Corporate Trust Services
Window
Ground Level
Attn.: Reorganization
Section

Delivery to other than the above addresses or facsimile number will not constitute a valid delivery.

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FEES AND EXPENSES

The Corporation has agreed to pay the Exchange Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses in connection therewith. The Corporation will also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this Prospectus and related documents to the beneficial owners of Old Capital Securities, and in tendering for their customers.

Holders who tender their Old Capital Securities for exchange will not be obligated to pay any transfer taxes in connection therewith. If, however, Exchange Capital Securities are to be delivered to, or are to be issued in the name of, any person other than the registered holder of the Old Capital Securities tendered, or if a transfer tax is imposed for any reason other than the exchange of Old Capital Securities in connection with the Exchange Offer, then the amount of any such transfer taxes (whether imposed on the registered holder or any other persons) will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the Letter of Transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

Neither the Corporation nor the Trust will make any payment to brokers, dealers or others soliciting acceptances of the Exchange Offer.

DESCRIPTION OF EXCHANGE SECURITIES

DESCRIPTION OF CAPITAL SECURITIES

Pursuant to the terms of the Declaration, the Issuer Trustees have issued the Old Capital Securities and the Common Securities and will issue the Exchange Capital Securities. The Exchange Capital Securities will represent beneficial ownership interests in the Trust and the holders thereof will be entitled to a preference in certain circumstances with respect to Distributions and amounts payable on redemption of the Trust Securities or liquidation of the Trust over the Common Securities, as well as other benefits as described in the Declaration. See "-- Subordination of Common Securities." The Declaration has been qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). This summary of certain provisions of the Capital Securities, the Common Securities and the Declaration does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Declaration, including the definitions therein of certain terms. The Declaration is filed as an exhibit to the Registration Statement of which this Prospectus is a part.

GENERAL

The Capital Securities (including Old Capital Securities and Exchange Capital Securities) will be limited to \$100,000,000 aggregate Liquidation Amount at any one time outstanding. The Capital Securities will rank pari passu, and payments will be made thereon pro rata, with the Common Securities except as described under "-- Subordination of Common Securities." Legal title to the

Junior Subordinated Debt Securities will be held by the Property Trustee in trust for the benefit of the holders of the Capital Securities and Common Securities. Pursuant to the Guarantee Agreement, the Corporation has agreed to guarantee the payment of Distributions and payments on liquidation or redemption of the Trust Securities, but only in each case to the extent of funds available for distribution by the Trust. See "-- Description of Guarantee."

DISTRIBUTIONS

The Capital Securities represent beneficial ownership interests in the Trust, and Distributions on each Capital Security will be payable at the annual rate of 8.25% of the stated Liquidation Amount of \$1,000 and will be payable semi-annually in arrears on June 15 and December 15 of each year to the holders of the Capital Securities at the close of business on the June 1 and December 1 (each, a "record date"), as the case may be, next preceding the relevant Distribution Date (as defined herein). Distributions on the Capital Securities will be cumulative. Distributions on the Old Capital Securities accumulate from the date of original issuance, and the first Distribution Date thereon is June 15, 1997. Holders of Old Capital Securities whose Old Capital Securities are accepted for exchange will not receive accumulated Distributions on such Old Capital Securities for any period from the Distribution Date with respect to such

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Old Capital Securities immediately preceding the original issue date of the Exchange Capital Securities or, if no such Distribution Date has occurred, from the original issue date of such Old Capital Securities, and such tendering holders will be deemed to have waived the right to receive any such Distributions. However, because Distributions on the Exchange Capital Securities will accumulate from the later of the Distribution Date of the Old Capital Securities immediately preceding the original issue date of the Exchange Capital Securities and the original issue date of the Old Capital Securities, the amount of the Distributions received by holders whose Old Capital Securities are accepted for exchange will not be affected by the exchange. The amount of Distributions payable for any period will be computed on the basis of a 360-day year of twelve 30-day months. In the event that any date on which Distributions are payable on the Capital Securities is not a Business Day (as defined herein), payment of the Distributions payable on such date will be made on the next succeeding day that is a Business Day (and without any additional Distributions or other payments in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, payment of such Distributions shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the date such payment was originally payable (each date on which Distributions are payable in accordance with the foregoing, a "Distribution Date"). A "Business Day" shall mean any day other than a Saturday or a Sunday, or a day on which banking institutions in The City of New York are authorized or required by law or executive order to remain closed, or a day on which the principal corporate trust office of the Property Trustee or the Debenture Trustee is closed for business.

So long as no Debenture Event of Default has occurred and is continuing, the Corporation has the right under the Indenture to defer the payment of interest on the Junior Subordinated Debt Securities at any time or from time to time for a period not exceeding 10 consecutive semi-annual periods with respect to each Extension Period; provided that no Extension Period may extend beyond the Stated Maturity of the Junior Subordinated Debt Securities. As a consequence of any such election, semi-annual Distributions on the Capital Securities by the Trust will be deferred during any such Extension Period. Distributions to which holders of the Capital Securities are entitled will accumulate additional Distributions thereon at the rate per annum of 8.25% thereof, compounded semi-annually from the relevant payment date for such Distributions. The term "Distributions" as used herein shall include any such additional Distributions. During any such Extension Period, the Corporation may not (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of the Corporation's capital stock,

(ii) make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities of the Corporation (including Other Debentures) that rank pari passu in all respects with or junior in interest to the Junior Subordinated Debt Securities or (iii) make any guarantee payments with respect to any guarantee by the Corporation of the debt securities of any subsidiary of the Corporation (including Other Guarantees) if such guarantee ranks pari passu in all respects with or junior in interest to the Junior Subordinated Debt Securities (other than (a) dividends or distributions in common stock of the Corporation, (b) any declaration of a dividend in connection with the implementation of a stockholders' rights plan, or the issuance of stock under any such plan in the future, or the redemption or repurchase of any such rights pursuant thereto, (c) payments under the Guarantee, (d) purchases or acquisitions of shares of the Corporation's common stock in connection with the satisfaction by the Corporation of its obligations under any employee benefit plan or any other contractual obligation of the Corporation (other than a contractual obligation ranking pari passu in all respects with or junior to the Junior Subordinated Debt Securities), (e) as a result of a reclassification of the Corporation's capital stock or the exchange or conversion of one class or series of the Corporation's capital stock for another class or series of the Corporation's capital stock or (f) the purchase of fractional interests in shares of the Corporation's stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged). Prior to the termination of any such Extension Period, the Corporation may further extend such Extension Period; provided that such extension does not cause such Extension Period to exceed 10 consecutive semi-annual periods, to end on a date other than an Interest Payment Date or to extend beyond the Stated Maturity of the Junior Subordinated Debt Securities. Upon the termination of any such Extension Period and the payment of all amounts then due, and subject to the foregoing limitations, the Corporation may elect to begin a new Extension Period. The Corporation must give the Property Trustee, the Administrative Trustees and the Debenture Trustee notice of its election of any such Extension Period at least five Business Days prior to the earlier of (i) the date the Distributions on the Capital Securities would have been payable except for the election to begin such Extension Period or (ii) the date the Administrative Trustees are required to give notice to any exchange or automated quotation system or to holders of the Capital Securities of the record date or the date such Distributions are payable but in any event not less than five Business Days prior to such record date. There is no limitation on the number of times that the Corporation

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may elect to begin an Extension Period. See "-- Description of Junior Subordinated Debt Securities -- Option to Extend Interest Payment Date" and "Certain United States Federal Income Tax Consequences -- Interest and Original Issue Discount."

The Corporation has no current intention of exercising its right to defer payments of interest on the Junior Subordinated Debt Securities.

The revenue of the Trust available for distribution to holders of the Capital Securities will be limited to payments under the Junior Subordinated Debt Securities in which the Trust will invest the proceeds from the issuance and sale of the Trust Securities. See "-- Description of Junior Subordinated Debt Securities -- General." If the Corporation does not make interest payments on the Junior Subordinated Debt Securities, the Property Trustee will not have funds available to pay Distributions on the Capital Securities. The payment of Distributions (if and to the extent the Trust has funds legally available for the payment of such Distributions and cash sufficient to make such payments) is guaranteed by the Corporation on a limited basis as set forth herein under "-- Description of Guarantee."

REDEMPTION

Upon the repayment in full at the Stated Maturity, or redemption in whole or in part, of the Junior Subordinated Debt Securities (other than following the

distribution of the Junior Subordinated Debt Securities to the holders of the Trust Securities), the proceeds from such repayment or redemption shall be applied by the Property Trustee to redeem a Like Amount of Trust Securities, upon not less than 30 nor more than 60 days' notice of a date of redemption (the "Redemption Date"), at the applicable Redemption Price, which shall be equal to (i) in the case of the repayment of the Junior Subordinated Debt Securities at the Stated Maturity, the Maturity Redemption Price (equal to the principal of, and accrued but unpaid interest on, the Junior Subordinated Debt Securities) or (ii) in the case of the optional redemption of the Junior Subordinated Debt Securities, the Optional Redemption Price (equal to the Optional Prepayment Price (as defined under "-- Description of Junior Subordinated Debt Securities -- Optional Redemption") in respect of the Junior Subordinated Debt Securities). See "-- Description of Junior Subordinated Debt Securities -- Optional Redemption." If less than all of the Junior Subordinated Debt Securities are to be redeemed on a Redemption Date, then the proceeds from such redemption shall be allocated to the redemption pro rata of the Capital Securities and the Common Securities. The amount of premium, if any, paid by the Corporation upon the redemption of the Junior Subordinated Debt Securities to be redeemed on a Redemption Date shall be allocated to the redemption pro rata of the Capital Securities and the Common Securities.

The Corporation has the right to redeem the Junior Subordinated Debt Securities in whole or in part on or after December 15, 2006, at any time at the applicable Optional Prepayment Price, subject to receipt of prior approval by the Federal Reserve if then required under applicable capital guidelines or policies of the Federal Reserve.

REDEMPTION PROCEDURES

The Trust Securities may be redeemed, subject to receipt of prior approval by the Federal Reserve if then required under applicable capital guidelines or policies of the Federal Reserve, at the applicable Redemption Price with the proceeds from the contemporaneous repayment or redemption of the Junior Subordinated Debt Securities. Redemptions of the Trust Securities shall be made and the applicable Redemption Price shall be payable on each Redemption Date only to the extent that the Trust has funds on hand available for the payment of such Redemption Price. See also "-- Subordination of Common Securities."

If the Trust gives a notice of redemption in respect of the Trust Securities, then, by 12:00 noon, New York City time, on the Redemption Date, to the extent funds are available, with respect to the Capital Securities held in global form, the Property Trustee will deposit irrevocably with DTC funds sufficient to pay the applicable Redemption Price and will give DTC irrevocable instructions and authority to pay the applicable Redemption Price to the holders of such Capital Securities. See "-- Form, Denomination, Book-Entry Procedures and Transfer." With respect to Capital Securities held in certificated form, the Property Trustee, to the extent funds are available, will irrevocably deposit with the paying agent for such Capital Securities funds sufficient to pay the applicable Redemption Price and will give such paying agent irrevocable instructions and authority to pay the applicable Redemption Price to the holders thereof upon surrender of their certificates evidencing such Capital Securities. See "-- Payment and Paying Agency." Notwithstanding the foregoing, Distributions payable on or prior to the Redemption Date shall be payable to the holders of the Capital

Securities on the relevant record dates for the related Distribution Dates. If notice of redemption shall have been given and funds deposited as required, then upon the date of such deposit, all rights of the holders of the Capital Securities will cease, except the right of the holders of the Capital Securities to receive the applicable Redemption Price, but without interest on such Redemption Price, and the Capital Securities will cease to be outstanding. In the event that any date fixed for redemption of Capital Securities is not a Business Day, then payment of the applicable Redemption Price payable on such date will be made on the next succeeding day which is a Business Day (and

without any interest or other payment in respect of any such delay), except that, if such Business Day falls in the next calendar year, such payment will be made on the immediately preceding Business Day. In the event that payment of the applicable Redemption Price is improperly withheld or refused and not paid either by the Trust or by the Corporation pursuant to the Guarantee as described under "-- Description of Guarantee," Distributions on Capital Securities will continue to accrue at the then applicable rate, from the Redemption Date originally established by the Trust to the date such applicable Redemption Price is actually paid, in which case the actual payment date will be the date fixed for redemption for purposes of calculating the applicable Redemption Price.

Subject to applicable law (including, without limitation, United States Federal securities law), the Corporation or its subsidiaries may at any time and from time to time purchase outstanding Capital Securities by tender, in the open market or by private agreement.

Payment of the applicable Redemption Price on, and any distribution of Junior Subordinated Debt Securities to holders of, the Trust Securities shall be made to the applicable recordholders thereof as they appear on the register therefor on the relevant record date, provided that a Redemption Date falls on a Distribution Date.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the Redemption Date to each holder of Trust Securities at its registered address. Unless the Corporation defaults in payment of the applicable Prepayment Price on, or in the repayment of, the Junior Subordinated Debt Securities, on and after the Redemption Date Distributions will cease to accrue on the Trust Securities called for redemption.

LIQUIDATION OF THE TRUST AND DISTRIBUTION OF JUNIOR SUBORDINATED DEBT SECURITIES

The Corporation will have the right at any time (including upon the occurrence of a Tax Event or a Capital Treatment Event) to terminate the Trust and cause a Like Amount of the Junior Subordinated Debt Securities to be distributed to the holders of the Trust Securities in liquidation of the Trust; provided, however, that following such distribution of the Junior Subordinated Debt Securities, the Corporation agrees to use its best efforts to maintain any ratings of such Junior Subordinated Debt Securities by any nationally recognized rating agency for so long as any such Junior Subordinated Debt Securities are outstanding. Such right is subject to prior approval of the Federal Reserve if then required under applicable capital guidelines or policies of the Federal Reserve. If the Junior Subordinated Debt Securities are distributed to the holders of the Trust Securities as the result of the occurrence of a Tax Event and such Tax Event continues notwithstanding such distribution, the Corporation has the right to prepay the Junior Subordinated Debt Securities in whole, but not in part, at the Event Prepayment Price together with accumulated Distributions to but excluding the date fixed for redemption. See "Description of Junior Subordinated Debt Securities-- Tax Event or Capital Treatment Event Prepayment."

Upon liquidation of the Trust and certain other events, the Junior Subordinated Debt Securities may be distributed to holders of the Capital Securities. Under current United States Federal income tax law and interpretations thereof and assuming, as expected, that the Trust is treated as a grantor trust for United States Federal income tax purposes, a distribution by the Trust of the Junior Subordinated Debt Securities pursuant to a liquidation of the Trust will not be a taxable event to the Trust or to holders of the Capital Securities and will result in a holder of the Capital Securities receiving directly such holders's pro rata share of the Junior Subordinated Debt Securities (previously held indirectly through the Trust). If, however, the liquidation of the Trust were to occur because the Trust is subject to United States Federal income tax with respect to income accrued or received on the Junior Subordinated Debt Securities as a result of the occurrence of a Tax Event or otherwise, the distribution of Junior Subordinated Debt Securities to holders of the Capital Securities by the Trust would be a taxable event to the Trust and each holder, and holders of the Capital Securities would recognize gain or loss as if they had exchanged their Capital Securities for the Junior Subordinated Debt Securities they received upon the liquidation of the Trust. See "Certain

The Trust shall automatically terminate upon the first to occur of: (i) certain events of bankruptcy, dissolution or liquidation of the Corporation; (ii) the distribution of a Like Amount of the Junior Subordinated Debt Securities to the holders of the Trust Securities if the Corporation, as Depositor, has given written direction to the Property Trustee to terminate the Trust (which direction is optional and, except as described above, wholly within the discretion of the Corporation, as Depositor); (iii) redemption of all of the Trust Securities as described under " -- Redemption" above; (iv) expiration of the term of the Trust; and (v) the entry of an order for the dissolution of the Trust by a court of competent jurisdiction.

If an early termination occurs as described in clause (i), (ii), (iv) or (v) above, the Trust shall be liquidated by the Issuer Trustees as expeditiously as the Issuer Trustees determine to be possible by distributing, after satisfaction of liabilities to creditors of the Trust as provided by applicable law, to the holders of the Trust Securities a Like Amount of the Junior Subordinated Debt Securities, unless such distribution is determined by the Property Trustee not to be practical, in which event such holders will be entitled to receive out of the assets of the Trust available for distribution to holders an amount equal to, in the case of holders of Capital Securities, the aggregate of the Liquidation Amount plus accumulated and unpaid Distributions thereon to the date of payment (such amount being the "Liquidation Distribution"). If such Liquidation Distribution can be paid only in part because the Trust has insufficient assets available to pay in full the aggregate Liquidation Distribution, then the amounts payable directly by the Trust on the Capital Securities shall be paid on a pro rata basis. The holder(s) of the Common Securities will be entitled to receive distributions upon any such liquidation pro rata with the holders of the Capital Securities, except that if a Debenture Event of Default has occurred and is continuing, the Capital Securities shall have a priority over the Common Securities. See "-- Subordination of Common Securities."

"Like Amount" means (i) with respect to a redemption of Capital Securities, Trust Securities having a Liquidation Amount equal to that portion of the principal amount of Junior Subordinated Debt Securities to be contemporaneously redeemed in accordance with the Indenture, allocated to the Common Securities and to the Capital Securities based upon the relative Liquidation Amounts of such classes and the proceeds of which will be used to pay the Redemption Price of such Trust Securities and (ii) with respect to a distribution of Junior Subordinated Debt Securities to holders of Capital Securities in connection with a dissolution or liquidation of the Trust, Junior Subordinated Debt Securities having a principal amount equal to the Liquidation Amount of the Trust Securities of the holders to whom such Junior Subordinated Debt Securities are distributed.

If the Corporation elects not to redeem the Junior Subordinated Debt Securities prior to maturity and the Trust is not liquidated and the Junior Subordinated Debt Securities are not distributed to holders of the Trust Securities, the Capital Securities will remain outstanding until the repayment of the Junior Subordinated Debt Securities at the Stated Maturity.

After the liquidation date is fixed for any distribution of Junior Subordinated Debt Securities to holders of the Trust Securities (i) the Capital Securities will no longer be deemed to be outstanding, (ii) DTC or its nominee, as the record holder of the Capital Securities, will receive a registered global certificate or certificates representing the Junior Subordinated Debt Securities to be delivered upon such distribution with respect to Capital Securities held by DTC or its nominee and (iii) any certificates representing Capital Securities not held by DTC or its nominee will be deemed to represent Junior Subordinated Debt Securities having a principal amount equal to the Liquidation Amount of such Capital Securities and bearing accrued and unpaid interest in an amount

equal to the accumulated and unpaid Distributions on such Capital Securities until such certificates are presented to the Administrative Trustees or their agent for cancellation, whereupon the Corporation will issue to such holder, and the Debenture Trustee will authenticate, a certificate representing such Junior Subordinated Debt Securities.

There can be no assurance as to the market prices for the Capital Securities or the Junior Subordinated Debt Securities that may be distributed in exchange for the Capital Securities if a dissolution and liquidation of the Trust were to occur. Accordingly, the Capital Securities that an investor may purchase, or the Junior Subordinated Debt Securities that the investor may receive on dissolution and liquidation of the Trust, may trade at a discount to the price that the investor paid to purchase the Capital Securities.

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SUBORDINATION OF COMMON SECURITIES

Payment of Distributions on, and the Redemption Price of, the Capital Securities and Common Securities shall be made pro rata to the holders of Capital Securities and Common Securities based on the Liquidation Amount thereof; provided, however, that if on any Distribution Date or Redemption Date any Event of Default resulting from a Debenture Event of Default shall have occurred and be continuing, no payment of any Distribution on, or applicable Redemption Price of, any of the Common Securities, and no other payment on account of the redemption, liquidation or other acquisition of the Common Securities, shall be made unless payment in full in cash of all accumulated and unpaid Distributions on all of the outstanding Capital Securities for all Distribution periods terminating on or prior thereto or, in the case of payment of the applicable Redemption Price the full amount of such Redemption Price on all of the outstanding Capital Securities, shall have been made or provided for, and all funds available to the Property Trustee shall first be applied to the payment in full in cash of all Distributions on, or the Redemption Price of, the Capital Securities then due and payable.

In the case of any Event of Default under the Declaration resulting from a Debenture Event of Default, the Corporation as holder of the Common Securities will be deemed to have waived any right to act with respect to any such Event of Default until the effect of all such Events of Default have been cured, waived or otherwise eliminated. Until all such Events of Default have been so cured, waived or otherwise eliminated, the Property Trustee shall act solely on behalf of the holders of such Capital Securities and not on behalf of the Corporation as holder of the Common Securities, and only the holders of the Capital Securities will have the right to direct the Property Trustee to act on their behalf.

EVENTS OF DEFAULT; NOTICE

Any one of the following events constitutes an "Event of Default" under the Declaration (an "Event of Default") (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) the occurrence of a Debenture Event of Default (see "Description of Junior Subordinated Debt Securities -- Debenture Events of Default"); or

(ii) default by the Trust in the payment of any Distribution when it becomes due and payable, and continuation of such default for a period of 30 days; or

(iii) default by the Trust in the payment of any Redemption Price of any Trust Security when it becomes due and payable; or

(iv) default in the performance, or breach, in any material respect, of any covenant or warranty of the Issuer Trustees in the Declaration

(other than a covenant or warranty, a default in the performance of which or the breach of which is addressed in clause (ii) or (iii) above), and continuation of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the defaulting Issuer Trustee or Issuer Trustees by the holders of at least 25% in aggregate Liquidation Amount of the outstanding Capital Securities, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" under the Declaration; or

(v) the occurrence of certain events of bankruptcy or insolvency with respect to the Property Trustee and the failure by the Corporation to appoint a successor Property Trustee within 60 days thereof.

The deferral(s) by the Corporation of its obligation to make interest payments on the Junior Subordinated Debt Securities will not constitute a Debenture Event of Default.

Within fifteen Business Days after the occurrence of any Event of Default actually known to the Property Trustee, the Property Trustee shall transmit notice of such Event of Default to the holders of the Capital Securities, the Administrative Trustees and the Corporation, as Depositor, unless such Event of Default shall have been cured or waived. The Corporation, as Depositor, and the Administrative Trustees are required to file annually with the Property Trustee a certificate as to whether or not they are in compliance with all the conditions and covenants applicable to them under the Declaration.

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If a Debenture Event of Default has occurred and is continuing, the Capital Securities shall have a preference over the Common Securities upon termination of the Trust as described above. See "-- Liquidation of the Trust and Distribution of Junior Subordinated Debt Securities" and "-- Subordination of Common Securities."

REMOVAL OF ISSUER TRUSTEES

Unless a Debenture Event of Default shall have occurred and be continuing, any Issuer Trustee may be removed at any time by the holder of the Common Securities. If a Debenture Event of Default has occurred and is continuing, the Property Trustee and the Delaware Trustee may be removed at such time by the holders of a majority in Liquidation Amount of the outstanding Capital Securities. In no event will the holders of the Capital Securities have the right to vote to appoint, remove or replace the Administrative Trustees, which voting rights are vested exclusively in the Corporation as the holder of the Common Securities. No resignation or removal of an Issuer Trustee and no appointment of a successor trustee shall be effective until the acceptance of appointment by the successor trustee in accordance with the provisions of the Declaration.

CO-TRUSTEES AND SEPARATE PROPERTY TRUSTEE

Unless an Event of Default shall have occurred and be continuing, at any time or times, for the purpose of meeting the legal requirements of the Trust Indenture Act or of any jurisdiction in which any part of the Trust's property may at the time be located, the Corporation, as the holder of the Common Securities, and the Administrative Trustees shall have the power to appoint one or more persons either to act as a co-trustee, jointly with the Property Trustee, of all or any part of such Trust's property, or to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such person or persons in such capacity any property, title, right or power deemed necessary or desirable, subject to the provisions of the Declaration. In case a Debenture Event of Default has occurred and is continuing, the Property Trustee alone shall have the power to make such appointment.

MERGER OR CONSOLIDATION OF ISSUER TRUSTEES

Any Person (as defined in the Declaration) into which the Property Trustee, the Delaware Trustee or any Administrative Trustee that is not a natural person may be merged or converted or with which it may be consolidated or any Person resulting from any merger, conversion or consolidation to which such Issuer Trustee shall be a party, or any Person succeeding to all or substantially all the corporate trust business of such Issuer Trustee, shall be the successor of such Issuer Trustee under the Declaration, provided such Person shall be otherwise qualified and eligible.

MERGERS, CONSOLIDATIONS, AMALGAMATIONS OR REPLACEMENTS OF THE TRUST

The Trust may not merge with or into, consolidate, amalgamate or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to any corporation or other Person, except as described below or as otherwise set forth in the Declaration. The Trust may, at the request of the Corporation, as Depositor, with the consent of the Administrative Trustees but without the consent of the holders of the Capital Securities, the Property Trustee or the Delaware Trustee, merge with or into, consolidate, amalgamate or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to, a trust organized as such under the laws of any State; provided, however, that (i) such successor entity either (a) expressly assumes all of the obligations of the Trust with respect to the Capital Securities or (b) substitutes for the Capital Securities other securities having substantially the same terms as the Capital Securities (the "Successor Securities") so long as the Successor Securities rank the same as the Capital Securities rank in priority with respect to distributions and payments upon liquidation, redemption and otherwise, (ii) the Corporation expressly appoints a trustee of such successor entity possessing the same powers and duties as the Property Trustee as the holder of the Junior Subordinated Debt Securities, (iii) the Successor Securities are listed or traded, or any Successor Securities will be listed or traded upon notification of issuance, on any national securities exchange or other organization on which the Capital Securities are then listed or traded, if any, (iv) such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not cause the Capital Securities (including any Successor Securities) to be downgraded by any nationally recognized statistical rating organization, (v) such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the holders of the Capital Securities (including any Successor Securities) in any material respect, (vi) such successor entity has a purpose identical to that of the Trust, (vii) prior to such merger, consolidation, amalgamation, replacement,

conveyance, transfer or lease, the Corporation has received an opinion from independent counsel to the Trust experienced in such matters to the effect that (a) such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the holders of the Capital Securities (including any Successor Securities) in any material respect and (b) following such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease, neither the Trust nor such successor entity will be required to register as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act") and (viii) the Corporation or any permitted successor or assign owns all of the common securities of such successor entity and guarantees the obligations of such successor entity under the Successor Securities at least to the extent provided by the Guarantee. Notwithstanding the foregoing, the Trust shall not, except with the consent of the holders of 100% in Liquidation Amount of the Trust Securities, consolidate, amalgamate, merge with or into, or be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it if such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease would cause the Trust or the successor entity to be classified as other than a grantor trust for United States Federal income tax purposes.

VOTING RIGHTS; AMENDMENT OF THE DECLARATION

Except as provided below and under "-- Description of Guarantee -- Amendments and Assignment" and as otherwise required by law and the Declaration, the holders of the Capital Securities will have no voting rights.

The Declaration may be amended from time to time by the Corporation, the Property Trustee and the Administrative Trustees, without the consent of the holders of the Trust Securities, (i) to cure any ambiguity, correct or supplement any provision in the Declaration that may be inconsistent with any other provision, or to make any other provisions with respect to matters or questions arising under the Declaration, which shall not be inconsistent with the other provisions of the Declaration, or (ii) to modify, eliminate or add to any provisions of the Declaration to such extent as shall be necessary to ensure that the Trust will be classified for United States Federal income tax purposes as a grantor trust at all times that any Trust Securities are outstanding or to ensure that the Trust will not be required to register as an "investment company" under the Investment Company Act; provided, however, that in the case of clause (i), such action shall not adversely affect in any material respect the interests of any holder of Trust Securities, and any amendments of the Declaration shall become effective when notice thereof is given to the holders of the Trust Securities. The Declaration may be amended by the Issuer Trustees and the Corporation with (i) the consent of holders representing not less than a majority (based upon Liquidation Amounts) of the outstanding Trust Securities, and (ii) receipt by the Issuer Trustees of an opinion of counsel to the effect that such amendment or the exercise of any power granted to the Issuer Trustees in accordance with such amendment will not affect the Trust's status as a grantor trust for United States Federal income tax purposes or the Trust's exemption from status as an "investment company" under the Investment Company Act. In addition, without the consent of each holder of Trust Securities, the Declaration may not be amended to (i) change the amount or timing of any Distribution on the Trust Securities or otherwise adversely affect the amount of any Distribution required to be made in respect of the Trust Securities as of a specified date or (ii) restrict the right of a holder of Trust Securities to institute suit for the enforcement of any such payment on or after such date.

So long as any Junior Subordinated Debt Securities are held by the Trust, the Issuer Trustees shall not (i) direct the time, method and place of conducting any proceeding for any remedy available to the Debenture Trustee, or executing any trust or power conferred on the Property Trustee with respect to the Junior Subordinated Debt Securities, (ii) waive any past default that is waivable under Section 5.13 of the Indenture, (iii) exercise any right to rescind or annul a declaration that the principal of all the Junior Subordinated Debt Securities shall be due and payable or (iv) consent to any amendment, modification or termination of the Indenture or the Junior Subordinated Debt Securities, where such consent shall be required, without, in each case, obtaining the prior approval of the holders of a majority in aggregate Liquidation Amount of all outstanding Capital Securities; provided, however, that where a consent under the Indenture would require the consent of each holder of Junior Subordinated Debt Securities affected thereby, no such consent shall be given by the Property Trustee without the prior consent of each holder of the Capital Securities. The Issuer Trustees shall not revoke any action previously authorized or approved by a vote of the holders of the Capital Securities except by subsequent vote of such holders. The Property Trustee shall notify each holder of Capital Securities of any notice of default with respect to the Junior Subordinated Debt Securities. In addition to obtaining the foregoing approvals of such holders of the Capital Securities, prior to taking any of the foregoing actions, the Issuer Trustees shall obtain an opinion of

counsel experienced in such matters to the effect that the Trust will not be classified as an association or a publicly traded partnership taxable as a corporation for United States Federal income tax purposes on account of such action.

Any required approval of holders of Capital Securities may be given at a meeting of such holders convened for such purpose or pursuant to written consent. The Property Trustee will cause a notice of any meeting at which holders of Capital Securities are entitled to vote, or of any matter upon which action by written consent of such holders is to be taken, to be given to each holder of record of Capital Securities in the manner set forth in the Declaration.

No vote or consent of the holders of Capital Securities will be required for the Trust to redeem and cancel the Capital Securities in accordance with the Declaration.

Notwithstanding that holders of the Capital Securities are entitled to vote or consent under any of the circumstances described above, any of the Capital Securities that are owned by the Corporation, the Issuer Trustees or any affiliate of the Corporation or any Issuer Trustees, shall, for purposes of such vote or consent, be treated as if they were not outstanding.

EXPENSES AND TAXES

In the Indenture, the Corporation, as borrower, has agreed to pay all debts and other obligations (other than with respect to the Capital Securities) and all costs and expenses of the Trust (including costs and expenses relating to the organization of the Trust, the fees and expenses of the Issuer Trustees and the costs and expenses relating to the operation of the Trust) and the offering of the Capital Securities, and to pay any and all taxes and all costs and expenses with respect to the foregoing (other than United States withholding taxes) to which the Trust might become subject (any such payment of taxes, duties, assessments or other governmental charges being referred to as "Additional Sums"). The foregoing obligations of the Corporation under the Indenture are for the benefit of, and shall be enforceable by, any person to whom any such debts, obligations, costs, expenses and taxes are owed (a "Creditor") whether or not such Creditor has received notice thereof. Any such Creditor may enforce such obligations of the Corporation directly against the Corporation, and the Corporation has irrevocably waived any right or remedy to require that any such Creditor take any action against the Trust or any other person before proceeding against the Corporation. The Corporation has also agreed in the Indenture to execute such additional agreement(s) as may be necessary or desirable to give full effect to the foregoing.

FORM, DENOMINATION, BOOK-ENTRY PROCEDURES AND TRANSFER

In the event that Capital Securities are issued in certificated form, such Capital Securities will be issued in blocks having a Liquidation Amount of not less than \$100,000 (100 Capital Securities) and may be transferred or exchanged in such blocks in the manner and at the offices described below.

Global Capital Security; Book-Entry Form. The Exchange Capital Securities initially will be represented by one or more Exchange Capital Securities in registered, global form (collectively, the "Global Capital Securities"). The Global Exchange Capital Securities will be deposited upon issuance with the Property Trustee as custodian for DTC, in New York, New York, and registered in the name of Cede & Co. as DTC's nominee, in each case for credit to an account of a direct or indirect participant in DTC as described below.

Except as set forth below, the Global Exchange Capital Securities may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee and only in amounts that would not cause a holder to own less than 100 Exchange Capital Securities. Beneficial interests in the Global Exchange Capital Securities may not be exchanged for Exchange Capital Securities in certificated form except in the limited circumstances described below. See "-- Exchange of Book-Entry Exchange Capital Securities for Certificated Exchange Capital Securities." Transfer of beneficial interests in the Global Exchange Capital Securities will be subject to the applicable rules and procedures of DTC and its direct or indirect participants, which may change from time to time.

DTC has advised the Trust and the Corporation as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for Participants and to facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes to accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers

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(including the Initial Purchasers), banks, trust companies, clearing corporations and certain other organizations. Indirect access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "Indirect Participants"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interest and transfer of ownership interest of each actual purchaser of each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised the Trust and the Corporation that, pursuant to procedures established by it, (i) upon deposit of the Global Exchange Capital Securities, DTC will credit the accounts of Participants designated by the Exchange Agent with portions of the principal amount of the Global Exchange Capital Securities and (ii) ownership of such interests in the Global Exchange Capital Securities will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in the Global Exchange Capital Securities).

Investors in the Global Exchange Capital Securities may hold their interests therein directly through DTC, if they are Participants in DTC, or indirectly through organizations which are Participants in such system. All interests in a Global Exchange Capital Security will be subject to the procedures and requirements of DTC. The laws of some states require that certain persons take physical delivery in certificated form. Consequently, the ability to transfer beneficial interests in a Global Exchange Capital Security to such persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants and certain banks, the ability of a person having beneficial interests in a Global Exchange Capital Security to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests. For certain other restrictions on the transferability of the Exchange Capital Securities, see "-- Exchange of Book-Entry Exchange Capital Securities for Certificated Exchange Capital Securities."

EXCEPT AS DESCRIBED BELOW, OWNERS OF BENEFICIAL INTERESTS IN THE GLOBAL EXCHANGE CAPITAL SECURITIES WILL NOT BE ENTITLED TO HAVE EXCHANGE CAPITAL SECURITIES REGISTERED IN THEIR NAMES, WILL NOT RECEIVE OR BE ENTITLED TO RECEIVE PHYSICAL DELIVERY OF EXCHANGE CAPITAL SECURITIES IN CERTIFICATED FORM AND WILL NOT BE CONSIDERED THE REGISTERED OWNERS OR HOLDERS THEREOF UNDER THE DECLARATION FOR ANY PURPOSE.

Payments in respect of the Global Exchange Capital Security registered in the name of DTC or its nominee will be payable by the Property Trustee to DTC or its nominee as the registered holder under the Declaration by wire transfer in immediately available funds on each payment date. Under the terms of the Declaration, the Property Trustee will treat the persons in whose names the Exchange Capital Securities, including the Global Exchange Capital Securities, are registered as the owners thereof for the purpose of receiving such payments

and for any and all other purposes whatsoever. Consequently, neither the Property Trustee nor any agent thereof has or will have any responsibility or liability for (i) any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interests in the Global Exchange Capital Securities, or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Exchange Capital Securities or (ii) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants. DTC has advised the Trust and the Corporation that its current practice, upon receipt of any payment in respect of securities such as the Exchange Capital Securities, is to credit the accounts of the relevant Participants with the payment on the payment date, in amounts proportionate to their respective holdings in Liquidation Amount of beneficial interests in the Global Exchange Capital Security, as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of Exchange Capital Securities represented by Global Exchange Capital Securities held through such Participants will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Property Trustee or the Trust. Neither the Trust nor the Property Trustee will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of the Exchange Capital Securities, and the Trust and the Property Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Interests in the Global Exchange Capital Securities will trade in DTC's Same-Day Funds Settlement System and secondary market trading activity in such interests will therefore settle in immediately available funds, subject in all cases

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to the rules and procedures of DTC and its Participants. Transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds.

DTC has advised the Trust and the Corporation that it will take any action permitted to be taken by a holder of Exchange Capital Securities (including, without limitation, the presentation of Exchange Capital Securities for exchange as described below) only at the direction of one or more Participants to whose account with DTC interests in the Global Exchange Capital Securities are credited and only in respect of such portion of the aggregate Liquidation Amount of the Exchange Capital Securities represented by the Global Exchange Capital Securities as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the Declaration, DTC reserves the right to exchange the Global Exchange Capital Securities for legended Exchange Capital Securities in certificated form and to distribute such Exchange Capital Securities to its Participants.

So long as DTC or its nominee is the registered owner of the Global Exchange Capital Securities, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Exchange Capital Securities represented by the Global Exchange Capital Security for all purposes under the Declaration.

The information in this section concerning DTC and its book-entry system has been obtained from sources that the Trust and the Corporation believe to be reliable, but neither the Trust nor the Corporation takes responsibility for the accuracy thereof.

Although DTC has agreed to the foregoing procedures to facilitate transfers of interest in the Global Exchange Capital Securities among Participants in DTC, it is under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Trust nor the Property Trustee will have any responsibility for the performance by DTC or its

Participants or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Book-Entry Exchange Capital Securities for Certificated Exchange Capital Securities. A Global Exchange Capital Security is exchangeable for Exchange Capital Securities in registered certificated form if (i) DTC (x) notifies the Trust that it is no longer willing or able to properly discharge its responsibilities with respect to the Exchange Capital Securities and the Corporation is unable to locate a qualified successor or (y) has ceased to be a clearing agency registered under the Exchange Act; (ii) the Corporation at its option elects to terminate the book-entry system through DTC; or (iii) there shall have occurred and be continuing a Debenture Event of Default. In addition, beneficial interests in a Global Exchange Capital Security may be exchanged by or on behalf of DTC for certificated Exchange Capital Securities upon request by DTC but only upon at least 20 days prior written notice given to the Property Trustee in accordance with DTC's customary procedures. In all cases, certificated Exchange Capital Securities delivered in exchange for any Global Exchange Capital Security or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures).

PAYMENT AND PAYING AGENCY

Payments in respect of the Exchange Capital Securities held in global form shall be made to DTC, which shall credit the relevant accounts at the Depository on the applicable Distribution Dates or in respect of the Exchange Capital Securities that are not held by the Depository, such payments shall be made by check mailed to the address of the holder entitled thereto as such address shall appear on the register. The paying agent (the "Paying Agent") shall initially be the Property Trustee and co-paying agents may be chosen by the Property Trustee which are acceptable to the Administrative Trustees and the Corporation. The Paying Agent shall be permitted to resign as Paying Agent upon 30 days' written notice to the Property Trustee, the Administrative Trustees and the Corporation. In the event that the Property Trustee shall no longer be the Paying Agent, the Administrative Trustees shall appoint a successor (which shall be a bank or trust company acceptable to the Administrative Trustees and the Corporation) to act as Paying Agent.

RESTRICTIONS ON TRANSFER

The Exchange Capital Securities will be issued, and may be transferred only, in blocks having a Liquidation Amount of not less than \$100,000 (100 Capital Securities). Any attempted transfer, sale or other disposition of Exchange Capital Securities in a block having a Liquidation Amount of less than \$100,000 shall be deemed to be void and of no legal effect whatsoever. Any such transferee shall be deemed not to be the holder of such Exchange Capital Securities for any

purpose, including but not limited to the receipt of Distributions on such Exchange Capital Securities, and such transferee shall be deemed to have no interest whatsoever in such Exchange Capital Securities.

REGISTRAR AND TRANSFER AGENT

The Property Trustee will act as registrar and transfer agent for the Exchange Capital Securities.

Registration of transfers of the Exchange Capital Securities will be effected without charge by or on behalf of the Trust, but upon payment of any tax or other governmental charges that may be imposed in connection with any transfer or exchange. The Trust will not be required to register or cause to be registered the transfer of the Exchange Capital Securities after they have been called for redemption.

INFORMATION CONCERNING THE PROPERTY TRUSTEE

The Property Trustee, other than during the occurrence and continuance of an Event of Default, undertakes to perform only such duties as are specifically set forth in the Declaration and, during the existence of an Event of Default, must exercise the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the Property Trustee is under no obligation to exercise any of the powers vested in it by the Declaration at the request of any holder of Trust Securities unless it is offered reasonable indemnity against the costs, expenses and liabilities that might be incurred thereby. If no Event of Default has occurred and is continuing and the Property Trustee is required to decide between alternative causes of action, construe ambiguous provisions in the Declaration or is unsure of the application of any provision of the Declaration, and the matter is not one on which holders of the Capital Securities or the Common Securities are entitled under the Declaration to vote, then the Property Trustee shall take such action as is directed by the Corporation and, if not so directed, shall take such action as it deems advisable and in the best interests of the holders of the Trust Securities and will have no liability except for its own bad faith, negligence or willful misconduct.

MISCELLANEOUS

The Administrative Trustees are authorized and directed to conduct the affairs of and to operate the Trust in such a way that the Trust will not be deemed to be an "investment company" required to be registered under the Investment Company Act or classified as an association or a publicly traded partnership taxable as a corporation for United States Federal income tax purposes and so that the Junior Subordinated Debt Securities will be treated as indebtedness of the Corporation for United States Federal income tax purposes. In this connection, the Corporation and the Administrative Trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust of the Trust or the Declaration, that the Corporation and the Administrative Trustees determine in their discretion to be necessary or desirable for such purposes, as long as such action does not materially adversely affect the interests of the holders of the Trust Securities.

DESCRIPTION OF JUNIOR SUBORDINATED DEBT SECURITIES

The Old Junior Subordinated Debt Securities were issued and the Exchange Junior Subordinated Debt Securities are to be issued as a single series under the Indenture. The Indenture has been qualified under the Trust Indenture Act. This summary of certain terms and provisions of the Junior Subordinated Debt Securities and the Indenture does not purport to be complete, and where reference is made to particular provisions of the Indenture, such provisions, including the definitions of certain terms, some of which are not otherwise defined herein, are qualified in their entirety by reference to all of the provisions of the Indenture and those terms made a part of the Indenture by the Trust Indenture Act.

GENERAL

Concurrently with the issuance of the Old Capital Securities and the Common Securities, the Trust invested the proceeds thereof in the Old Junior Subordinated Debt Securities issued by the Corporation. Pursuant to the Exchange Offer, the Corporation will exchange the Old Junior Subordinated Debt Securities for the Exchange Junior Subordinated Debt Securities as soon as practicable after the date hereof. No Old Junior Subordinated Debt Securities will remain outstanding after such exchange. The following is a description of the Exchange Junior Subordinated Debt Securities (referred to in this section as the "Junior Subordinated Debt Securities"). The Junior Subordinated Debt Securities will

payable semi-annually in arrears on June 15 and December 15 of each year (each, an "Interest Payment Date"), commencing June 15, 1997, to the person in whose name each Junior Subordinated Debt Security is registered, subject to certain exceptions, at the close of business on the June 1 or December 1 next preceding such Interest Payment Date. It is anticipated that, until the liquidation of the Trust, each Junior Subordinated Debt Security will be in the name of the Trust and held by the Property Trustee in trust for the benefit of the holders of the Trust Securities. The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months. In the event that any date on which interest is payable on the Junior Subordinated Debt Securities is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the date such payment was originally payable. Accrued interest that is not paid on the applicable Interest Payment Date will bear additional interest on the amount thereof (to the extent permitted by law) at the rate per annum of 8.25% thereof, compounded semi-annually from the relevant Interest Payment Date. The term "interest" as used herein shall include semi-annual interest payments and interest on semi-annual interest payments not paid on the applicable Interest Payment Date.

The Junior Subordinated Debt Securities will be issued as a series of Junior Subordinated Debt Securities under the Indenture. Unless previously redeemed or repurchased, the Junior Subordinated Debt Securities will mature on December 15, 2026.

The Junior Subordinated Debt Securities will be unsecured and will rank junior and be subordinate in right of payment to all Senior Debt. Because the Corporation is a bank holding company, the right of the Corporation to participate in any distribution of assets of any subsidiary, including the Bank, upon such subsidiary's liquidation or reorganization or otherwise (and thus the ability of holders of the Capital Securities to benefit indirectly from such distribution), is subject to the prior claims of creditors of such subsidiary, except to the extent that the Corporation may itself be recognized as a creditor of such subsidiary. Accordingly, the Junior Subordinated Debt Securities will be subordinated to all Senior Debt and effectively subordinated to all existing and future liabilities of the Corporation's subsidiaries, and holders of Junior Subordinated Debt Securities should look only to the assets of the Corporation for payments on the Junior Subordinated Debt Securities. The Indenture does not limit the incurrence or issuance of other secured or unsecured debt of the Corporation, including Senior Debt, whether under the Indenture or any existing or other indenture that the Corporation may enter into in the future or otherwise. See "-- Subordination."

The Junior Subordinated Debt Securities will rank pari passu with all Other Debentures issued under the Indenture and will be unsecured and subordinate and junior in right of payment to the extent and in the manner set forth in the Indenture to all Senior Debt of the Corporation. See "-- Subordination." The Corporation is a holding company, and almost all of the operating assets of the Corporation and its consolidated subsidiaries are owned by such subsidiaries. The Corporation relies primarily on dividends from such subsidiaries to meet its obligations. The Corporation is a legal entity separate and distinct from its banking and non-banking affiliates. The Bank is the Corporation's principal asset and primary source of revenue and net income. The Bank is subject to certain restrictions imposed by federal law on any extensions of credit to, and certain other transactions with, the Corporation and certain other affiliates, and on investments in stock or other securities thereof. Such restrictions prevent the Corporation and such other affiliates from borrowing from the Bank unless the loans are secured by various types of collateral. Further, such secured loans, other transactions and investments by the Bank are generally limited in amount as to the Corporation and as to each of such other affiliates to 10% of the Bank's capital and surplus and as to the Corporation and all of such other affiliates to an aggregate of 20% of the Bank's capital and surplus. In addition, payment of dividends to the Corporation by the Bank is subject to ongoing review by banking regulators and is subject to various statutory limitations and in certain circumstances requires approval by banking regulatory

authorities. The Other Debentures will be issuable in one or more series pursuant to an indenture supplemental to the Indenture or a resolution of the Corporation's Board of Directors or a committee thereof.

DENOMINATIONS, REGISTRATION AND TRANSFER

The Junior Subordinated Debt Securities will be represented by one or more global certificates registered in the name of Cede & Co. as the nominee of DTC if, and only if, the Junior Subordinated Debt Securities are distributed to the holders of the Trust Securities. Until such time, the Junior Subordinated Debt Securities will be registered in the name of the Trust and held by the Property Trustee. Should the Junior Subordinated Debt Securities be distributed to

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holders of the Trust Securities, beneficial interests in the Junior Subordinated Debt Securities will be shown on, and transfers thereof will be effected only through, records maintained by Participants in DTC. Except as described below, Junior Subordinated Debt Securities in certificated form will not be issued in exchange for the global certificates.

A global security shall be exchangeable for Junior Subordinated Debt Securities registered in the names of persons other than Cede & Co. only if (i) DTC notifies the Corporation that it is unwilling or unable to continue as a depository for such global security and no successor depository shall have been appointed, or if at any time DTC ceases to be a "clearing agency" registered under the Exchange Act at a time when DTC is required to be so registered to act as such depository, (ii) the Corporation in its sole discretion determines that such global security shall be so exchangeable, or (iii) there shall have occurred and be continuing a Debenture Event of Default. Any global security that is exchangeable pursuant to the preceding sentence shall be exchangeable for certificates registered in such names as DTC shall direct. It is expected that such instructions will be based upon directions received by DTC from its Participants with respect to ownership of beneficial interests in such global security. In the event that Junior Subordinated Debt Securities are issued in certificated form, such Junior Subordinated Debt Securities will be in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof and may be transferred or exchanged only in such minimum denominations and in the manner and at the offices described below.

Payments on Junior Subordinated Debt Securities represented by a global security will be made to DTC, as the depository for the Junior Subordinated Debt Securities. In the event Junior Subordinated Debt Securities are issued in certificated form, principal and interest will be payable, the transfer of the Junior Subordinated Debt Securities will be registrable, and Junior Subordinated Debt Securities will be exchangeable for Junior Subordinated Debt Securities of other denominations of a like aggregate principal amount, at the principal corporate trust office of the Debenture Trustee in New York, New York, or at the offices of any paying agent or transfer agent appointed by the Corporation, provided that payment of interest may be made at the option of the Corporation by check mailed to the address of the persons entitled thereto or by wire transfer. In addition, if the Junior Subordinated Debt Securities are issued in certificated form, the record dates for payment of interest will be the June 1 and December 1, as the case may be, next preceding the relevant Interest Payment Date.

For a description of DTC and the terms of the depository arrangements relating to payments, transfers, voting rights, redemptions and other notices and other matters, see "-- Description of Capital Securities -- Form, Denomination, Book-Entry Procedures and Transfer." If the Junior Subordinated Debt Securities are distributed to the holders of the Trust Securities upon the termination of the Trust, the form, denomination, book-entry and transfer procedures with respect to the Capital Securities as described under "-- Description of Capital Securities -- Form, Denomination, Book-Entry Procedures and Transfer," shall apply to the Junior Subordinated Debt Securities mutatis mutandis.

PAYMENT AND PAYING AGENTS

Payment of principal of (and premium, if any) and any interest on Junior Subordinated Debt Securities will be made at the principal corporate trust office of the Debenture Trustee in The City of New York or at the office of such Paying Agent or Paying Agents as the Corporation may designate from time to time, except that at the option of the Corporation payment of any interest may be made (except in the case of Junior Subordinated Debt Securities in global form), (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the register for Junior Subordinated Debt Securities or (ii) by transfer to an account maintained by the Person entitled thereto as specified in such register, provided that proper transfer instructions have been received by the relevant Record Date. Payment of any interest on any Junior Subordinated Debt Security will be made to the Person in whose name such Junior Subordinated Debt Security is registered at the close of business on the Record Date for such interest, except in the case of defaulted interest. The Corporation may at any time designate additional Paying Agents or rescind the designation of any Paying Agent; however the Corporation will at all times be required to maintain a Paying Agent in each Place of Payment (as defined in the Indenture) for the Junior Subordinated Debt Securities.

Any moneys deposited with the Debenture Trustee or any Paying Agent, or then held by the Corporation in trust, for the payment of the principal of (and premium, if any) or interest on any Junior Subordinated Debt Security and remaining unclaimed for two years after such principal (and premium, if any) or interest has become due and payable shall, at the written request of the Corporation, be repaid to the Corporation and the holder of such Junior Subordinated Debt Security shall thereafter look, as a general unsecured creditor, only to the Corporation for payment thereof.

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OPTION TO EXTEND INTEREST PAYMENT DATE

So long as no Debenture Event of Default has occurred and is continuing, the Corporation has the right under the Indenture to defer the payment of interest at any time or from time to time for a period not exceeding 10 consecutive semi-annual periods with respect to each Extension Period; provided, however, that no Extension Period may end on a date other than an Interest Payment Date or extend beyond the Stated Maturity of the Junior Subordinated Debt Securities. At the end of an Extension Period, the Corporation must pay all interest then accrued and unpaid on the Junior Subordinated Debt Securities (together with interest thereon at the annual rate of 8.25%, compounded semi-annually from the relevant Interest Payment Date, to the extent permitted by applicable law). During an Extension Period, interest will continue to accrue and holders of Junior Subordinated Debt Securities (and holders of the Capital Securities while Capital Securities are outstanding) will be required to accrue interest income for United States Federal income tax purposes. See "Certain United States Federal Income Tax Consequences -- Interest and Original Issue Discount."

During any Extension Period, the Corporation may not (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of the Corporation's capital stock, (ii) make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities of the Corporation (including any Other Debentures) that rank pari passu in all respects with or junior in interest to the Junior Subordinated Debt Securities or (iii) make any guarantee payments with respect to any guarantee by the Corporation of the debt securities of any subsidiary of the Corporation (including any Other Guarantees) if such guarantee ranks pari passu in all respects with or junior in interest to the Junior Subordinated Debt Securities (other than (a) dividends or distributions in common stock of the Corporation, (b) any declaration of a dividend in connection with the implementation of a stockholders' rights plan, or the issuance of stock under any such plan in the future, or the redemption or repurchase of any such

rights pursuant thereto, (c) payments under the Guarantee, (d) purchases or acquisitions of shares of the Corporation's common stock in connection with the satisfaction by the Corporation of its obligations under any employee benefit plan or any other contractual obligation of the Corporation (other than a contractual obligation ranking pari passu in all respects with or junior to the Junior Subordinated Debt Securities), (e) as a result of a reclassification of the Corporation's capital stock or the exchange or conversion of one class or series of the Corporation's capital stock for another class or series of the Corporation's capital stock or (f) the purchase of fractional interests in shares of the Corporation's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged). Prior to the termination of any Extension Period, the Corporation may further extend such Extension Period; provided, however, that such extension does not cause such Extension Period to exceed 10 consecutive semi-annual periods or to extend beyond the Stated Maturity. Upon the termination of any Extension Period and the payment of all interest then accrued and unpaid on the Junior Subordinated Debt Securities (together with interest thereon at the annual rate of 8.25%, compounded semi-annually, to the extent permitted by applicable law), the Corporation may elect to begin a new Extension Period, subject to the above requirements. No interest shall be due and payable during an Extension Period, except at the end thereof. The Corporation must give the Property Trustee, the Administrative Trustees and the Debenture Trustee notice of its election of any Extension Period (or an extension thereof) at least five Business Days prior to the earlier of (i) the date the Distributions on the Trust Securities would have been payable except for the election to begin or extend such Extension Period or (ii) the date the Administrative Trustees are required to give notice to any automated quotation system or to holders of Capital Securities of the record date or the date such Distributions are payable, but in any event not less than five Business Days prior to such record date. The Debenture Trustee shall give notice of the Corporation's election to begin or extend a new Extension Period to the holders of the Capital Securities. There is no limitation on the number of times that the Corporation may elect to begin an Extension Period.

OPTIONAL REDEMPTION

The Junior Subordinated Debt Securities will be redeemable, in whole or in part, at the option of the Corporation at any time on or after December 15, 2006, subject to the Corporation having received prior approval of the Federal Reserve if then required under applicable regulations, guidelines or policies of the Federal Reserve, at a redemption price (the "Optional Prepayment Price") equal to the following prices, expressed in percentages of the principal amount of the

Junior Subordinated Debt Securities, together with accrued but unpaid interest to but excluding the date fixed for redemption. If redeemed during the 12-month period beginning December 15:

YEAR	REDEMPTION PRICE -----
2006.....	104.1250%
2007.....	103.7125
2008.....	103.3000
2009.....	102.8875
2010.....	102.4750
2011.....	102.0625
2012.....	101.6500
2013.....	101.2375
2014.....	100.8250
2015.....	100.4125

and at 100% on or after December 15, 2016.

TAX EVENT OR CAPITAL TREATMENT EVENT PREPAYMENT

If a Tax Event or a Capital Treatment Event shall occur and be continuing, the Corporation may, at its option and subject to receipt of prior approval of the Federal Reserve if then required under applicable regulations, guidelines or policies of the Federal Reserve, terminate the Trust and distribute the Junior Subordinated Debt Securities to the holders of the Trust Securities at any time within 90 days of the occurrence of such Tax Event or Capital Treatment Event, as the case may be, and, if such Tax Event or Capital Treatment Event, as the case may be, continues notwithstanding the taking of such actions, to prepay the Junior Subordinated Debt Securities in whole (but not in part), in the case of a redemption prior to December 15, 2006, at a redemption price (the "Event Prepayment Price") equal to the Make-Whole Amount plus accrued interest to but excluding the date fixed for redemption. The "Make-Whole Amount" will be equal to the greater of (i) 100% of the principal amount of such Junior Subordinated Debt Securities and (ii) as determined by a Quotation Agent (as defined Below), the sum of the present values of the principal amount and premium payable as part of the Optional Prepayment Price with respect to an optional redemption of such Junior Subordinated Debt Securities on December 15, 2006, together with the present values of scheduled payments of interest from the redemption date to December 15, 2006 (the "Remaining Life"), in each case discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of 30-day months) at the Adjusted Treasury Rate. In the case of a redemption on or after December 15, 2006 following a Tax Event or a Capital Treatment Event, the Event Prepayment Price shall equal the Optional Prepayment Price then applicable to a redemption under "-- Optional Redemption" above. See "Description of Capital Securities -- Liquidation of the Trust and Distribution of Junior Subordinated Debt Securities."

"Adjusted Treasury Rate" means, with respect to any redemption date, the Treasury Rate plus (i) 1.25% if such redemption date occurs on or before January 1, 1998 or (ii) 0.50% if such redemption date occurs after January 1, 1998.

"Business Day" means a day other than (a) a Saturday or Sunday, (b) a day on which banking institutions in The City of New York are authorized or required by law or executive order to remain closed, or (c) a day on which the Property Trustee's Corporate Trust Office or the Corporate Trust Office of the Debenture Trustee is closed for business.

"Capital Treatment Event" means the reasonable determination by the Corporation that, as a result of the occurrence of any amendment to, or change (including any announced prospective change) in, the laws (or any rules or regulations thereunder) of the United States or any political subdivision thereof or therein, or as a result of any official or administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or such pronouncement, action or decision is announced on or after the date of issuance of the Capital Securities, there is more than an insubstantial risk that the Corporation will not be entitled to treat an amount equal to Liquidation Amount of the Capital Securities as "Tier 1 Capital" (or the then equivalent thereof) for purposes of the capital adequacy guidelines of the Federal Reserve, as then in effect and applicable to the Corporation.

"Comparable Treasury Issue" means, with respect to any redemption date, the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the Remaining Life that would be utilized, at the

time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Remaining Life. If no United States Treasury security has a maturity which is within a period from three months before to three months after December 15,

2006, the two most closely corresponding United States Treasury securities shall be used as the Comparable Treasury Issue, and the Treasury Rate shall be interpolated or extrapolated on a straight-line basis, rounding to the nearest month using such securities.

"Comparable Treasury Price" means (A) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Debenture Trustee obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such Quotations.

"Quotation Agent" means UBS Securities LLC and its successors; provided, however, that if the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), the Corporation shall substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer" means (i) the Quotation Agent and (ii) any other Primary Treasury Dealer selected by the Debenture Trustee after consultation with the Corporation.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Debenture Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Debenture Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

"Tax Event" means the receipt by the Corporation of an opinion of counsel experienced in such matters to the effect that, as a result of any amendment to, or change (including any announced proposed change) in, the laws or any regulations thereunder of the United States or any political subdivision or taxing authority thereof or therein, or as a result of any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or which proposed change, pronouncement or decision is announced on or after the Issue Date, there is more than an insubstantial risk that (i) the Trust is, or will be within 90 days of the date of such opinion, subject to United States Federal income tax with respect to income received or accrued on the Junior Subordinated Debt Securities, (ii) interest payable by the Corporation on the Junior Subordinated Debt Securities is not, or within 90 days of the date of such opinion, will not be, deductible by the Corporation, in whole or in part, for United States Federal income tax purposes or (iii) the Trust is, or will be within 90 days of the date of such opinion, subject to more than a de minimis amount of other taxes, duties or other governmental charges.

"Treasury Rate" means (i) the yield, under the heading which represents the average for the week immediately prior to the calculation date, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Remaining Life (if no maturity is within three months before or after Remaining Life, yields for the two published maturities most closely corresponding to the Remaining Life shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Treasury Rate shall be calculated on the third Business Day preceding the redemption date.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of Junior Subordinated Debt Securities at its registered address. Unless the Corporation defaults in payment of the Event Prepayment Price, on and after the prepayment date interest ceases

to accrue on the Junior Subordinated Debt Securities.

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RESTRICTIONS ON CERTAIN PAYMENTS

The Corporation has also covenanted that it will not (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of the Corporation's capital stock or (ii) make any payment of principal, interest or premium, if any, on or repay or repurchase or redeem any debt securities of the Corporation (including Other Debentures) that rank pari passu in all respects with or junior in interest to the Junior Subordinated Debt Securities or make any guarantee payments with respect to any guarantee by the Corporation of the debt securities of any subsidiary of the Corporation (including under Other Guarantees) if such guarantee ranks pari passu in all respects with or junior in interest to the Junior Subordinated Debt Securities (other than (a) dividends or distributions in common stock of the Corporation, (b) any declaration of a dividend in connection with the implementation of a stockholders' rights plan, or the issuance of stock under any such plan in the future, or the redemption or repurchase of any such rights pursuant thereto, (c) payments under the Guarantee, (d) purchases or acquisitions of shares of the Corporation's common stock in connection with the satisfaction by the Corporation of its obligations under any employee benefit plan or any other contractual obligation of the Corporation (other than a contractual obligation ranking pari passu in all respects with or junior to the Junior Subordinated Debt Securities), (e) as a result of a reclassification of the Corporation's capital stock or the exchange or conversion of one class or series of the Corporation's capital stock for another class or series of the Corporation's capital stock or (f) the purchase of fractional interests in shares of the Corporation's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged) if at such time (i) there shall have occurred a Debenture Event of Default, (ii) the Corporation shall be in default with respect to its payment of any obligations under the Guarantee or (iii) the Corporation shall have given notice of its election of an Extension Period as provided in the Indenture and shall not have rescinded such notice, or such Extension Period, or any extension thereof, shall be continuing.

MODIFICATION OF INDENTURE

From time to time the Corporation and the Debenture Trustee may, without the consent of the holders of Junior Subordinated Debt Securities, amend, waive or supplement the Indenture for specified purposes, including, among other things, curing ambiguities, defects or inconsistencies (provided that any such action does not materially adversely affect the interest of the holders of Junior Subordinated Debt Securities or the holders of the Capital Securities so long as they remain outstanding) and qualifying, or maintaining the qualification of, the Indenture under the Trust Indenture Act. The Indenture contains provisions permitting the Corporation and the Debenture Trustee, with the consent of the holders of not less than a majority in principal amount of Junior Subordinated Debt Securities, to modify the Indenture in a manner affecting the rights of the holders of Junior Subordinated Debt Securities; provided, however, that no such modification may, without the consent of the holder of each outstanding Junior Subordinated Debt Security so affected, (i) change the Stated Maturity, or reduce the principal amount of the Junior Subordinated Debt Securities, or reduce the rate or extend the time of payment of interest thereon or (ii) reduce the percentage of principal amount of Junior Subordinated Debt Securities, the holders of which are required to consent to any such modification of the Indenture.

In addition, the Corporation and the Debenture Trustee may execute, without the consent of any holder of Junior Subordinated Debt Securities, any supplemental Indenture for the purpose of creating any Other Debentures.

DEBENTURE EVENTS OF DEFAULT

The Indenture provides that any one or more of the following described events with respect to the Junior Subordinated Debt Securities that has occurred and is continuing constitutes a "Debenture Event of Default":

(i) failure for 30 days to pay any interest on the Junior Subordinated Debt Securities when due (subject to the deferral of any due date in the case of an Extension Period); or

(ii) failure to pay any principal or premium, if any, on the Junior Subordinated Debt Securities when due, whether at maturity, upon redemption, by declaration of acceleration or otherwise; or

(iii) failure to observe or perform in any material respect certain other covenants contained in the Indenture for 90 days after written notice to the Corporation from the Debenture Trustee or the holders of at least 25% in aggregate outstanding principal amount of the Junior Subordinated Debt Securities; or

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(iv) certain events in bankruptcy, insolvency or reorganization of the Corporation; or

(v) the voluntary or involuntary dissolution, winding-up or termination of the Trust, except in connection with the distribution of the Junior Subordinated Debt Securities to the holder of Trust Securities in liquidation of the Trust, the redemption of all of the Trust Securities of the Trust, or certain mergers, consolidations or amalgamations, each as permitted by the Declaration.

The deferral(s) of the Corporation's obligation to pay interest during an Extension Period will not constitute a failure to pay interest when due and will therefore not constitute a Debenture Event of Default.

The holders of a majority in aggregate outstanding principal amount of the Junior Subordinated Debt Securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Debenture Trustee. The Debenture Trustee or the holders of not less than 25% in aggregate outstanding principal amount of the Junior Subordinated Debt Securities may declare the principal due and payable immediately upon a Debenture Event of Default and, should the Debenture Trustee or such holders of Junior Subordinated Debt Securities fail to make such declaration, the holders of at least 25% in aggregate Liquidation Amount of the Capital Securities shall have such right. The holders of a majority in aggregate outstanding principal amount of the Junior Subordinated Debt Securities may annul such declaration and waive the default if the default (other than the non-payment of the principal of the Junior Subordinated Debt Securities which has become due solely by such acceleration) has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration has been deposited with the Debenture Trustee. Should the holders of Junior Subordinated Debt Securities fail to annul such declaration and waive such default, the holders of a majority in aggregate Liquidation Amount of the Capital Securities shall have such right.

The holders of a majority in aggregate outstanding principal amount of the Junior Subordinated Debt Securities affected thereby may, on behalf of the holders of all the Junior Subordinated Debt Securities, waive any past default, except a default in the payment of principal or interest (unless such default has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration has been deposited with the Debenture Trustee) or a default in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of the holder of each outstanding Junior Subordinated Debt Security. Should the holders of such Junior Subordinated Debt Securities fail to annul such declaration and waive such default, the holders of a majority in aggregate Liquidation Amount of the Capital Securities shall have such right. The Corporation is required to

file annually with the Debenture Trustee a certificate as to whether or not the Corporation is in compliance with all the conditions and covenants applicable to it under the Indenture.

In case a Debenture Event of Default shall occur and be continuing, the Property Trustee will have the right to declare the principal of and the interest on the Junior Subordinated Debt Securities, and any other amounts payable under the Indenture, to be forthwith due and payable and to enforce its other rights as a creditor with respect to the Junior Subordinated Debt Securities.

ENFORCEMENT OF CERTAIN RIGHTS BY HOLDERS OF CAPITAL SECURITIES

If a Debenture Event of Default has occurred and is continuing and such event is attributable to the failure of the Corporation to pay interest or principal on the Junior Subordinated Debt Securities on the date such interest or principal is otherwise payable, a holder of Capital Securities may institute a Direct Action. The deferral(s) of the Corporation's obligation to pay interest during an Extension Period will not constitute a Debenture Event of Default or failure to pay interest, and therefore in such circumstances a holder of Capital Securities will not have the right to institute a Direct Action. The Corporation may not amend the Indenture to remove the foregoing right to bring a Direct Action without the prior written consent of the holders of all of the Capital Securities. If the right to bring a Direct Action is removed following the Exchange Offer, the Trust may become subject to the reporting obligations under the Securities Exchange Act of 1934, as amended. Notwithstanding any payments made to a holder of Capital Securities by the Corporation in connection with a Direct Action, the Corporation shall remain obligated to pay the principal of or interest on the Junior Subordinated Debt Securities, and the Corporation shall be subrogated to the rights of the holder of such Capital Securities with respect to payments on the Capital Securities to the extent of any payments made by the Corporation to such holder in any Direct Action.

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The holders of the Capital Securities will not be able to exercise directly any remedies, other than those set forth in the preceding paragraph, available to the holders of the Junior Subordinated Debt Securities unless there shall have been an Event of Default under the Declaration. See "-- Description of Capital Securities -- Events of Default; Notice."

CONSOLIDATION, MERGER, SALE OF ASSETS AND OTHER TRANSACTIONS

The Indenture provides that the Corporation shall not consolidate with or merge with or into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and no Person shall consolidate with or merge with or into the Corporation or convey, transfer or lease its properties and assets substantially as an entirety to the Corporation, unless (i) in case the Corporation consolidates with or merges with or into another Person or conveys or transfers its properties and assets substantially as an entirety to any Person, the successor Person is organized under the laws of the United States or any state or the District of Columbia, and such successor Person expressly assumes the Corporation's obligations on the Junior Subordinated Debt Securities issued under the Indenture; (ii) immediately after giving effect thereto, no Debenture Event of Default, and no event which, after notice or lapse of time or both, would become a Debenture Event of Default, shall have occurred and be continuing; (iii) such transaction is permitted under the Declaration and the Guarantee and does not give rise to any breach or violation of the Declaration or the Guarantee; and (iv) certain other conditions as prescribed in the Indenture are met.

The general provisions of the Indenture do not afford holders of the Junior Subordinated Debt Securities protection in the event of a highly leveraged or other transaction involving the Corporation that may adversely affect holders of the Junior Subordinated Debt Securities.

SUBORDINATION

In the Indenture, the Corporation has covenanted and agreed that any Junior Subordinated Debt Securities issued thereunder shall be subordinate and junior in right of payment to all Senior Debt to the extent provided in the Indenture. Upon any payment or distribution of assets to creditors upon any liquidation, dissolution, winding-up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy, insolvency, debt restructuring or similar proceedings in connection with any insolvency or bankruptcy proceeding of the Corporation, the holders of Senior Debt will first be entitled to receive payment in full of principal of (and premium, if any) and interest, if any, on such Senior Debt before the holders of Junior Subordinated Debt Securities will be entitled to receive or retain any payment or distribution in respect thereof; provided, however, that holders of Senior Debt shall not be entitled to receive payment of any such amounts to the extent that such holders would be required by the subordination provisions of such Senior Debt to pay such amounts over to the obligees on trade accounts payable or other liabilities arising in the ordinary course of business.

In the event of the acceleration of the maturity of the Junior Subordinated Debt Securities, the holders of all Senior Debt outstanding at the time of such acceleration will first be entitled to receive payment in full of all amounts due thereon (including any amounts due upon acceleration) before the holders of the Junior Subordinated Debt Securities will be entitled to receive or retain any payment in respect of the principal of (or premium, if any) or interest, if any, on the Junior Subordinated Debt Securities; provided, however, that holders of Senior Debt shall not be entitled to receive payment of any such amounts to the extent that such holders would be required by the subordination provisions of such Senior Debt to pay such amounts over to the obligees on trade accounts payable or other liabilities arising in the ordinary course of business.

In the event that the Corporation shall default in the payment of any principal, premium, if any, or interest, if any, on any Senior Debt when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration of acceleration or otherwise, then, unless and until such default shall have been cured or waived or shall have ceased to exist or all Senior Debt shall have been paid, no direct or indirect payment (in cash, property, securities, by set-off or otherwise) shall be made or agreed to be made for principal, premium, if any, or interest, if any, on the Junior Subordinated Debt Securities, or in respect of any redemption, repayment, retirement, purchase or other acquisition of any of the Junior Subordinated Debt Securities. The Corporation, once having defaulted on any Senior Debt, can exercise its right to defer its obligations to make interest payments on the Junior Subordinated Debt Securities and thereby not be in default on such securities.

"Debt" means (i) the principal of and premium, if any, and unpaid interest on indebtedness for money borrowed, (ii) purchase money and similar obligations, (iii) obligations under capital leases, (iv) guarantees, assumptions or purchase commitments relating to, or other transactions as a result of which the Corporation is responsible for the payment of such indebtedness of others, (v) renewals, extensions and refunding of any such indebtedness, (vi) interest or obligations in respect of any such indebtedness accruing after the commencement of any insolvency or bankruptcy proceedings and (vii) obligations associated with derivative products such as interest rate and currency exchange contracts, foreign exchange contracts, commodity contracts and similar arrangements.

"Senior Debt" means the principal of (and premium, if any) and interest, if any (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Corporation whether or not such claim for post-petition interest is allowed in such proceeding), on Debt of the Corporation, whether incurred on or prior to the date of the Indenture or thereafter incurred, unless, in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such

obligations are not superior in right of payment to the Junior Subordinated Debt Securities or the Other Debentures; provided, however, that Senior Debt shall not be deemed to include (i) any Debt of the Corporation which when incurred and without respect to any election under Section 1111(b) of the United States Bankruptcy Code of 1978, as amended, was without recourse to the Corporation, (ii) any Debt of the Corporation to any of its subsidiaries, (iii) Debt to any employee of the Corporation, (iv) Debt which by its terms is subordinated to trade accounts payable or accrued liabilities arising in the ordinary course of business to the extent that payments made to the holders of such Debt by the holders of the Junior Subordinated Debt Securities as a result of the subordination provisions of the Indenture would be greater than such payments otherwise would have been as a result of any obligation of such holders of such Debt to pay amounts over to the obligees on such trade accounts payable or accrued liabilities arising in the ordinary course of business as a result of subordination provisions to which such Debt is subject; and (v) any other debt securities issued pursuant to the Indenture.

The Indenture places no limitation on the amount of Senior Debt that may be incurred by the Corporation. The Corporation expects from time to time to incur additional indebtedness constituting Senior Debt.

RESTRICTIONS ON TRANSFER

The Junior Subordinated Debt Securities will be issued, and may be transferred only, in minimum denominations of not less than \$1,000 and multiples of \$1,000 in excess thereof. Any transfer, sale or other disposition of Junior Subordinated Debt Securities in a denomination of less than \$1,000 shall be deemed to be void and of no legal effect whatsoever. Any such transferee shall be deemed not to be the holder of such Junior Subordinated Debt Securities for any purpose, including but not limited to the receipt of payments on such Junior Subordinated Debt Securities, and such transferee shall be deemed to have no interest whatsoever in such Junior Subordinated Debt Securities.

GOVERNING LAW

The Indenture and the Junior Subordinated Debt Securities will be governed by and construed in accordance with the laws of the State of New York.

INFORMATION CONCERNING THE DEBENTURE TRUSTEE

The Debenture Trustee shall have and be subject to all the duties and responsibilities specified with respect to an indenture trustee under the Trust Indenture Act. Subject to such provisions, the Debenture Trustee is under no obligation to exercise any of the powers vested in it by the Indenture at the request of any holder of Junior Subordinated Debt Securities, unless offered reasonable indemnity by such holder against the costs, expenses and liabilities which might be incurred thereby. The Debenture Trustee is not required to expend or risk its own funds or otherwise incur personal financial liability in the performance of its duties if the Debenture Trustee reasonably believes that repayment or adequate indemnity is not reasonably assured to it.

DESCRIPTION OF GUARANTEE

The Old Guarantee was executed and delivered by the Corporation concurrently with the issuance by the Trust of the Old Capital Securities for the benefit of the holders from time to time of the Old Capital Securities and the Common Securities. As soon as practicable after the date hereof, the Old Guarantee will be exchanged by the Corporation for the Exchange Guarantee. The Old Guarantee shall be of no force and effect after such exchange. This summary of certain

provisions of the Exchange Guarantee does not purport to be complete and is subject to, and qualified in its entirety by reference to, all of the provisions of the Exchange Guarantee, including the definitions therein of certain terms,

and the Trust Indenture Act. The Guarantee Trustee will hold the Guarantee for the benefit of the holders of the Exchange Capital Securities, the Old Capital Securities and the Common Securities. References in this section to the "Guarantee" shall be deemed to refer to the Exchange Guarantee.

GENERAL

The Corporation will irrevocably agree to pay in full on a subordinated basis, to the extent set forth herein, the Guarantee Payments (as defined herein) to the holders of the Trust Securities, as and when due, regardless of any defense, right of set-off or counterclaim that the Trust may have or assert other than the defense of payment. The following payments with respect to the Trust Securities, to the extent not paid by or on behalf of the Trust (the "Guarantee Payments"), will be subject to the Guarantee: (i) any accrued and unpaid Distributions required to be paid on the Trust Securities, to the extent that the Trust has funds on hand available therefor at such time, (ii) the applicable Redemption Price with respect to Trust Securities called for redemption, to the extent that the Trust has funds on hand available therefor at such time, or (iii) upon a voluntary or involuntary dissolution, winding up or liquidation of the Trust (other than in connection with the distribution of Junior Subordinated Debt Securities to the holders of the Trust Securities or the redemption of all of the Trust Securities) the lesser of (a) the Liquidation Distribution, to the extent the Trust has funds available therefor and (b) the amount of assets of the Trust remaining available for distribution to holders of the Trust Securities upon liquidation of the Trust after satisfaction of liabilities to creditors of the Trust as required by applicable law. The Corporation's obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by the Corporation to the holders of the Trust Securities or by causing the Trust to pay such amounts to such holders.

The Guarantee will be an irrevocable guarantee on a subordinated basis of the Trust's obligations under the Capital Securities, although it will apply only to the extent that the Trust has funds available to make such payments, and is not a guarantee of collection. If the Corporation does not make interest payments on the Junior Subordinated Debt Securities held by the Trust, the Trust will not be able to pay Distributions on the Capital Securities and will not have funds legally available therefor.

The Guarantee will rank subordinate and junior in right of payment to all Senior Debt. See "-- Status of the Guarantee." Because the Corporation is a holding company, the right of the Corporation to participate in any distribution of assets of any subsidiary, upon such subsidiary's liquidation or reorganization or otherwise, is subject to the prior claims of creditors of such subsidiary, except to the extent the Corporation may itself be recognized as a creditor of that subsidiary. Accordingly, the Corporation's obligations under the Guarantee will be effectively subordinated to all existing and future liabilities of the Corporation's subsidiaries, and claimants should look only to the assets of the Corporation for payments thereunder. See "Bancorp Hawaii, Inc." The Guarantee does not limit the incurrence or issuance of other secured or unsecured debt of the Corporation, including Senior Debt, whether under the Indenture, any other indenture that the Corporation may enter into in the future or otherwise.

The Corporation has, through the Guarantee, the Declaration, the Junior Subordinated Debt Securities and the Indenture, taken together, fully, irrevocably and unconditionally guaranteed all of the Trust's obligations under the Capital Securities. No single document standing alone or operating in conjunction with fewer than all of the other documents constitutes such guarantee. It is only the combined operation of these documents that has the effect of providing a full, irrevocable and unconditional guarantee of the Trust's obligations under the Capital Securities. See "Relationship Among the Capital Securities, the Junior Subordinated Debt Securities and the Guarantee."

STATUS OF THE GUARANTEE

The Guarantee will constitute an unsecured obligation of the Corporation and will rank subordinate and junior in right of payment to all Senior Debt in the same manner as the Junior Subordinated Debt Securities.

The Guarantee will rank pari passu with all Other Guarantees issued by the Corporation. The Guarantee will constitute a guarantee of payment and not of collection (i.e., the guaranteed party may institute a legal proceeding directly against the Corporation to enforce its rights under the Guarantee without first instituting a legal proceeding against any other person or entity). The Guarantee will be held for the benefit of the holders of the Trust Securities. The Guarantee will not be discharged except by payment of the Guarantee Payments in full to the extent not paid by the

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Trust or upon distribution of the Junior Subordinated Debt Securities to the holders of the Trust Securities. The Guarantee does not place a limitation on the amount of additional Senior Debt that may be incurred by the Corporation. The Corporation expects from time to time to incur additional indebtedness constituting Senior Debt.

AMENDMENTS AND ASSIGNMENT

Except with respect to any changes which do not materially adversely affect the rights of holders of the Capital Securities (in which case no vote will be required), the Guarantee may not be amended without the prior approval of the holders of not less than a majority of the aggregate Liquidation Amount of the outstanding Capital Securities. The manner of obtaining any such approval will be as set forth under "Description of Capital Securities -- Voting Rights; Amendment of the Declaration." All guarantees and agreements contained in the Guarantee shall bind the successors, assigns, receivers, trustees and representatives of the Corporation and shall inure to the benefit of the holders of the Capital Securities then outstanding.

EVENTS OF DEFAULT

An event of default under the Guarantee will occur upon the failure of the Corporation to perform any of its payment or other obligations thereunder; provided, however, that except with respect to a default in payment of any Guarantee Payment, the Corporation shall have received notice of default and shall not have cured such default within 60 days after receipt of such notice. The holders of not less than a majority in aggregate Liquidation Amount of the Capital Securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee in respect of the Guarantee or to direct the exercise of any trust or power conferred upon the Guarantee Trustee under the Guarantee.

Any holder of the Capital Securities may institute a legal proceeding directly against the Corporation to enforce its rights under the Guarantee without first instituting a legal proceeding against the Trust, the Guarantee Trustee or any other person or entity.

The Corporation, as guarantor, is required to file annually with the Guarantee Trustee a certificate as to whether or not the Corporation is in compliance with all the conditions and covenants applicable to it under the Guarantee.

CONSOLIDATION, MERGER, SALE OF ASSETS AND OTHER TRANSACTIONS

The Guarantee provides that the Corporation shall not consolidate with or merge with or into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and no Person shall consolidate with or merge with or into the Corporation or convey, transfer or lease its properties and assets substantially as an entirety to the Corporation, unless (i) in case the Corporation consolidates with or merges with or into another Person or conveys or transfers its properties and assets substantially as an entirety to any Person, the successor Person is organized under the laws of the United States or any state or the District of Columbia and such successor Person expressly assumes the Corporation's obligations on the Guarantee; (ii)

immediately after giving effect thereto, no event of default under the Guarantee, and no event which, after notice or lapse of time or both, would become an event of default under the Guarantee, shall have happened and be continuing; (iii) such transaction is permitted under the Declaration and the Indenture and does not give rise to any breach or violation of the Declaration or the Indenture; and (iv) certain other conditions as prescribed in the Guarantee are met.

INFORMATION CONCERNING THE GUARANTEE TRUSTEE

The Guarantee Trustee, other than during the occurrence and continuance of a default by the Corporation in performance of the Guarantee, undertakes to perform only such duties as are specifically set forth in the Guarantee and, after default with respect to the Guarantee, must exercise the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the Guarantee Trustee is under no obligation to exercise any of the powers vested in it by the Guarantee at the request of any holder of the Capital Securities unless it is offered reasonable indemnity against the costs, expenses and liabilities that might be incurred thereby.

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TERMINATION OF THE GUARANTEE

The Guarantee will terminate and be of no further force and effect upon full payment of the applicable Redemption Price of the Trust Securities, upon full payment of the amounts payable upon liquidation of the Trust or upon distribution of Junior Subordinated Debt Securities to the holders of the Trust Securities. The Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of the Trust Securities must restore payment of any sums paid under the Trust Securities or the Guarantee.

GOVERNING LAW

The Guarantee will be governed by and construed in accordance with the laws of the State of New York.

DESCRIPTION OF THE OLD SECURITIES

The terms of the Old Securities are identical in all material respects to the Exchange Securities, except that (i) the Old Securities have not been registered under the Securities Act, are subject to certain restrictions on transfer and are entitled to certain rights under the Registration Agreement (which rights will terminate upon consummation of the Exchange Offer, except under limited circumstances); (ii) the Exchange Capital Securities will not provide for any additional Distributions on account of certain breaches of the Registration Agreement; and (iii) the Exchange Junior Subordinated Debt Securities will not provide for any increase in the interest rate thereon. The Old Securities provide under certain circumstances specified in the Registration Agreement that interest on the principal amount of the Junior Subordinated Debt Securities and Distributions on the Liquidation Amount of the Capital Securities will accrue at an increased rate. The Exchange Securities are not, and upon consummation of the Exchange Offer the Old Securities will not be, entitled to any such additional Distributions or interest.

RELATIONSHIP AMONG THE CAPITAL SECURITIES, THE JUNIOR SUBORDINATED DEBT SECURITIES AND THE GUARANTEE

FULL AND UNCONDITIONAL GUARANTEE

Payments of Distributions and other amounts due on the Capital Securities (to the extent the Trust has funds available for the payment thereof) are irrevocably guaranteed by the Corporation as and to the extent set forth under "Description of Exchange Securities -- Description of Guarantee." Taken together, the Corporation's obligations under the Junior Subordinated Debt

Securities, the Indenture, the Declaration and the Guarantee provide, in the aggregate, a full, irrevocable and unconditional guarantee of payments of Distributions and other amounts due on the Capital Securities. No single document standing alone or operating in conjunction with fewer than all of the other documents constitutes such guarantee. It is only the combined operation of these documents that has the effect of providing a full, irrevocable and unconditional guarantee of the Trust's obligations under the Capital Securities. If and to the extent that the Corporation does not make payments on the Junior Subordinated Debt Securities, the Trust will not pay Distributions or other amounts due on the Capital Securities. The Guarantee does not cover payment of Distributions when the Trust does not have sufficient funds to pay such Distributions. In such event, the remedy of a holder of Capital Securities is to institute a Direct Action. The obligations of the Corporation under the Guarantee are subordinate and junior in right of payment to all Senior Debt.

SUFFICIENCY OF PAYMENTS

As long as payments of interest and other amounts are made when due on the Junior Subordinated Debt Securities, such payments will be sufficient to cover Distributions and other payments due on the Capital Securities, primarily because (i) the aggregate principal amount or Prepayment Price of the Junior Subordinated Debt Securities will be equal to the sum of the aggregate Liquidation Amount or Redemption Price, as applicable, of the Trust Securities; (ii) the interest rate and interest and other payment dates on the Junior Subordinated Debt Securities will match the Distribution rate and Distribution and other payment dates for the Trust Securities; (iii) the Corporation shall pay for all costs, expenses and liabilities of the Trust except the Trust's obligations to holders of Trust Securities under such Trust

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Securities; and (iv) the Declaration provides that the Trust will not engage in any activity that is not consistent with the limited purposes thereof.

ENFORCEMENT RIGHTS OF HOLDERS OF CAPITAL SECURITIES

A holder of any Capital Security may institute a legal proceeding directly against the Corporation to enforce its rights under the Guarantee without first instituting a legal proceeding against the Guarantee Trustee, the Trust or any other person or entity.

A default or event of default under any Senior Debt would not constitute a default or Event of Default under the Declaration. However, in the event of payment defaults under, or acceleration of, Senior Debt, the subordination provisions of the Indenture provide that no payments may be made in respect of the Junior Subordinated Debt Securities until such Senior Debt has been paid in full or any payment default thereunder has been cured or waived. Failure to make required payments on Junior Subordinated Debt Securities would constitute an Event of Default under the Declaration.

LIMITED PURPOSE OF THE TRUST

The Capital Securities evidence a beneficial interest in the Trust, and the Trust exists for the sole purposes of (i) issuing the Trust Securities and effecting the Exchange Offer for the Exchange Capital Securities, (ii) investing the proceeds of the Old Capital Securities and the Common Securities in the Old Junior Subordinated Debt Securities, (iii) exchanging the Junior Subordinated Debt Securities for the Exchange Junior Subordinated Debt Securities in the Exchange Offer and (iv) engaging in other activities necessary or incidental thereto. A principal difference between the rights of a holder of a Capital Security and a holder of a Junior Subordinated Debt Security is that a holder of a Junior Subordinated Debt Security is entitled to receive from the Corporation the principal amount of and interest accrued on Junior Subordinated Debt Securities held, while a holder of Capital Securities is entitled to receive Distributions from the Trust (or from the Corporation under the Guarantee) if

and to the extent the Trust has funds available for the payment of such Distributions.

RIGHTS UPON TERMINATION

Upon any voluntary or involuntary termination, winding-up or liquidation of the Trust involving the liquidation of the Junior Subordinated Debt Securities, after satisfaction of the liabilities of creditors of the Trust as required by applicable law, the holders of the Capital Securities will be entitled to receive, out of assets held by the Trust, the Liquidation Distribution in cash. See "Description of Exchange Securities -- Description of Capital Securities -- Liquidation of the Trust and Distribution of Junior Subordinated Debt Securities." Upon any voluntary or involuntary liquidation or bankruptcy of the Corporation, the Property Trustee, as holder of the Junior Subordinated Debt Securities, would be a subordinated creditor of the Corporation, subordinated in right of payment to all Senior Debt as set forth in the Indenture, but entitled to receive payment in full of principal and interest, before any stockholders of the Corporation receive payments or distributions. Since the Corporation is the guarantor under the Guarantee and has agreed to pay for all costs, expenses and liabilities of the Trust (other than the Trust's obligations to the holders of its Trust Securities), the positions of a holder of Capital Securities and a holder of Junior Subordinated Debt Securities relative to other creditors and to stockholders of the Corporation in the event of liquidation or bankruptcy of the Corporation are expected to be substantially the same.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

In the opinion of Cravath, Swaine & Moore, counsel to the Corporation and the Trust ("Tax Counsel"), the following are the material United States Federal income tax consequences of the ownership and disposition of Capital Securities. Unless otherwise stated, this summary deals only with Capital Securities held as capital assets by holders who acquired the Old Capital Securities upon original issuance ("Initial Holders"). It does not deal with special classes of holders, such as dealers in securities or currencies, life insurance companies, persons holding Capital Securities as part of a straddle or as part of a hedging or conversion transaction, or persons whose functional currency is not the United States dollar. This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations thereunder and administrative and judicial interpretations thereof are as of the date hereof, all of which are subject to change (possibly on a retroactive basis).

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INVESTORS ARE ADVISED TO CONSULT THEIR TAX ADVISORS AS TO THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF CAPITAL SECURITIES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, AS WELL AS THE EFFECT OF ANY STATE, LOCAL OR OTHER TAX LAWS.

EXCHANGE OF CAPITAL SECURITIES

In the opinion of Tax Counsel, the exchange of Old Securities for Exchange Securities pursuant to the Exchange Offer should not constitute a taxable exchange or other taxable event. Consequently, no gain or loss should be realized by an Initial Holder upon receipt of an Exchange Capital Security in exchange for an Old Capital Security, the holding period of the Exchange Capital Security should include the holding period of the Old Capital Security exchanged therefor and the adjusted tax basis of the Exchange Capital Security should be the same as the adjusted tax basis of the Old Capital Security exchanged therefor.

CLASSIFICATION OF THE TRUST

In the opinion of Tax Counsel, under current law and assuming full compliance with the terms of the Declaration, the Trust will be classified for United States Federal income tax purposes as a grantor trust and not as a partnership or an association taxable as a corporation. Accordingly, each holder

of Capital Securities (a "Securityholder") will be considered the owner of a pro rata portion of the Junior Subordinated Debt Securities held by the Trust and will be required to include in gross income the pro rata share of income accrued on the Junior Subordinated Debt Securities.

CLASSIFICATION OF THE JUNIOR SUBORDINATED DEBT SECURITIES

In the opinion of Tax Counsel, under current law and assuming full compliance with the Indenture, the Junior Subordinated Debt Securities will be classified for United States Federal income tax purposes as indebtedness of the Corporation.

INTEREST AND ORIGINAL ISSUE DISCOUNT

If an Extension Period occurs, the Junior Subordinated Debt Securities would be considered to have original issue discount at all times after the beginning of the first Extension Period, including after the termination of the Extension Period. In addition, the Corporation's option to defer the payment of interest on the Junior Subordinated Debt Securities during an Extension Period might cause the Junior Subordinated Debt Securities to be considered initially to be issued with original issue discount. The Corporation believes, and will take the position, that this latter result will not arise because of an exception in the Treasury Regulations that applies when there is only a "remote" likelihood that an Extension Period will occur. Assuming that the likelihood of an Extension Period is in fact remote, Tax Counsel believes that this position is correct although there is no authority directly on point and the Internal Revenue Service could take a contrary position.

If the original issue discount rules apply to the Junior Subordinated Debt Securities (either following the occurrence of an Extension Period or initially), each Securityholder, whether on the cash or accrual method of accounting, will be required to accrue its pro rata share of original issue discount into income in accordance with a constant yield method based on the compounding of interest. As a result, income will be required to be reported by Securityholders before the receipt of cash attributable to such income, and, in particular, income will be reported during an Extension Period even though no cash distributions are being made. If the original issue discount rules apply for a period during which cash distributions are currently being made, the sum of the daily accruals of income for a semi-annual period for a Securityholder that purchased the Capital Securities for their liquidation value will equal the cash distribution received by the Securityholder for such semi-annual period, assuming no disposition prior to the record date for such distribution.

If the original issue discount rules apply, actual distributions of stated interest will not be separately reported as income. A Securityholder's tax basis for the Junior Subordinated Debt Securities will be increased by original issue discount accrued into income, and decreased by cash distributions of interest. If the original issue discount rules do not apply, stated interest will be includable in a holder's gross income as ordinary interest income in accordance with such holder's regular method of tax accounting.

Whether or not the original issue discount rules apply, no portion of the amounts received on the Capital Securities will be eligible for the corporate dividends received deduction.

DISTRIBUTION OF JUNIOR SUBORDINATED DEBT SECURITIES OR CASH UPON LIQUIDATION OF THE TRUST

Under current law, a distribution by the Trust of the Junior Subordinated Debt Securities as described under the caption "Description of Capital Securities -- Liquidation of the Trust and Distribution of Junior Subordinated Debt Securities" will be non-taxable and will result in the Securityholder receiving directly such Securityholder's pro rata share of the Junior Subordinated Debt Securities previously held indirectly through the Trust, with

a holding period and tax basis equal to the holding period and adjusted tax basis such Securityholder was considered to have had in such Securityholder's pro rata share of the underlying Junior Subordinated Debt Securities immediately prior to such distribution. If, however, the special event giving rise to the distribution is a Tax Event which results in the Trust being treated as an association taxable as a corporation, the distribution would constitute a taxable event to holders of the Capital Securities.

MARKET DISCOUNT AND BOND PREMIUM

Securityholders other than Initial Holders may be considered to have acquired their pro rata interest in the Junior Subordinated Debt Securities with market discount, acquisition premium or amortizable bond premium. Such holders are advised to consult their tax advisors as to the income tax consequences of the acquisition, ownership and disposition of the Capital Securities.

DISPOSITION OF THE CAPITAL SECURITIES

Upon a sale, exchange or other disposition of the Capital Securities (including a distribution of cash in redemption of a Securityholder's Capital Securities upon redemption or repayment of the underlying Junior Subordinated Debt Securities, but excluding the distribution of Junior Subordinated Debt Securities), a Securityholder will be considered to have disposed of all or part of such Securityholder's pro rata share of the Junior Subordinated Debt Securities, and will recognize gain or loss equal to the difference between the amount realized (other than amounts attributable to accrued but unpaid stated interest that is not treated as original issue discount) and the Securityholder's adjusted tax basis in such Securityholder's pro rata share of the underlying Junior Subordinated Debt Securities deemed disposed of. A holder's adjusted tax basis in the Capital Securities generally will be its initial purchase price increased by original issue discount previously includable in such holder's gross income to the date of disposition and decreased by payments (other than payments of stated interest that are not treated as original issue discount) received on the Capital Securities. Gain or loss will be capital gain or loss (except to the extent of any accrued interest or market discount not previously included in income). See " -- Market Discount and Bond Premium" above. Such gain or loss will be long-term capital gain or loss if the Capital Securities have been held for more than one year.

UNITED STATES ALIEN HOLDERS

For purposes of this discussion, a "United States Alien Holder" is any individual, corporation, partnership, estate or trust that is, as to the United States, a non-resident alien individual or a foreign corporation, partnership, estate or trust.

Under present United States Federal income tax law:

(i) payments by the Trust or any of its paying agents to any holder of a Capital Security who or which is a United States Alien Holder will not be subject to United States Federal income or withholding tax, provided that (a) the beneficial owner of the Capital Security does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Corporation entitled to vote; (b) the beneficial owner of the Capital Security is not a controlled foreign corporation that is related to the Corporation through stock ownership; (c) such interest payments are not effectively connected with the conduct of a trade or business within the United States by the United States Alien Holder; and (d) either (A) the beneficial owner of the Capital Security certifies to the Trust or its agent, under penalties of perjury, generally on IRS Form W-8, that it is not a United States holder and provides its name and address or (B) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business (a "Financial Institution") and holds the Capital Security certifies to the Trust or its agent, under penalties of perjury, that such statement has been received

from the beneficial owner by it or by a Financial Institution between it and the beneficial owner and furnishes the Trust or its agent with a copy thereof; and

(ii) A United States Alien Holder of a Capital Security will not be subject to United States Federal income or withholding tax on any gain realized upon the sale or other disposition of a Capital Security unless (a) the United States Alien Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition, and certain other conditions apply or (b) the gain is effectively connected with the conduct by the United States Alien Holder of a trade or business in the United States.

INFORMATION REPORTING TO HOLDERS

The Trust will report the interest paid or the original issue discount that accrued during the year with respect to the Junior Subordinated Debt Securities, and any gross proceeds received by the Trust from the retirement or redemption of the Junior Subordinated Debt Securities, annually to the holders of record of the Capital Securities and the Internal Revenue Service. The Trust currently intends to deliver such reports to holders of record prior to January 31 following each calendar year.

BACKUP WITHHOLDING

Payments made on, and proceeds from the sale of, Capital Securities may be subject to a "backup" withholding tax of 31% unless the holder complies with certain identification requirements. Any withheld amounts will generally be allowed as a credit against the holder's Federal income tax, provided the required information is timely filed with the Internal Revenue Service.

POSSIBLE TAX LAW CHANGES

On February 6, 1997, the Clinton Administration proposed legislation (the "Proposed Legislation") which would, among other things, generally deny corporate issuers a deduction for interest in respect of certain debt obligations, such as the Junior Subordinated Debt Securities, if such debt obligations have a maximum term in excess of 15 years and are not shown as indebtedness on the issuer's applicable consolidated balance sheet. The Proposed Legislation is proposed to be effective for instruments issued on or after the date of "first committee action," which has not yet occurred and is not expected to occur prior to the Expiration Date. As a result, the Proposed Legislation should not apply to the Junior Subordinated Debt Securities. There can be no assurance, however, that the effective date contained in the Proposed Legislation will not be changed if such legislation is enacted, or that other legislation enacted after the date hereof will not otherwise adversely affect the ability of the Corporation to deduct the interest payable on the Junior Subordinated Debt Securities. Such a change could give rise to a Tax Event. See "Description of Capital Securities -- Liquidation of the Trust and Distribution of Junior Subordinated Debt Securities."

PLAN OF DISTRIBUTION

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Old Capital Securities where such Old Capital Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Trust and the Corporation have agreed that, starting on the Expiration Date and ending on the close of business on the 180th day following the Expiration Date, they will make this Prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until _____, 1997, all dealers effecting

transactions in the Exchange Securities may be required to deliver a prospectus.

The Corporation and the Trust will not receive any proceeds from any sale of Exchange Securities by broker-dealers. Exchange Securities received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or at negotiated prices. Any such resale may be made directly to

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purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer and/or the purchasers of any such Exchange Securities. Any broker-dealer that resells Exchange Securities that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such Exchange Securities may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit of any such resale of Exchange Securities and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

VALIDITY OF SECURITIES

Certain matters of Delaware law relating to the validity of the Exchange Capital Securities, the enforceability of the Declaration and the formation of the Trust will be passed upon by Potter Anderson & Corroon, special Delaware Counsel to the Trust. The validity of the Exchange Guarantee and the Exchange Junior Subordinated Debt Securities will be passed upon for the Corporation by Metzger, Hollis, Gordon & Alprin, which may rely on the opinion of Potter Anderson & Corroon as to matters of Delaware law. Certain matters relating to United States Federal income tax considerations will be passed upon for the Corporation by Cravath, Swaine & Moore.

EXPERTS

The consolidated financial statements of condition of the Corporation and its subsidiaries appearing in the Corporation's Annual Report on Form 10-K for the year ended December 31, 1996 have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

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PART II.

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Articles IX and X of the Corporation's Articles of Incorporation provide as follows:

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INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS

Section 1. As used in this Article IX, the following terms shall have the following meanings:

(a) "Employee" means each person who is or was a director, officer, employee, or agent of the corporation or who is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, association, or other enterprise.

(b) "Costs" means expenses (including attorney's fees), judgments, fines, and amounts paid in settlement in connection with any Cause of Action.

(c) "Cause of Action" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative.

Section 2. The corporation shall indemnify each Employee who was or is a party or is threatened to be made a party to any Cause of Action (other than a Cause of Action by or in the right of the corporation) by reason of the fact that he is or was an Employee against Costs actually and reasonably incurred by him in connection with such Cause of Action if (i) he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and (ii) with respect to any criminal Cause of Action, he had no reasonable cause to believe his conduct was unlawful.

Section 3. The corporation shall indemnify each Employee who was a party or is threatened to be made a party to any Cause of Action by or in the right of the corporation by reason of the fact that he is or was an Employee against Costs actually and reasonably incurred by him in connection with such Cause of Action if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation.

Section 4. (a) To the extent that an Employee has been successful on the merits or otherwise in defense of any Cause of Action or defense of any claim, issue, or matter therein, the Employee shall be deemed to have met the applicable standard of conduct set forth in Section 2 or Section 3 of this Article IX and shall be indemnified by the corporation against Costs actually and reasonably incurred by him in connection therewith.

(b) To the extent that an Employee has not been successful on the merits or otherwise in defense of any Cause of Action or defense of any claim, issue, or matter therein, the Employee shall nonetheless be indemnified against Costs actually and reasonably incurred by him in connection therewith unless the tribunal, if any, in which such Cause of Action is or was pending upon application by the corporation determines that the Employee has not met the applicable standard of conduct set forth in Section 2 or Section 3 or this Article IX. The termination of any Cause of Action by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not create a presumption that such applicable standard of conduct has not been met.

Section 5. Costs incurred in connection with any Cause of Action shall be paid by the corporation in advance of the final disposition of such Cause of Action upon receipt of an undertaking by or on behalf of the Employee to repay the advanced amount if it is ultimately determined pursuant to Section 4(b) of this Article IX that the Employee is not entitled to be indemnified by the corporation.

Section 6. The indemnification provided by this Article IX shall (i) not be deemed exclusive of any other rights to which an Employee may be entitled by any bylaw, agreement, vote of shareholders or disinterested directors, or otherwise, and (ii) continue to a person who has ceased to be an Employee and shall inure to the benefit of his heirs, executors, and administrators.

Section 7. The corporation may purchase and maintain insurance on behalf of any Employee against any liability asserted against or incurred by the Employee, whether or not the corporation would have the power to indemnify the Employee against such liability. Any such insurance may be procured from any insurance company, including an insurance company in which the corporation may have an equity or other interest, through stock ownership or otherwise.

Section 8. This Article IX shall be effective with respect to any Cause of Action arising at any time from acts or omissions occurring prior to the date this Article IX is amended or terminated.

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LIMITATION OF LIABILITY OF DIRECTORS

Section 1. A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders; (ii) for any act or omission of the director not performed in good faith, or which involves intentional misconduct or knowing violation of law, or which constitutes a willful or reckless disregard of the director's fiduciary duty; (iii) for the director's willful or negligent violation of any provision of Chapter 415 of the Hawaii Revised Statutes regarding payment of dividends or stock purchase or redemption; or (iv) for any transaction from which the director received an improper benefit.

Section 2. Any repeal or modification of this Article X by the stockholders of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

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ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

EXHIBIT NUMBER	DESCRIPTION
4.1	-- Junior Subordinated Indenture between the Corporation and The Bank of New York, as Debenture Trustee, dated December 30, 1996.
4.2	-- Certificate of Trust of Bancorp Hawaii Capital Trust I.
4.3	-- Declaration of Trust among the Corporation, The Bank of New York as Property Trustee, The Bank of New York (Delaware), Delaware Trustee, and the Administrative Trustees named therein, dated December 30, 1996.
4.4	-- Amended and Restated Declaration of Trust among the Corporation, The Bank of New York, as Property Trustee, The Bank of New York (Delaware), Delaware Trustee, and the Administrative Trustees named therein, dated December 30, 1996.
4.5	-- Form of Capital Security Certificate originally issued by Bancorp Hawaii Capital Trust I on December 30, 1996 (included as Exhibit B of Exhibit 4.4).
4.6	-- Form of Capital Security Certificate to be issued by Bancorp Hawaii Capital Trust I and registered under the Securities Act of 1933, as amended.*
4.7	-- Form of Security for 8.25% Junior Subordinated Debt Security due December 15, 2026 originally issued by the Corporation on December 30, 1996 (included in Article 2 of Exhibit 4.1).
4.8	-- Form of Security for 8.25% Junior Subordinated Debt Security due December 15, 2026 to be issued by the Corporation and registered under the Securities Act of 1933, as amended.*
4.9	-- Guarantee Agreement originally executed by the Corporation and The Bank of New York, as Guarantee Trustee, on December 30, 1996.
4.10	-- Form of Guarantee Agreement to be entered into by the Corporation and The Bank of New York, as Guarantee Trustee, and registered under the Securities Act of 1933, as amended.*

- 4.11 -- Registration Agreement, dated December 23, 1996 between the Corporation, Bancorp Hawaii Capital Trust I, UBS Securities LLC, Credit Suisse First Boston Corporation and Salomon Brothers Inc.
- 5.1 -- Opinion and consent of Metzger, Hollis, Gordon & Alprin as to legality of the Junior Subordinated Debt Securities and the Guarantee to be issued by the Corporation.*
- 5.2 -- Opinion of special Delaware counsel as to legality of the Capital Securities to be issued by Bancorp Hawaii Capital Trust I.*
- 8 -- Opinion of special tax counsel as to certain federal income tax matters.
- 12 -- Computation of ratio of earnings to fixed charges. (incorporated by reference to Exhibit 12.1 of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1996)
- 23.1 -- Consent of Ernst & Young LLP.
- 23.2 -- Consent of Metzger, Hollis, Gordon & Alprin (included in Exhibit 5.1).
- 23.3 -- Consent of special Delaware counsel (included in Exhibit 5.2).
- 23.4 -- Consent of special tax counsel (included in Exhibit 8).
- 24.1 -- Power of Attorney of Bancorp Hawaii, Inc.
- 25.1 -- Form T-1 Statement of Eligibility of The Bank of New York to act as trustee under the Junior Subordinated Indenture.*
- 25.2 -- Form T-1 Statement of Eligibility of The Bank of New York to act as trustee under the Amended and Restated Declaration of Trust.*

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EXHIBIT NUMBER	DESCRIPTION
25.3	-- Form T-1 Statement of Eligibility of The Bank of New York under the Guarantee for the benefit of the holders of Capital Securities.*
99.1	-- Form of Letter of Transmittal.*
99.2	-- Form of Notice of Guaranteed Delivery.*
99.3	-- Form of Exchange Agent Agreement.*

* To be filed by Amendment.

ITEM 22. UNDERTAKINGS.

Each of the undersigned Registrants hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, as amended, (the "Securities Act") each filing of a Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended (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 Exchange Securities and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of each Registrant pursuant to the provisions of the Articles of Incorporation of the Corporation, or otherwise, each Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Corporation of expenses incurred or paid by a director, officer or controlling person of each 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 Corporation will, unless in the opinion of its counsel the matter has been settled by the 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.

The undersigned Registrants hereby undertake to respond to requests for information that is incorporated by reference into the Prospectus, pursuant to Items 4, 10(b), 11 or 13 of Form S-4, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the Registration Statement through the date of responding to the request.

The undersigned Registrants hereby undertake to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired or involved therein, that was not the subject of and included in the registration statement when it became effective.

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SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, BANCORP HAWAII, INC. CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL OF THE REQUIREMENTS FOR FILING THIS FORM S-4 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF HONOLULU, STATE OF HAWAII, ON FEBRUARY 27, 1997.

BANCORP HAWAII, INC.

By: /s/ LAWRENCE M. JOHNSON

Lawrence M. Johnson
Chairman of the Board
and Chief Executive Officer

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED BELOW ON FEBRUARY , 1997.

/s/ LAWRENCE M. JOHNSON

Lawrence M. Johnson
Chairman of the Board and Chief Executive Officer

/s/ PETER D. BALDWIN*

Peter D. Baldwin
Director

/s/ MARY G. F. BITTERMAN*

Mary G. F. Bitterman
Director

/s/ RICHARD J. DAHL*

Richard J. Dahl
Director

/s/ DAVID A. HEENAN*

David A. Heenan
Director

/s/ STUART T. K. HO*

Stuart T. K. Ho
Director

/s/ HERBERT M. RICHARDS, JR.*

Herbert M. Richards, Jr.
Director

/s/ H. HOWARD STEPHENSON*

H. Howard Stephenson
Director

/s/ FRED E. TROTTER*

Fred E. Trotter
Director

/s/ STANLEY S. TAKAHASHI*

Stanley S. Takahashi
Director

/s/ K. TIM YEE*

K. Tim Yee
Director

/s/ DAVID A. HOULE*

David A. Houle
Chief Financial Officer

/s/ DENIS K. ISONO*

Denis K. Isono
Chief Accounting Officer

*By: /s/ LAWRENCE M. JOHNSON

Lawrence M. Johnson
Attorney-in-fact

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, BANCORP HAWAII CAPITAL TRUST I CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL THE REQUIREMENTS FOR FILING THIS FORM S-4 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF HONOLULU, AND STATE OF HAWAII ON FEBRUARY 27, 1997.

BANCORP HAWAII CAPITAL TRUST I

By: /s/ DAVID A. HOULE

David A. Houle
Administrative Trustee

By: /s/ JOSEPH T. KIEFER

Joseph T. Kiefer
Administrative Trustee

EXHIBIT NUMBER	DESCRIPTION	NUMBERED PAGE
4.1	-- Junior Subordinated Indenture between the Corporation and The Bank of New York, as Debenture Trustee, dated December 30, 1996.....	
4.2	-- Certificate of Trust of Bancorp Hawaii Capital Trust I.....	
4.3	-- Declaration of Trust among the Corporation, The Bank of New York as Property Trustee, The Bank of New York (Delaware) as Delaware Trustee, and the Administrative Trustees named therein, dated December 30, 1996...	
4.4	-- Amended and Restated Declaration of Trust among the Corporation, The Bank of New York as Property Trustee, The Bank of New York (Delaware) as Delaware Trustee, and the Administrative Trustees named therein, dated December 30, 1996.....	
4.5	-- Form of Capital Security Certificate originally issued by Bancorp Hawaii Capital Trust I on December 30, 1996 (included as Exhibit B of Exhibit 4.4).....	
4.6	-- Form of Capital Security Certificate to be issued by Bancorp Hawaii Capital Trust I and registered under the Securities Act of 1933, as amended*.....	
4.7	-- Form of Security for 8.25% Junior Subordinated Debt Security due December 15, 2026 originally issued by the Corporation on December 30, 1996 (included in Article 2 of Exhibit 4.1).....	
4.8	-- Form of Security for 8.25% Junior Subordinated Debt Security due December 15, 2026 to be issued by the Corporation and registered under the Securities Act of 1933, as amended*.....	
4.9	-- Guarantee Agreement originally executed by the Corporation and The Bank of New York, as Guarantee Trustee, on December 30, 1996.....	
4.10	-- Form of Guarantee Agreement to be entered into by the Corporation and The Bank of New York, as Guarantee Trustee, and registered under the Securities Act of 1933, as amended*.....	
4.11	-- Registration Agreement, dated December 23, 1996 between the Corporation, Bancorp Hawaii Capital Trust I, UBS Securities LLC, Credit Suisse First Boston Corporation and Salomon Brothers Inc.	
5.1	-- Opinion and consent of Metzger, Hollis, Gordon & Alprin as to legality of the Junior Subordinated Debt Securities and the Guarantee to be issued by the Corporation*.....	
5.2	-- Opinion of special Delaware counsel as to legality of the Capital Securities to be issued by Bancorp Hawaii Capital Trust I*.....	
8	-- Opinion of special tax counsel as to certain federal income tax matters.....	
12	-- Computation of ratio of earnings to fixed charges (incorporated by reference to Exhibit 12.1 of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1996).....	
23.1	-- Consent of Ernst & Young LLP.....	
23.2	-- Consent of Metzger, Hollis, Gordon & Alprin (included in Exhibit 5.1)....	
23.3	-- Consent of special Delaware counsel (included in Exhibit 5.2).....	
23.4	-- Consent of special tax counsel (included in Exhibit 8)	
24.1	-- Power of Attorney of Bancorp Hawaii, Inc.	
25.1	-- Form T-1 Statement of Eligibility of The Bank of New York to act as trustee under the Junior Subordinated Indenture*.....	
25.2	-- Form T-1 Statement of Eligibility of The Bank of New York to act as trustee under the Amended and Restated Declaration of Trust*.....	

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EXHIBIT NUMBER	DESCRIPTION	SEQUENTIALLY NUMBERED PAGE
25.3	-- Form T-1 Statement of Eligibility of The Bank of New York under the Guarantee for the benefit of the holders of Capital Securities*.....	
99.1	-- Form of Letter of Transmittal*.....	
99.2	-- Form of Notice of Guaranteed Delivery*.....	
99.3	-- Form of Exchange Agent Agreement*.....	

* To be filed by Amendment.

EXECUTION COPY

BANCORP HAWAII, INC.

to

THE BANK OF NEW YORK

Trustee

JUNIOR SUBORDINATED INDENTURE

Dated as of December 30, 1996

BANCORP HAWAII, INC

Reconciliation and tie between the Trust Indenture Act of 1939 (including cross-references to provisions of Sections 310 to and including 317 which, pursuant to Section 318(c) of the Trust Indenture Act of 1939, as amended by the Trust Reform Act of 1990, are a part of and govern the Indenture whether or not physically contained therein) and the Junior Subordinated Indenture, dated as of December 30, 1996.

Trust Indenture Act Section	Indenture Section
-----	-----
Section 310(a) (1), (2) and (5)	6.09
Section 310(a) (3)	Not Applicable
Section 310(a) (4)	Not Applicable
Section 310(b)	6.08, 6.10
Section 310(c)	Not Applicable
Section 311(a)	6.13
Section 311(b)	6.13
Section 312(a)	7.01, 7.02(a)
Section 312(b)	7.02(b)
Section 312(c)	7.02(c)
Section 313(a)	7.03(a), 7.03(b)
Section 313(b)	7.03(a)
Section 313(c)	7.03(a), 7.03(b)
Section 313(d)	7.03(c)
Section 314(a) (1), (2) and (3)	7.04
Section 314(a) (4)	10.04
Section 314(b)	Not Applicable
Section 314(c) (1)	1.02
Section 314(c) (2)	1.02
Section 314(c) (3)	Not Applicable
Section 314(d)	Not Applicable
Section 314(e)	1.02
Section 314(f)	Not Applicable
Section 315(a)	6.01(a)
Section 315(b)	6,02, 7.03(a)
Section 315(c)	6.01(b)
Section 315(d)	6.01(c)
Section 315(d) (1)	6.01(a)
Section 315(d) (2)	6.01(c) (ii)
Section 315(d) (3)	6.01(c) (iii)
Section 315(e)	5.14
Section 316(a)	1.01
Section 316(a) (1) (A)	5.12
Section 316(a) (1) (B)	5.13
Section 316(a) (2)	Not Applicable
Section 316(b)	5.08
Section 316(c)	1.04(f)
Section 317(a) (1)	5.03
Section 317(a) (2)	5.04
Section 317(b)	10.03
Section 318(a)	1.07

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

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- ANNEX B - FORM OF AMENDED AND RESTATED DECLARATION
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- ANNEX C - FORM OF GUARANTEE AGREEMENT

JUNIOR SUBORDINATED INDENTURE, dated as of
December 30, 1996, between BANCORP HAWAII, INC., a
bank holding company established under the laws of
the state of Hawaii (hereinafter called the
"Company") having its principal office at 130

Merchant Street, Honolulu, Hawaii 96813, and THE BANK OF NEW YORK, a New York banking corporation, as Trustee (hereinafter called the "Trustee").

RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured junior subordinated debt securities in series (hereinafter called the "Securities") of substantially the tenor hereinafter provided, including, without limitation, Securities issued to evidence loans made to the Company of the Proceeds from the issuance from time to time by one or more business trusts (each a "Bancorp Hawaii Capital Trust" and, collectively, the "Bancorp Hawaii Capital Trusts") of preferred trust interests in such Trusts (the "Capital Securities") and common interests in such Trusts (the "Common Securities" and, collectively with the Capital Securities, the "Trust Securities"), and to provide the terms and conditions upon which the Securities are to be authenticated, issued and delivered.

All things necessary to make the Securities, when executed by the Company and authenticated and delivered hereunder and duly issued by the Company, the valid obligations of the Company, and to make this Indenture a valid agreement of the Company, in accordance with their and its terms, have been done.

NOW THEREFORE, THIS INDENTURE WITNESSETH: For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all

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Holders of the Securities or of any series thereof, as follows:

ARTICLE I

Definitions and Other Provisions of General Application

SECTION 1.01. Definitions. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

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

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

(3) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles, and the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles which are generally accepted at the date or time of such computation; provided, that when two or more principles are so generally accepted, it shall mean that set of principles consistent with those in use by the Company.

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

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

"Act", when used with respect to any Holder, has the meaning specified in Section 1.04.

"Additional Interest" means the interest, if any, that shall accrue on any interest on the Securities of any series the payment of which has not been made on the applicable Interest Payment Date and which shall accrue at the rate per annum specified or determined as specified in

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any Officers' Certificate delivered pursuant to Section 3.01 of the Indenture.

"Additional Sums" has the meaning specified in Section 10.06.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person; provided, however, that an Affiliate of the Company shall not be deemed to include any Bancorp Hawaii Capital Trust to which Securities have been issued. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agent Member" means any member of, or participant in, the Depositary.

"Amended and Restated Declaration of Trust" means the Amended and Restated Declaration of Trust, dated December 30, 1996, entered into among the Company, as Depositor, The Bank of New York (Delaware), as Delaware Trustee, and The Bank of New York, as Property Trustee, and the Administrative Trustees named therein.

"Authenticating Agent" means any Person authorized by the Trustee pursuant to Section 6.14 to act on behalf of the Trustee to authenticate Securities of one or more series.

"Bancorp Hawaii Capital Trust" has the meaning specified in the first recital of this Indenture.

"Bancorp Hawaii Guarantee" means the guarantee of the Company of the distributions on the Capital Securities of a Bancorp Hawaii Capital Trust to the extent of the Guarantee Agreement, substantially in the form attached hereto as Annex C, or substantially in such form as may be specified as contemplated by Section 3.01 with respect to the Securities of any series, in each case as amended from time to time.

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

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors, or such committee of the Board of Directors or officers of the Company to which authority to act on behalf of the Board of

Directors has been delegated, and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" means any day other than (i) a Saturday or Sunday, (ii) a day on which banking institutions in the City of New York are authorized or required by law or executive order to remain closed, or (iii) a day on which the Corporate Trust Office of the Trustee, or, with respect to the Securities of a series issued to a Bancorp Hawaii Capital Trust, the principal corporate trust office of the Property Trustee under the related Trust Agreement, is closed for business.

"Capital Securities" has the meaning specified in the first recital of this Indenture, and shall include, where appropriate, Exchange Capital Securities as defined in Article XII.

"Capital Treatment Event" means the reasonable determination by the Company that, as a result of the occurrence of any amendment to, or change (including any announced prospective change) in, the laws (or any rules or regulations thereunder) of the United States or any political subdivision thereof or therein, or as a result of any official or administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or such pronouncement, action or decision is announced on or after the date of issuance of the Capital Securities, there is more than an insubstantial risk that the Company will not be entitled to treat an amount equal to the Liquidation Amount of the Capital Securities as "Tier 1 Capital" (or the then equivalent thereof) for purposes of the capital adequacy guidelines of the Federal Reserve, as then in effect and applicable to the Company.

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

"Common Securities" has the meaning specified in the first recital of this Indenture.

"Common Stock" means the common stock, \$2 par value, of the Company.

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

"Company Request" and "Company Order" mean, respectively, the written request or order signed in the name of the Company by the Chairman, Chief Executive Officer, President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Controller, the Secretary or an Assistant Secretary of the Company, and delivered to the Trustee.

"Corporate Trust Office" means the principal office of the Trustee at which at any particular time its corporate trust business shall be administered, which office as of the date of this Indenture is located at 101 Barclay Street, New York, New York 10286, Attention: Corporate Trust Trustee Administration.

"Corporation" includes a corporation, association, company, joint-stock company or business trust.

"Debt" means, with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent, (i) the principal of and premium, if any, and unpaid interest on indebtedness for money borrowed, (ii) purchase money and similar obligations, (iii) obligations under capital leases, (iv) guarantees, assumptions or purchase commitments relating to, or other transactions as a result of which the Company is responsible for the payment of, such indebtedness of others, (v) renewals, extensions and refunding of any such

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indebtedness, (vi) interest or obligations in respect of any such indebtedness accruing after the commencement of any insolvency or bankruptcy proceedings and (vii) obligations associated with derivative products such as interest rate and currency exchange contracts, foreign exchange contracts, commodity contracts and similar arrangements.

"Declaration of Trust" means the original Declaration of Trust, dated December 23, 1996, executed by the Company, as Depositor, The Bank of New York (Delaware), as Delaware Trustee, and the Administrative Trustees named therein.

"Defaulted Interest" has the meaning specified in Section 3.08.

"Depository" means, with respect to the Securities of any series issuable or issued in whole or in part in the form of one or more Global Securities, the Person designated as Depository by the Company pursuant to Section 3.01 with respect to such series (or any successor thereto (a "Successor Depository")).

"Discount Security" means any security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 5.02.

"Dollar" means the currency of the United States of America that, as at the time of payment, is legal tender for the payment of public and private debts.

"DTC" means The Depository Trust Company.

"Event of Default", unless otherwise specified in the supplemental indenture creating a series of Securities, has the meaning specified in Article V.

"Extension Period" has the meaning specified in Section 3.12.

"Foreign Currency" means any currency issued by the government of one or more countries other than the United States of America or by any recognized confederation or association of such governments.

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"Global Security" means a Security in the form prescribed in Section 2.04 evidencing all or part of a series of Securities, issued to the Depository or its nominee for such series, and registered in the name of such Depository or its nominee.

"Guarantee Agreement" means the Guarantee Agreement substantially in the form attached hereto as Annex C, or substantially in such

form as may be specified as contemplated by Section 3.01 with respect to the Securities of any series, in each case as amended from time to time.

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

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of each particular series of Securities established as contemplated by Section 3.01.

"Institutional Accredited Investor" means an accredited investor within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act.

"Interest Payment Date" means as to each series of Securities the Stated Maturity of an installment of interest on such Securities.

"Interest Rate" means the rate of interest specified or determined as specified in each Security as being the rate of interest payable on such Security.

"Junior Subordinated Payment" has the meaning specified in Section 14.02.

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

"Liquidation Amount" has the meaning specified in Section 1.01 of the Trust Agreement.

"Maturity", when used with respect to any Security, means the date on which the principal of such Security becomes due and payable as therein or herein

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provided, whether as the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

"1940 Act" means the Investment Company Act of 1940, as amended.

"Officers' Certificate" means a certificate signed by the Chairman and Chief Executive Officer, President, or Vice President, and by the Treasurer, the Controller, the Secretary or any Assistant Secretary of the Company, and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Company.

"Original Issue Date" means the date of issuance specified as such in each Security.

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

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

(ii) Securities for whose payment money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent in

trust for the Holders of such Securities; and

(iii) Securities in substitution for or in lieu of which other Securities have been authenticated and delivered or which have been paid pursuant to Section 3.07, unless proof satisfactory to the Trustee is presented that any such Securities are held by Holders in whose hands such Securities are valid, binding and legal obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization,

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direction, notice, consent or waiver, only Securities which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor. Upon the written request of the Trustee, the Company shall furnish the Trustee promptly an Officers' Certificate listing and identifying all Securities, if any, known by the Company to be owned or held by or for the account of the Company, or any other obligor on the Securities or any Affiliate of the Company or such obligor, and, subject to the provisions of Section 6.01, the Trustee shall be entitled to accept such Officers' Certificate as conclusive evidence of the facts therein set forth and of the fact that all Securities not listed therein are Outstanding for the purpose of any such determination.

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

"Person" means any individual, Corporation, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Place of Payment" means, with respect to the Securities of any series, the place or places where the principal of (and premium, if any) and interest on the Securities of such series are payable pursuant to Sections 3.01 and 3.11.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any security authenticated and delivered under Section 3.07 in lieu of a lost, destroyed or stolen Security shall be deemed to evidence the same debt as the lost, destroyed or stolen Security.

"Proceeding" has the meaning specified in Section 14.02.

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"Property Trustee" means, in respect of any Bancorp Hawaii

Capital Trust, the commercial bank or trust company identified as the "Property Trustee" in the related Trust Agreement, solely in its capacity as Property Trustee of such Bancorp Hawaii Capital Trust under each Trust Agreement and not in its individual capacity, or its successor in interest in such capacity, or any successor property trustee appointed as therein provided.

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

"Regular Record Date" for the interest payable on any Interest Payment Date with respect to the Securities of a series means, unless otherwise provided pursuant to Section 3.01 with respect to Securities of a series, the date which is fifteen days next preceding such Interest Payment Date (whether or not a Business Day).

"Responsible Officer", when used with respect to the Trustee means any officer assigned to the Corporate Trust Office, including any vice president, assistant vice president, assistant treasurer, assistant secretary or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and having direct responsibility for the administration of this Indenture, and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Restricted Security" means each Security required pursuant to Section 3.06(c) hereof to bear a Restricted Securities Legend.

"Restricted Securities Legend" means a legend substantially in the form of the legend required in the form of Security set forth in Section 2.02 to be placed on a Restricted Security.

"Securities" or "Security" means any debt securities or debt security, as the case may be, authenticated and delivered under this Indenture.

"Securities Register" and "Securities Registrar" have the respective meanings specified in Section 3.06.

"Senior Debt" means the principal of (and premium, if any) and interest, if any (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company whether or not such claim for post-petition interest is allowed in such proceeding), on Debt of the Company, whether incurred on or prior to the date of this Indenture or thereafter incurred, unless, in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such obligations are not superior in right of payment to the Securities or to other junior subordinated debt securities ("Other Debt") to be issued by the Company pursuant to this Indenture which rank pari passu with, or subordinated to, the Securities; provided, however, that Senior Debt shall not be deemed to include (a) any Debt of the Company which, when incurred and without respect to any election under Section 1111(b) of the U.S. Bankruptcy Code of 1978, as amended, was without recourse to the Company, (b) any Debt of the Company to any of its Subsidiaries, (c) Debt to any employee of the Company arising in the ordinary course of business to the extent that payments made to the holders of such Debt by the holders of the Securities as a result of the subordination provisions of this Indenture would be greater than such payments otherwise would have been as a result of any obligation of such holders of such Debt to pay amounts over to the obligees on such trade accounts payable or accrued liabilities arising in the ordinary course of business as a result of the subordination provisions to which such Debt is subject; and (e) any other debt securities issued pursuant to this Indenture.

"Special Record Date" for the payment of any Defaulted interest means a date fixed by the Trustee pursuant to Section 3.08.

"Stated Maturity" when used with respect to any Security or any installment of principal thereof or interest thereon means the date specified pursuant to the terms of such Security as the date on which the principal of such Security or such installment of interest is due and payable, in the case of such principal, as such date may be shortened or extended as provided pursuant to the terms of such Security and this Indenture.

"Subsidiary" means a corporation more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by the Company or by one or more other

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Subsidiaries, or by the Company and one or more other Subsidiaries. For purposes of this definition, "voting stock" means stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

"Successor Security" of any particular Security means every Security issued after, and evidencing all or a portion of the same debt as that evidenced by, such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 3.07 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Tax Event" means the receipt by the Company of an Opinion of Counsel experienced in such matters to the effect that, as a result of any amendment to, or change (including any announced proposed change) in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or as a result of any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or which proposed change, pronouncement or decision is announced on or after the Original Issue Date of the applicable series of Securities or of the applicable Capital Securities issued by the affected Bancorp Hawaii Capital Trust, there is more than an insubstantial risk that (i) if a Bancorp Hawaii Capital Trust holds such Securities, such Bancorp Hawaii Capital Trust is, or will be within 90 days of the date of such Opinion of Counsel, subject to United States Federal income tax with respect to income received or accrued on such Securities, (ii) interest payable by the Company on such series of Securities is not, or within 90 days of the date of such Opinion of Counsel, will not be, deductible by the Company, in whole or in part, for United States Federal income tax purposes, or (iii) if a Bancorp Hawaii Capital Trust holds such Securities, such Bancorp Hawaii Capital Trust is, or will be within 90 days of the date of such Opinion of Counsel, subject to more than a de minimis amount of other taxes, duties or other governmental charges.

"Trust Agreement" means the Declaration of Trust substantially in the form attached hereto as Annex A, as

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amended by the form of Amended and Restated Declaration of Trust substantially in the form attached hereto as Annex B, or substantially in such form as may be specified as contemplated by Section 3.01 with respect to the Securities of any

series, in each case as amended from time to time.

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

"Trust Indenture Act" means the Trust Indenture Act of 1939 (15 U.S.C. Section 77aaa-77bbb), as amended and as in effect on the date of this Indenture, except as provided in Sections 1.07 and 9.05.

"Trust Securities" has the meaning specified in the first recital of this Indenture.

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

SECTION 1.02. Compliance Certificate and Opinions. Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent (including covenants compliance with which constitutes a condition precedent), if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel that all such conditions precedent (including covenants compliance with which constitute a condition precedent), if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

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Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than the certificates provided regarding conditions or covenants waived by the Holders pursuant to Section 10.05) shall include:

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

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

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

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

SECTION 1.03. Forms of Documents Delivered to Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons

as to other matters, and any such Person may certify or given an opinion as to such matters in one or several documents.

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

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respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

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

SECTION 1.04. Acts of Holders. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given to or taken by Holders, may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments is or are delivered to the Trustee, and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 6.01) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

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

(c) The fact and date of the execution by any Person of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient and in accordance with such reasonable rules as the Trustee may determine.

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

(e) Any request, demand, authorization, direction, notice,

consent, waiver or other action by the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the transfer thereof or in exchange therefor or in lieu thereof in respect of anything done or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

(f) The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to take any action under this Indenture by vote or consent. Except as otherwise provided herein, such record date shall be the later of 30 days prior to the first solicitation of such consent or vote or the date of the most recent list of Securityholders furnished to the Trustee pursuant to Section 7.01 prior to such solicitation. If a record date is fixed, those persons who were Securityholders at such record date (or their duly designated proxies), and only those persons, shall be entitled to take such action by vote or consent or to revoke any vote or consent previously given, whether or not such persons continue to be Holders after such record date, provided, however, that unless such vote or consent is obtained from the Holders (or their duly designated proxies) of the requisite principal amount of Outstanding Securities prior to the date which is the 120th day after such record date, any such vote or consent previously given shall automatically and without further action by any Holder be canceled and of no further effect.

SECTION 1.05. Notices, Etc. to Trustee and Company. Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with:

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

(2) the Company by the Trustee or by any Holder shall be sufficient for every purpose (except as otherwise provided in Section 5.01 hereof) hereunder if in writing and mailed, first class, postage prepaid, to

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the Company addressed to it at the address of its principal office specified in the first paragraph of this instrument or at any other address previously furnished in writing to the Trustee by the Company.

SECTION 1.06. Notice to Holders; Waiver. Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first class postage prepaid, to each Holder affected by such event, at the address of such Holder as it appears in the Securities Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 1.07. Conflict with Trust Indenture Act. This Indenture will not be qualified under the Trust Indenture Act except upon the effectiveness of a registration statement as contemplated in Article XII hereof. If any provision of this Indenture limits, qualifies or conflicts with the

duties imposed by any of Section 310 to 317, inclusive, of the Trust Indenture Act through operation of Section 318(c) thereof, such imposed duties shall control.

SECTION 1.08. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.09. Successors and Assigns. All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 1.10. Separability Clause. In case any provision in this Indenture or in the Securities shall be

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invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 1.11. Benefits of Indenture. Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto, any Paying Agent and their successors and assigns, the holders of Senior Debt and the Holders of the Securities, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 1.12. Governing Law. This Indenture and the Securities shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles thereof.

SECTION 1.13. Non-Business Days. In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security shall not be a Business Day, then (notwithstanding any other provision of this Indenture or the Securities) payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day (and no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be, until such next succeeding Business Day) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the Interest Payment Date or Redemption Date or at the Stated Maturity, as the case may be, such payment was originally payable.

ARTICLE II

Security Forms

SECTION 2.01. Forms Generally. The Securities of each series and the Trustee's certificate of authentication shall be in substantially the forms set forth in this Article, or in such other form or forms as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks

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of identification and such legends or endorsements placed thereon as may be required to comply with applicable tax laws or the rules of any securities

exchange or as may, consistently herewith, be determined by the officers executing such securities, as evidenced by their execution of the Securities. If the form of Securities of any series is established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 3.03 with respect to the authentication and delivery of such Securities.

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

The definitive Securities shall be printed, lithographed or engraved or produced by any combination of these methods, if required by any securities exchange on which the Securities may be listed, on a steel engraved border or steel engraved borders or may be produced in any other manner permitted by the rules or any securities exchange on which the Securities may be listed, all as determined by the officers executing such Securities, as evidenced by their execution of such securities.

Securities distributed to holders of Book-Entry Capital Securities shall be distributed in the form of one or more Global Securities registered in the name of a Depository or its nominee, and deposited with the Securities Registrar, as custodian for such Depository, or held by such Depository for credit by the Depository to the respective accounts of the beneficial owners of the Securities represented thereby (or such other accounts they may direct). Securities distributed to holders of Capital Securities other than Book-Entry Capital Securities shall not be issued in the form of a Global Security or any other form intended to facilitate book-entry trading in beneficial interests in such Securities.

SECTION 2.02. Form of Face of Security. [If this Security is a Global Security, insert--This Security is a Global Security within the meaning of the Indenture hereinafter referred to and is registered in the name of The Depository Trust Company (the "Depository") or a nominee of the Depository. This Security is exchangeable for Securities registered in the name of a person other than the

Depository or its nominee only in the limited circumstances described in the Indenture and no transfer of this Security (other than a transfer of this Security as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository) may be registered except in limited circumstances.

Unless this Security is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York) to Bancorp Hawaii, Inc. or its agent for registration of transfer, exchange or payment, and any Security issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment hereon is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE TRANSFEROR REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ACQUIRING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), AND, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE

SECURITIES LAWS OF THE STATES AND OTHER JURISDICTIONS OF THE UNITED STATES. THE HOLDER OF THIS SECURITY AGREES THAT IT WILL COMPLY WITH THE FOREGOING RESTRICTIONS.

BANCORP HAWAII, INC.
(Title of Security)

No. \$
CUSIP:

BANCORP HAWAII, INC., a corporation organized and existing under the laws of Hawaii (hereinafter called the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____, or its registered assigns, the principal sum of _____ Dollars on _____ [; provided that the Company may (i) change the

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maturity date upon the occurrence of an exchange of the Securities for the Trust Securities subject to certain conditions set forth in Section 3.15 of the Indenture, which changed maturity date shall in no case be earlier than, or later than _____ and (ii) extend the maturity date subject to certain conditions specified in Section 3.15 of the Indenture, which extended maturity date shall in no case be later than _____, [_____] . The Company further promises to pay interest on said principal sum from _____, or from the most recent interest payment date (each such date, an "Interest Payment Date") on which interest has been paid or duly provided for, [monthly] [quarterly] [semi-annually] [if applicable, insert--(subject to deferral as set forth herein)], in arrears on [insert applicable Interest Payment Dates] of each year, commencing _____, _____, at the rate of _____ % per annum, until the principal hereof shall have become due and payable, [if applicable, insert--plus Additional Interest, if any,] until the principal hereof is paid or duly provided for or made available for payment [if applicable, insert--and only any overdue principal and (without duplication and to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the rate of _____ % per annum, compounded [monthly] [quarterly] [semi-annually] [annually]]. The amount of interest payable for any period shall be computed on the basis of twelve 30-day months and a 360-day year. The amount of interest payable for any partial period shall be computed on the basis of the number of days elapsed in a 360-day year of twelve 30-day months. In the event that any date on which interest is payable on this Security is not a Business Day, then a payment of the interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the date the payment was originally payable. A "Business Day" shall mean any day other than (i) a Saturday or Sunday, (ii) a day on which banking institutions in the City of New York are authorized or required by law or executive order to remain closed or (iii) a day on which the Corporate Trust Office of the Trustee [if applicable, insert--, or the Corporate Trust Office of the Property Trustee under the Declaration of Trust hereinafter referred to for Bancorp Hawaii Capital Trust _____] is closed for business. The interest installment so payable, and punctually paid or duly

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provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor

Securities, as defined in the Indenture) is registered at the close of business on the Regular Record Date for such interest installment, which shall be the [insert definition of Regular Record Dates]. Any such interest installment not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

[If applicable, insert--So long as no Event of Default has occurred and is continuing, the Company shall have the right at any time during the term of this Security, from time to time, to defer payment of interest on such Security for up to consecutive [monthly] [quarterly] [semi-annual] interest payment periods with respect to each deferral period (each an "Extension Period"), during which Extension Periods the Company shall have the right to make partial payments of interest on any Interest Payment Date, and at the end of which the Company shall pay all interest then accrued and unpaid (together with Additional Interest thereon to the extent permitted by applicable law); provided, however, that no Extension Period may extend beyond the Maturity of this Security. During any such Extension Period, the Company will not (i) declare or pay any dividends or distributions on or redeem, purchase, acquire or make a liquidation payment with respect to, any of the Company's outstanding capital stock or (ii) make any payment of principal of, interest or premium, if any, on or repay, repurchase or redeem any debt securities of the Company including other debt that ranks pari passu with or junior in interest to this Security or (iii) make any guarantee payments with respect to any guarantee by the Company of the debt securities of any Subsidiary of the Company (including other guarantees) if such guarantee ranks pari passu with or junior in interest to this Security (other than (a) dividends or distributions in Common Stock

of the Company, (b) any declaration of a dividend in connection with the implementation of a stockholders' rights plan, or the issuance of stock under any such plan in the future, or the redemption or repurchase of any such rights pursuant thereto, (c) payments under the Guarantee Agreement (as defined in the Indenture), (d) purchases or acquisitions of shares of the Company's Common Stock in connection with the satisfaction by the Company of its obligations under any employee benefit plan or other contractual obligation of the Company (other than a contractual obligation ranking pari passu with or junior to these Securities), (e) as a result of a reclassification of the Company's capital stock or the exchange or conversion of one class or series of the Company's capital stock for another class or series of the Company's capital stock, or (f) the purchase of fractional interests in shares of the Company's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged). Prior to the termination of any such Extension Period, the Company may further extend such Extension Period, provided, however, that such extension does not cause such Extension Period to exceed consecutive [monthly] [quarterly] [semi-annual] interest payment periods or extend beyond the Maturity of this Security. Upon the termination of any Extension Period and the payment of all accrued and unpaid interest and any Additional Interest then due, the Company may elect to begin a new Extension Period, subject to the above requirements. No interest shall be due and payable during an Extension Period except at the end thereof. The Company shall give the Holder of this Security and the Trustee notice of its election to begin any Extension Period at least five Business Days prior to the Interest Payment Date, [if applicable, insert--or, with respect to the Securities issued to a Bancorp Hawaii Capital Trust, prior to the earlier of (i) the date the Distributions on the Capital Securities would have been payable except for the election to begin

or extend such Extension Period or (ii) the date the Administrative Trustees are required to give notice to any automated quotation system or to holders or such Capital Securities of the record date or the date such Distributions are payable, but in any event not less than five Business Days prior to such record date]. There is no limitation on the number of times the Company may elect to begin an Extension Period.

Payment of the principal of (and premium, if any) and interest on this Security will be made at the office or agency of the Company maintained for that purpose in the

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United States, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts [if applicable, insert-- ; provided, however, that at the option of the Company payment of any interest may be made (except with respect to Securities in Global form) (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Securities Register or (ii) by wire transfer in immediately available funds at such place and to such account as may be designated no later than the relevant Record Date by the Person entitled thereto as specified in the Securities Register].

The indebtedness evidenced by this Security is, to the extent provided in the Indenture, subordinate and junior in right of payment to the prior payment in full of all Senior Debt, and this Security is issued subject to the provisions of the Indenture with respect thereto. Each Holder of this Security, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his behalf to take such actions as may be necessary or appropriate to effectuate the subordination so provided and (c) appoints the Trustee his attorney-in-fact for any and all such purposes. Each Holder hereof, by his acceptance hereof, waives all notice of the acceptance of the subordination provisions contained herein and in the Indenture by each holder of Senior Debt, whether now outstanding or hereinafter incurred, and waives reliance by each such holder upon said provisions.

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

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be

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entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

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

BANCORP HAWAII, INC.,

[Seal]

by

[Chairman and Chief
Executive Officer,

President or
Vice President]

Attest:

[Secretary or Assistant
Secretary]

SECTION 2.03. Form of Reverse of Security. This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under a Junior Subordinated Indenture, dated as of December 30, 1996 (herein called the "Indenture"), between the Company and The Bank of New York, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Trustee, the Company and the Holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof[, limited in aggregate principal amount to \$].

All terms used in this Security that are defined in the Indenture [if applicable, insert--and in the Amended and Restated Declaration of Trust, dated as of December 30, 1996, as amended (the "Declaration of Trust"), among Bancorp Hawaii, Inc., as Depositor, and the Trustees named therein,] shall have the meanings assigned to them in the Indenture or the Declaration of Trust, as the case may be.

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[If applicable, insert--On or after , the Company may at any time, at its option, subject to the terms and conditions of Article XI of the Indenture and subject to the Company having received prior approval of the Federal Reserve if then required under applicable capital guidelines of the Federal Reserve, redeem this Security in whole or in part at any time or from time to time prior to maturity, at a redemption price (the "Optional Repayment Price") equal to the following prices, expressed in percentages of the principal amount of the Securities together with accrued but unpaid interest to but excluding the date fixed for redemption. If redeemed during the 12-month period beginning :

Year	Redemption
----	Price

[Insert year and
redemption prices]

and at 100% on or after .]

[If applicable, insert--If a Tax Event or a Capital Treatment Event in respect of the Bancorp Hawaii Capital Trust shall occur and be continuing, the Company may, at its option and subject to receipt of prior approval of the Federal Reserve if then required under applicable capital

guidelines or policies of the Federal Reserve, subject to the provisions of Section 11.07 and the other provisions of Article XI of the Indenture, terminate the Trust and distribute the Junior Subordinated Debt Securities to the holders of the Trust Securities at any time within 90 days of the occurrence of such Tax Event or Capital Treatment Event, as the case may be, and, if such Tax Event or Capital Treatment Event, as the case may be, continues notwithstanding the taking of such actions, to prepay the Junior Subordinated Debt Securities in whole (but not in part, in the case of a redemption prior to [], at a redemption price (the "Event Prepayment Price") equal to the Make-Whole Amount plus accrued interest to but excluding the date fixed for redemption. The "Make-Whole Amount" will be equal to the greater of (i) 100% of the principal amount of such Junior Subordinated Debt Securities and (ii) as determined by a Quotation Agent (as defined below), the sum of the present values of the principal amount and premium payable as part of the Optional

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Prepayment Price with respect to an optional redemption of such Junior Subordinated Debt Securities on [], together with the present values of scheduled payments of interest from the redemption date to [] (the "Remaining Life"), in each case discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate. In the case of a redemption on or after [] following a Tax Event or a Capital Treatment Event, the Event Prepayment Price shall equal the Optional Prepayment Price then applicable to a redemption as described above.

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

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

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

The Indenture permits, with certain exceptions as therein provided, the Company and the Trustee at any time to enter into a supplemental indenture or indentures for the purpose of modifying in any manner the rights and obligations of the Company and of the Holders of the Securities, with the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of each series to be affected by such supplemental indenture. The Indenture also contains provisions

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permitting Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain

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

[If the Security is not a Discount Security,--As provided in and subject to the provisions of the Indenture, if an Event of Default with respect to the Securities of this series at the time Outstanding occurs and is continuing, then and in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of this series may declare the principal amount of all the Securities of this series to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), provided, however, that, in the case of the Securities of this series issued to a Bancorp Hawaii Capital Trust, if upon an Event of Default, the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of this series fails to declare the principal of all the Securities of this series to be immediately due and payable, the holders of at least 25% in aggregate Liquidation Amount of the corresponding series of Capital Securities then outstanding shall have such right by a notice in writing to the Company and the Trustee. The Holders of a majority in aggregate principal amount of the Outstanding Securities of these Securities may annul such declaration and waive the default if the default (other than the non-payment of the principal of these Securities which has become due solely by such acceleration) has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration has been deposited with the Trustee. Should the Holders of these Securities fail to annul such declaration and waive such default, the holders of a majority in aggregate Liquidation Amount of the Capital Securities shall have such right. Upon any such declaration such specified amount of and the accrued interest (including any Additional Interest) on all the Securities of this series shall become immediately due and payable, provided that the payment of principal and interest (including any

Additional Interest) on such Securities shall remain subordinated to the extent provided in Article XIV of the Indenture.]

[If the Security is a Discount Security,--As provided in and subject to the provisions of the Indenture, if an Event of Default with respect to the Securities of this series at the time Outstanding occurs and is continuing, then and in every such case the Trustee or the Holders of not less than such portion of the principal amount as may be specified in the terms of this series of all the Securities of this series to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), provided that, in the case of the Securities of this series issued to a Bancorp Hawaii Capital Trust, if upon an Event of Default, the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of this series fails to declare the principal of all the Securities of this series to be immediately due and payable, the holders of at least 25% in aggregate Liquidation Amount of the corresponding series of Capital Securities then outstanding shall have such right by a notice in writing to the Company and the Trustee. The Holders of a majority in aggregate principal amount of the Outstanding Securities of these Securities may annul such declaration and waive the default if the default (other than the nonpayment of the principal of these Securities which has become due solely by such acceleration) has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration has been deposited with the Trustee. Should the Holders of these Securities fail to annul such declaration and waive such default, the holders of a majority in aggregate Liquidation Amount of the Capital Securities shall have such right. Upon any such declaration such specified amount of and the accrued interest (including any Additional Interest)

on all the Securities of this series shall become immediately due and payable, provided that the payment of principal and interest (including any Additional Interest) on such Securities shall remain subordinated to the extent provided in Article XIII of the Indenture.]

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

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As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Securities Register, upon surrender of this Security for registration of transfer at the office or agency of the Company maintained pursuant to Section 10.02 of the Indenture duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Securities Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing and thereupon one or more new Securities of this series, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

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

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

The Company and, by its acceptance of this Security or a beneficial interest therein, the Holder of, and any Person that acquires a beneficial interest in, this Security intend that such Security constitute indebtedness and agree to treat such Security as indebtedness for all United States Federal, state and local tax purposes.

THE INDENTURE AND THIS SECURITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

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SECTION 2.04. Additional Provisions Required in Global Security. Any Global Security issued hereunder shall, in addition to the provisions contained in Sections 2.02 and 2.03, bear a legend in substantially the following form:

"This Security is a Global Security within the meaning of the Indenture hereinafter referred to and is registered in the name of a Depository

or a nominee of a Depositary. This Security is exchangeable for Securities registered in the name of a person other than the Depositary or its nominee only in the limited circumstances described in the Indenture and may not be transferred except as a whole by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary."

SECTION 2.05. Form of Trustee's Certificate of Authentication. This is one of the Securities referred to in the within mentioned Indenture:

as Trustee

By: -----
Authorized Signatory

ARTICLE III

The Securities

SECTION 3.01. Title and Terms. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

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

(a) the title of the securities of such series, which shall distinguish the Securities of the series from all other Securities;

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(b) the limit, if any, upon the aggregate principal amount of the Securities of such series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 3.04, 3.06, 3.07, 9.06 or 11.06); provided, however, that the authorized aggregate principal amount of such series may be increased above such amount by a Board Resolution to such effect;

(c) the Stated Maturity or Maturities on which the principal of the Securities of such series is payable or the method of determination thereof;

(d) the rate or rates, if any, at which the Securities of such series shall bear interest, if any, the rate or rates and extent to which Additional Interest, if any, shall be payable in respect of any Securities of such series, the Interest Payment Dates on which such interest shall be payable, the right, pursuant to Section 3.12 or as otherwise set forth therein, of the Company to defer or extend an Interest Payment Date, and the Regular Record Date for the interest payable on any Interest Payment Date or the method by which any of the foregoing shall be determined;

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

the place or places where the Securities of such series may be presented for registration of transfer or exchange, and the place or places where notices and demands to or upon the Company in respect of the Securities of such series may be made;

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

(g) the obligation or the right, if any, of the Company to redeem, repay or purchase the Securities of such series pursuant to any sinking fund, amortization or analogous provisions, or at the option of a Holder thereof, and the period or periods within which, the

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prices or prices at which, the currency or currencies (including currency unit or units) in which and the other terms and conditions upon which Securities of the series shall be redeemed, repaid or purchased, in whole or in part, pursuant to such obligations;

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

(i) if other than Dollars, the currency or currencies (including currency unit or units) in which the principal of (and premium, if any) and interest, if any, on the Securities of the series shall be payable, or in which the Securities of the series shall be denominated and the manner of determining the equivalent thereof in Dollars for purposes of the definition of the term "Outstanding";

(j) the additions, modifications or deletions, if any, in the Events of Default or covenants of the Company set forth herein with respect to the Securities of such series;

(k) if other than the principal amount thereof, the portion of the principal amount of Securities of such series that shall be payable upon declaration of acceleration of the Maturity thereof;

(l) the additions or changes, if any, to this Indenture with respect to the Securities of such series as shall be necessary to permit or facilitate the issuance of the Securities of such series in bearer form, registrable or not registrable as to principal, and with or without interest coupons;

(m) any index or indices used to determine the amount of payments of principal of and premium, if any, on the Securities of such series or the manner in which such amounts will be determined;

(n) the issuance of a temporary Global Security representing all of the Securities of such series and exchange of such temporary Global Security for definitive Securities of such series;

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(o) whether the Securities of the series shall be issued in whole or in part in the form of one or more Global Securities and, in

such case, the Depository for such Global Securities, which Depository shall be a clearing agency registered under the Securities Exchange Act of 1934, as amended;

(p) the appointment of any Paying Agent or Agents for the Securities of such series;

(q) the terms of any right to convert or exchange Securities of such series into any other securities or property of the Company, and the additions or changes, if any, to this Indenture with respect to the Securities of such series to permit or facilitate such conversion or exchange;

(r) the form or forms of the Declaration of Trust, Amended and Restated Declaration of Trust and Guarantee Agreement, if different from the forms attached hereto as Annexes A, B and C, respectively;

(s) the relative degree, if any, to which the Securities of the series shall be senior to or be subordinated to other series of Securities in right of payment, whether such other series of Securities are Outstanding or not; and

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

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

Unless otherwise provided with respect to the Securities of any series, at the option of the Company, interest on the Securities of any series that bears interest may be paid by (i) by mailing a check to the address of the person entitled thereto as such address shall appear in the Securities Register or (ii) by wire transfer in immediately available funds at such place and to such account as may be designated by the person entitled thereto as specified in the Securities Register.

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

SECTION 3.02. Denominations. The Securities of each series shall be in registered form without coupons and shall be issuable in denominations of \$1,000 and any integral multiple thereof, unless otherwise specified as contemplated by Section 3.01.

SECTION 3.03. Execution, Authentication, Delivery and Dating. The Securities shall be executed on behalf of the Company by its Chairman of the Board, its President or one of its Vice Presidents under its corporate seal reproduced or impressed thereon and attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Securities may be manual or facsimile.

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

time to time after the execution and delivery of this Indenture, the Company may deliver Securities executed by the Company to the Trustee for authentication. Securities may be authenticated on original issuance from time to time and delivered pursuant to such procedures acceptable to the Trustee ("Procedures") as may be specified from time to time by Company Order. Procedures may authorize authentication and delivery pursuant to oral instructions of the Company or a duly authorized agent, which instructions shall be promptly confirmed in writing.

Prior to the delivery of a Security in any such form to the Trustee for authentication, the Company shall deliver to the Trustee the following:

(a) a Company Order requesting the Trustee's authentication and delivery of all or a portion of the Securities of such series, and if less than all, setting forth procedures for such authentication;

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(b) the Board Resolution by or pursuant to which such form of Security has been approved, and the Board Resolution, if any, by or pursuant to which the terms of the Securities of such series have been approved, and, if pursuant to a Board Resolution, an Officers' Certificate describing the action taken;

(c) an Officers' Certificate dated the date such certificate is delivered to the Trustee, stating that all conditions precedent provided for in this Indenture relating to the authentication and delivery of Securities in such form and with such terms have been complied with; and

(d) an Opinion of Counsel stating that (i) the form of such Securities has been duly authorized and approved in conformity with the provisions of this Indenture; (ii) the terms of such Securities have been duly authorized and determined in conformity with the provisions of this Indenture, or, if such terms are to be determined pursuant to Procedures, as defined above, when so determined such terms shall have been duly authorized and determined in conformity with the provisions of this Indenture; and (iii) Securities in such form when completed by appropriate insertions and executed and delivered by the Company to the Trustee for authentication in accordance with this Indenture, authenticated and delivered by the Trustee in accordance with this Indenture within the authorization as to aggregate principal amount established from time to time by the Board of Directors and sold in the manner specified in such Opinion of Counsel, will be the legal, valid and binding obligations of the Company entitled to the benefits of this Indenture, subject to applicable bankruptcy, reorganization, insolvency and similar laws generally affecting creditors' rights, to general equitable principles and except as enforcement thereof may be limited by (A) requirements that a claim with respect to any Securities denominated other than in Dollars (or a Foreign Currency or currency unit judgment in respect of such claim) be converted into Dollars at a rate of exchange prevailing on a date determined pursuant to applicable law or (B) governmental authority to limit, delay or prohibit the making of payments in Foreign Currencies or currency units or payments outside the United States, and subject to such other qualifications as such counsel shall conclude do not materially affect the

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rights of Holders of such Securities; provided, however, that the Trustee shall be entitled to receive the documents referred to in clauses (b), (c) above and this clause (d) only at or prior to the first request of the Company to the Trustee to authenticate Securities of such series.

Each Security shall be dated the date of its authentication.

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

SECTION 3.04. Temporary Securities. Pending the preparation of definitive Securities of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and make available for delivery, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Securities of such series in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities of any series are issued, the Company will cause definitive Securities of such series to be prepared without unreasonable delay. After the preparation of definitive Securities, the temporary Securities shall be exchangeable for definitive Securities upon surrender of the temporary Securities at the office or agency of the Company designated for that purpose without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities, the Company shall execute and the Trustee shall authenticate and make available for delivery in exchange therefor a like principal amount of definitive Securities of the same series of authorized denominations having the same Original Issue Date and Stated Maturity and having the same terms as such temporary Securities. Until so exchanged, the temporary

Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities.

SECTION 3.05. Global Securities. (a) Each Global Security issued under this Indenture shall be registered in the name of the Depositary designated by the Company for such Global Security or a nominee thereof and delivered to such Depositary or a nominee thereof or custodian therefor, and each such Global Security shall constitute a single Security for all purposes of this Indenture.

(b) Notwithstanding any other provision in this Indenture, no Global Security may be exchanged in whole or in part for Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any Person other than the Depositary for such Global Security or a nominee thereof unless (a) such Depositary advises the Trustee in writing that such Depositary is no longer willing or able to properly discharge its responsibilities as Depositary with respect to such Global Security, and the Company is unable to locate a qualified successor, (b) the Company executes and delivers to the Trustee a Company Order stating that the Company elects to terminate the book-entry system through the Depositary, (c) there shall have occurred and be continuing an Event of Default or (d) pursuant to the following sentence. All or any portion of a Global Security may be exchanged for a Security that has a like aggregate principal amount and is not a Global Security

upon 20 days' prior request made by the Depositary or its Agent Member to the Securities Registrar.

(c) If any Global Security is to be exchanged for other Securities or canceled in whole, it shall be surrendered by or on behalf of the Depositary or its nominee to the Securities Registrar for exchange or cancellation as provided in this Article III. If any Global Security is to be exchanged for other Securities or canceled in part, or if another Security is to be exchanged in whole or in part for a beneficial interest in any Global Security, then either (i) such Global Security shall be so surrendered for exchange or cancellation as provided in this Article III or (ii) the principal amount thereof shall be reduced, subject to Section 3.06(b)(iv), or increased by an amount equal to the portion thereof to be so exchanged or canceled, or equal to the principal amount of such other Security to be so exchanged for a beneficial interest therein, as the case may

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be, by means of an appropriate adjustment made on the records of the Securities Registrar, whereupon the Trustee shall instruct the Depositary or its authorized representative to make a corresponding adjustment to its records. Upon any such surrender or adjustment of a Global Security by the Depositary, accompanied by registration instructions, the Trustee shall, subject to Section 3.05(b) and as otherwise provided in this Article III, authenticate and deliver any Securities issuable in exchange for such Global Security (or any portion thereof) in accordance with the instructions of the Depositary. The Trustee shall not be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be fully protected in relying on, such instructions.

(d) Every Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, a Global Security or any portion thereof, whether pursuant to this Article III, Section 9.06 or 11.06 or otherwise, shall be authenticated and delivered in the form of, and shall be, a Global Security, unless such Security is registered in the name of a Person other than the Depositary for such Global Security or a nominee thereof.

(e) The Depositary or its nominee, as registered owner of a Global Security, shall be the Holder of such Global Security for all purposes under this Indenture and the Securities, and owners of beneficial interests in a Global Security shall hold such interest pursuant to the rules and procedures of the Depositary. Accordingly, any such owner's beneficial interests in a Global Security shall be shown only on, and the transfer of such interest shall be effected only through, records maintained by the Depositary or its nominee or its Agent Members. Neither the Trustee nor the Securities Registrar shall have any liability in respect of any transfers effected by the Depositary.

(f) The rights of the beneficial interests in a Global Security shall be exercised only through the Depositary and shall be limited to those established by law and agreements between such owners and the Depositary and/or its Agent Members.

SECTION 3.06. Registration, Transfer and Exchange Generally; Certain Transfers and Exchanges; Restricted Securities Legends. (a) The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register in which, subject to such reasonable regulations as it may

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prescribe, the Company shall provide for the registration of the Securities and of transfers of Securities. Such register is herein sometimes referred to as the

"Securities Register". The Trustee is hereby appointed "Securities Registrar" for the purpose of registering the Securities and transfers of Securities as herein provided.

Upon surrender for registration of transfer of any Security at the office or agency of the Company designated for that purpose the Company shall execute, and the Trustee shall authenticate and make available for delivery, in the name of the designated transferee or transferees, one or more new Securities of the same series of any authorized denominations, of a like aggregate principal amount, of the same Original Issue Date and Stated Maturity and having the same terms.

At the option of the Holder, Securities may be exchanged for other Securities of the same series of any authorized denominations, of a like aggregate principal amount, of the same Original Issue Date and Stated Maturity and having the same terms, upon surrender of the Securities to be exchanged at such office or agency. Whenever any securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and make available for delivery, the Securities which the Holder making the exchange is entitled to receive.

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

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

No service charge shall be made to a Holder for any transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Securities.

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Notwithstanding any of the foregoing, any Global Security of a series shall be exchangeable pursuant to this Section 3.06 for Securities registered in the names of Persons other than the Depositary for such Security or its nominee only if (i) such Depositary notifies the Company that it is unwilling or unable to continue as Depositary for such Global Security and no Successor Depositary shall have been appointed, or if at any time such Depositary ceases to be a "clearing agency" registered under the Securities Exchange Act of 1934, as amended, at a time when such Depositary is required to be so registered to act as such Depositary, (ii) the Company executes and delivers to the Trustee a Company Order that such Global Security shall be so exchangeable or (iii) there shall have occurred and be continuing an Event of Default with respect to the Securities of such series. Any Global Security that is exchangeable pursuant to the preceding sentence shall be exchangeable for Securities registered in such names as such Depositary shall direct.

Notwithstanding any other provision in this Indenture, a Global Security may not be transferred except as a whole by the Depositary with respect to such Global Security to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary.

Neither the Company nor the Trustee shall be required, pursuant to the provisions of this Section, (a) to issue, transfer or exchange any Security of any series during a period beginning at the opening of business 15 days before the day of mailing of notice of redemption of Securities pursuant to Article XI and ending at the close of business on the day of mailing of

notice of redemption or (b) to transfer or exchange any Security so selected for redemption in whole or in part, except, in the case of any Security to be redeemed in part, any portion thereof not to be redeemed.

(b) Certain Transfers and Exchanges. Notwithstanding any other provision of the Indenture, transfers and exchanges of Securities and beneficial interests in a Global Capital Security of the kinds specified in this Section 3.06(b) shall be made only in accordance with this Section 3.06(b).

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(i) Restricted Non-Global Security to Global Security. If the Holder of a Restricted Security (other than a Global Security) wishes at any time to transfer all or any portion of such Security to a Person who wishes to take delivery thereof in the form of a beneficial interest in a Global Security, such transfer may be effected only in accordance with the provisions of this clause (b)(i) and subject to the rules and procedures of the Depositary. Upon receipt by the Securities Registrar of such Security as provided in Section 3.06(a) and instructions satisfactory to the Securities Registrar directing that a beneficial interest in the Global Security in a specified principal amount not greater than the principal amount of such Security be credited to a specified Agent Member's account, then the Securities Registrar shall cancel such Security (and issue a new Security in respect of the untransferred portion thereof) as provided in Section 3.06(a) and increase the aggregate principal amount of the Global Security by the specified principal amount as provided in Section 3.05(c).

(ii) Non-Global Security to Non-Global Security. A Security that is not a Global Security may be transferred, in whole or in part, to a Person who takes delivery in the form of another Security that is not a Global Security as provided in Section 3.06(a).

(iii) Exchanges between Global Security and Non-Global Security. A beneficial interest in a Global Security may be exchanged for a Security that is not a Global Security as provided in Section 3.05.

(iv) Limitations Relating to Principal Amount. Notwithstanding any other provision of this Indenture and unless otherwise specified as permitted by Section 3.01, Securities or portions thereof may be transferred or exchanged only in principal amounts of not less than \$1,000 and integral multiples of \$1,000 in excess thereof. Any transfer, exchange or other disposition of Securities in contravention of the Section 3.06(b)(iv) shall be deemed to be void and of no legal effect whatsoever, any such transferee shall be deemed not to be the Holder or owner of any beneficial interest in such Securities for any purpose, including but not limited to the receipt of interest payable on such Securities, and such transferee shall be deemed to have no interest whatsoever in such Securities.

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(c) Restricted Securities Legend. Except as set forth below, all Securities shall bear a Restricted Securities Legend, subject to the following:

(i) subject to the following clauses of this Section 3.06(c), a Security or any portion thereof which is exchanged, upon transfer or otherwise, for a Global Security or any portion thereof shall bear the Restricted Securities Legend;

(ii) subject to the following clauses of this Section 3.06(c),

a new Security which is not a Global Security and is issued in exchange for another Security (including a Global Security) or any portion thereof, upon transfer or otherwise, shall, if such new Security is required pursuant to Section 3.06(b)(ii) or (iii) to be issued in the form of a Restricted Security, bear a Restricted Securities Legend;

(iii) a new Security which does not bear a Restricted Securities Legend may be issued in exchange for or in lieu of a Restricted Security (other than a Global Security) or any portion thereof which bears such a legend if, in the Company's judgment, placing such a legend upon such new Security is not necessary to ensure compliance with the registration requirements of the Securities Act, and the Trustee, at the written direction of the Company in the form of an Officers' Certificate, shall authenticate and deliver such a new Security as provided in this Article III; and

(iv) notwithstanding the foregoing provisions of this Section 3.06(c), a Successor Security of a Security that does not bear a Restricted Securities Legend shall not bear such form of legend unless the Company has reasonable cause to believe that such Successor Security is a "restricted security" within the meaning of Rule 144, in which case the Trustee, at the written direction of the Company in the form of an Officers' Certificate, shall authenticate and deliver a new Security bearing a Restricted Securities Legend in exchange for such Successor Security as provided in this Article III.

SECTION 3.07. Mutilated, Destroyed, Lost and Stolen Securities. If any mutilated Security is surrendered to the Trustee together with such security or indemnity as may be required by the Company or the Trustee to save each

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of them harmless, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same issue and series of like tenor and principal amount, having the same Original Issue Date and Stated Maturity and bearing the same Interest Rate as such mutilated Security, and bearing a number not contemporaneously outstanding.

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

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

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

Every new Security issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be

entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities duly issued hereunder.

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

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SECTION 3.08. Payment of Interest; Interest Rights Preserved. Interest on any Security of any series which is payable, and is punctually paid or duly provided for, on any Interest Payment Date, shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest in respect of Securities of such series, except that, unless otherwise provided in the Securities of such series, interest payable on the Stated Maturity of a Security shall be paid to the Person to whom principal is paid. The initial payment of interest on any Security of any series which is issued between a Regular Record Date and the related Interest Payment Date shall be payable as provided in such Security or in the Board Resolution pursuant to Section 3.01 with respect to the related series of Securities.

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

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series in respect of which interest is in default (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall not be more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt

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by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class, postage prepaid, to each Holder of a Security of such series at the address of such Holder as it appears in the Securities Register not less than 10 days prior to such Special Record Date. The Trustee may, in its discretion, in the name and at the expense of the Company, cause a similar notice to be published at least once in a newspaper, customarily published in the English language on each Business Day and of general circulation in the Borough of Manhattan, the City of New York, but such publication shall not be a condition precedent to the establishment of such Special Record Date. Notice of the

proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered on such Special Date and shall no longer be payable pursuant to the following Clause (2).

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

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

SECTION 3.09. Persons Deemed Owners. The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name any Security is registered as the owner of such Security for the purpose of receiving payment of principal of and (subject to Section 3.08) interest on such Security and for all other purposes whatsoever, whether or not such Security be

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overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary. No holder of any beneficial interest in any Global Security held on its behalf by a Depositary shall have any rights under this Indenture with respect to such Global Security, and such Depositary may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company or the Trustee from giving effect to any written certification, proxy, or other authorization furnished by a Depositary or impair, as between the Depositary and such holders of beneficial interests, the operation of customary practices governing the exercise of the rights of the Depositary (or its nominee) as Holder of any Security.

SECTION 3.10. Cancellation. All Securities surrendered for payment, redemption, transfer or exchange shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee, and any such Securities and Securities surrendered directly to the Trustee for any such purpose shall be promptly canceled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly canceled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities canceled as provided in this Section, except as expressly permitted by this Indenture. All canceled Securities shall be returned by the Trustee to the Company for destruction.

SECTION 3.11. Computation of Interest. Except as otherwise specified as contemplated by Section 3.01 for Securities of any series, interest on the Securities of each series for any period shall be computed on the basis of a 360-day year of twelve 30-day months and interest on the Securities of each series for any partial period shall be computed on the basis of the number of days elapsed in a 360-day year of twelve 30-day months.

SECTION 3.12. Deferrals of Interest Payment Dates. If specified as contemplated by Section 3.01 with respect to the Securities of a particular series, provided that no Event of Default has occurred and is continuing with respect to the Securities, the Company shall have the right, at any time or from time to time during the term of such

series, to defer the payment of interest on such Securities for such period or periods as may be specified as contemplated by Section 3.01 (each, an "Extension Period") during which Extension Periods the Company shall have the right to make partial payments of interest on any Interest Payment Date. No Extension Period shall end on a date other than an Interest Payment Date. At the end of any such Extension Period the Company shall pay all interest then accrued and unpaid on the Securities (together with Additional Interest thereon, if any, at the rate specified for the Securities of such series to the extent permitted by applicable law), provided, however, that no Extension Period may extend beyond the Maturity of these Securities. During an Extension Period, interest will continue to accrue and holders of the Securities will be required to accrue interest income for U.S. federal income tax purposes. During any such Extension Period, the Company shall not (i) declare or pay dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of the Company's capital stock, or (ii) make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities of the Company (including Other Debt) that rank pari passu with or junior in interest to the Securities of such series or (iii) make any guarantee payments with respect to any guarantee by the Company of the debt securities of any Subsidiary of the Company (including Other Guarantees) if such guarantee ranks pari passu with or junior in interest to the Securities of such series (other than (a) dividends or distributions in common stock of the Company, (b) any declaration of a dividend in connection with the implementation of a stockholders' rights plan, or the issuance of stock under any such plan in the future, or the redemption or repurchase of any such rights pursuant thereto, (c) payments under the Guarantee Agreement, (d) purchases or acquisitions of shares of the Company's Common Stock in connection with the satisfaction by the Company of its obligations under any employee benefit plan or other contractual obligation of the Company (other than a contractual obligation ranking pari passu with or junior to these Securities, (e) as a result of a reclassification of the Company's capital stock or the exchange or conversion of one class or series of the Company's capital stock for another class or series of the Company's capital stock, or (f) the purchase of fractional interests in shares of the Company's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged). Prior to the termination of

any such Extension Period, the Company may further extend such Extension Period; provided, however, that no Extension Period shall exceed the period or periods specified in such Securities or extend beyond the Maturity of such Securities. Upon termination of any Extension Period and upon the payment of all accrued and unpaid interest and any Additional Interest then due on any Interest Payment Date, the Company may elect to begin a new Extension Period, subject to the above requirements. No interest shall be due and payable during an Extension Period, except at the end thereof. The Company shall give the Holders of the Securities of such series and the Trustee and the Property Trustee notice of its election to begin any such Extension Period (or an extension thereof) at least five Business Days prior to the Interest Payment Date or, with respect to the Securities of a series issued to a Bancorp Hawaii Capital Trust, prior to the earlier of (i) the date the Distributions on the Trust Securities of such Bancorp Hawaii Capital Trust would have been payable except for the election to begin or extend such Extension Period or (ii) the date the Administrative Trustees of such Bancorp Hawaii Capital Trust are required to give notice to any automated quotation system or to holders of Trust Securities of the record date or the date such Distributions are payable, but in any event not less than five Business Days prior to such record date. There is no limitation on the number of times that the Company may elect to begin an Extension Period.

SECTION 3.13. Right of Set-Off. With respect to the Securities of a series issued to a Bancorp Hawaii Capital Trust, notwithstanding anything to the contrary in the Indenture, the Company shall have the right to set-off any payment it is otherwise required to make thereunder in respect of any such Security to the extent the Company has theretofore made, or is concurrently on the date of such payment making, a payment under the Bancorp Hawaii Guarantee relating to such Security or under Section 5.08 of the Indenture.

SECTION 3.14. Agreed Tax Treatment. Each Security issued hereunder shall provide that the Company and, by its acceptance of a Security or a beneficial interest therein, the Holder of, and any Person that acquires a beneficial interest in, such Security intend that such Security constitute indebtedness and agree to treat such Security as indebtedness for all United States federal, state and local tax purposes.

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SECTION 3.15. Extension of Stated Maturity; Adjustment of Stated Maturity Upon an Exchange. If specified as contemplated by Section 3.01 with respect to the Securities of a particular series, the Company shall have the right to (a) change the Maturity Date of the Securities of such series upon the liquidation of a Bancorp Hawaii Capital Trust and the exchange of such Securities for the Capital Securities of such Bancorp Hawaii Capital Trust and (b) extend the Stated Maturity for the Securities of such series; provided, however, that at the time any election to extend the Maturity Date is made and at the time of such extension, (i) the Company is not in bankruptcy, otherwise insolvent or in liquidation, (ii) the Company is not in default in the payment of any interest or principal on the Securities of such series and no deferred interest payments thereon have accrued, (iii) the applicable Bancorp Hawaii Capital Trust is not in arrears on payments of Distributions on its Capital Securities and no deferred Distributions thereon are accumulated, and (iv) the extended Stated Maturity is no later than the 49th anniversary of the initial issuance of the Capital Securities of the applicable Bancorp Hawaii Capital Trust; provided, further, however, that, if the Company exercises its right to liquidate the Bancorp Hawaii Capital Trust and exchange the Securities of such series for the Capital Securities of such Bancorp Hawaii Capital Trust as specified in clause (a) above, any changed Stated Maturity of the Securities of such series shall be no earlier than the date that is five years after the issuance of the Capital Securities and no later than the date 30 years (plus an extended term of up to an additional 19 years if the above-referenced conditions are satisfied) after the date of the initial issuance of the Capital Securities of the applicable Bancorp Hawaii Capital Trust.

SECTION 3.16. CUSIP Numbers. The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption or other related material as a convenience to Holders; provided, however, that any such notice or other related material may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption or other related material and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company shall promptly notify the Trustee of any change in the CUSIP numbers.

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Satisfaction and Discharge

SECTION 4.01. Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect (except as to (i) any surviving rights of transfer, substitution and exchange of Securities, (ii) rights hereunder of Holders to receive payments of principal of (and premium, if any) and interest on the Securities and other rights, duties and obligations of the Holders as beneficiaries hereof with respect to the amounts, if any, deposited with the Trustee pursuant to this Article IV and (iii) the rights and obligations of the Trustee hereunder), and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(1) either

(A) all Securities theretofore authenticated and delivered (other than (i) Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 3.07 and (ii) Securities for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 10.03) have been delivered to the Trustee for cancellation; or

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

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year of the date of deposit,

and the Company, in the case of Clause (B)(i) or (B)(ii) above, has deposited or caused to be deposited with the Trustee as trust funds in trust for such purpose an amount in the currency or currencies in which the Securities of such series are payable sufficient to pay and discharge the entire indebtedness on such Securities not theretofore delivered to the

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Trustee for cancellation, for principal (and premium, if any) and interest (including any Additional Interest) to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity;

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

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

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 6.07 and, if money shall have been deposited with the Trustee pursuant to subclause (B) of clause (1) of this Section, the obligations of the Trustee under Section 4.02 and the last paragraph of Section 10.03 shall survive.

SECTION 4.02. Application of Trust Money. Subject to the provisions of the last paragraph of Section 10.03, all money deposited with the

Trustee pursuant to Section 4.01, shall be held in trust and applied by the Trustee, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for the payment of which such money or obligations have been deposited with or received by the Trustee; provided, however, that such moneys need not be segregated from other funds except to the extent required by law.

ARTICLE V

Remedies

SECTION 5.01. Events of Default. "Event of Default", wherever used herein with respect to the Securities of any series, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected

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by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in the payment of any interest upon any Security of that series, including any Additional Interest in respect thereof, when it becomes due and payable, and continuance of such default for a period of 30 days (subject to the deferral of any due date in the case of an Extension Period); or

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

(3) default in the performance, or breach, in any material respect, of any covenant or warranty of the Company in this Indenture (other than a covenant or warranty a default in the performance of which or the breach of which is elsewhere in this Section specifically dealt with), and continuance of such default or breach for a period of 90 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of that series a written notice specifying such default or breach and requiring it to be remedied; or

(4) the entry or a decree or order by a court having jurisdiction in the premises adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or of any substantial part of its property or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(5) the institution by the Company of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it

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

(6) only insofar as concerns the obligations relating to payments due in connection with any Trust Securities issued by such Bancorp Hawaii Capital Trust, the institution by any Bancorp Hawaii Capital Trust of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of such Bancorp Hawaii Capital Trust or of any substantial part of its property, or the making by it of an assignment for the benefit for creditors, or the admission by it in writing of its inability to pay its debts generally as they become due and its willingness to be adjudicated a bankrupt, or the taking of corporate action by such Bancorp Hawaii Capital Trust in furtherance of any such action; or

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

SECTION 5.02. Acceleration of Maturity; Rescission and Annulment. If an Event of Default with respect to Securities of any series at the time Outstanding occurs and is continuing, then and in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series may declare the principal amount (or, if the Securities of that

series are Discount Securities, such portion of the principal amount as may be specified in the terms of that series) of all the Securities of that series to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), provided, however, that, in the case of the Securities of a series issued to a Bancorp Hawaii Capital Trust, if, upon an Event of Default, the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series fail to declare the principal of all the Securities of that series to be immediately due and payable, the holders of at least 25% in aggregate Liquidation Amount of the corresponding series of Capital Securities then outstanding shall have such right by a notice in writing to the Company and the Trustee. The Holders of a majority in aggregate principal amount of the Outstanding Securities of these Securities may annul such declaration and waive the default if the default (other than the nonpayment of the principal of these Securities which has become due solely by such acceleration) has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration has been deposited with the Trustee. Should the Holders of these Securities fail to annul such declaration and waive such default, the holders of a majority in aggregate Liquidation Amount of the Capital Securities shall have such right. Upon any such declaration such principal amount (or specified

amount) of and the accrued interest (including any Additional Interest) on all the Securities of such series shall become immediately due and payable, provided, however, that the payment of principal and interest (including any Additional Interest) on such Securities shall remain subordinated to the extent provided in Article XIII.

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

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

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(A) all overdue installments of interest (including any Additional Interest) on all Securities of that series,

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

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

(2) all Events of Default with respect to Securities of that series, other than the nonpayment of the principal of Securities of that series which has become due solely by such acceleration, have been cured or waived as provided in Section 5.13.

The holders of a majority in aggregate outstanding principal amount of the Securities of a series affected thereby may, on behalf of the holders of all the Securities of such series, waive any past default, except a default in the payment of principal of (or premium, if any) or interest (unless such default has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration has been deposited with the Trustee) or a default in respect of a covenant or provision which under this Indenture cannot be modified or amended without the consent of the holder of each outstanding Security of such series and, in the case of Securities of a series issued to a Bancorp Hawaii Capital Trust, should the holders of such Securities fail to annul such declaration and waive such default, the holders of a majority in aggregate Liquidation Amount of the related series of Capital Securities shall have such right. The Company is required to file annually with the Trustee a certificate as to whether or not the Company is in compliance with all the conditions and covenants applicable to it under this Indenture.

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

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

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thereof, with respect to Securities of a series all or part of which is represented by a Global Security, a record date shall be established for determining Holders of Outstanding Securities of such series entitled to join in such notice, which record date shall be at the close of business on the day the Trustee receives such notice. The Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to join in such notice, whether or not such Holders remain Holders after such record date; provided, however, that, unless such declaration of acceleration, or rescission and annulment, as the case may be, shall have become effective by virtue of the requisite percentage having joined in such notice prior to the day which is 90 days after such record date, such notice of declaration of acceleration, or rescission and annulment, as the case may be, shall automatically and without further action by any Holder be canceled and of no further effect. Nothing in this paragraph shall prevent a Holder, or a proxy of a Holder, from giving, after expiration of such 90-day period, a new written notice of declaration of acceleration, or rescission and annulment thereof, as the case may be, that is identical to a written notice which has been canceled pursuant to the proviso to the preceding sentence, in which event a new record date shall be established pursuant to the provisions of this Section 5.02.

SECTION 5.03. Collection of Indebtedness and Suits for Enforcement by Trustee. The Company covenants that if:

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

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

the Company will, upon demand of the Trustee, pay to the Trustee, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal, including any sinking fund payment or analogous obligations (and premium, if any) and interest (including any Additional Interest); and, in addition thereto, all amounts owing to the Trustee under Section 6.07 and Section 10.06.

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

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

SECTION 5.04. Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors,

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

(i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest (including any Additional Interest) owing and unpaid in respect to the Securities and to file such other papers or documents as may be necessary or advisable and to take any and all actions as are authorized under the Trust Indenture Act in order to have the claims of the Holders and any predecessor to the Trustee under

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Section 6.07 and of the Holders allowed in any such judicial proceedings; and

(ii) in particular, the Trustee shall be authorized to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same in accordance with Section 5.06; and

(b) any custodian, receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee for distribution in accordance with Section 5.06, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it and any predecessor Trustee under Section 6.07.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any proceeding; provided, however, that the Trustee may, on behalf of the Holders, vote for the election of a trustee in bankruptcy or similar official and be a member of a creditors' or other similar committee.

SECTION 5.05. Trustee May Enforce Claim Without Possession of Securities. All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of all the amounts owing the Trustee and any predecessor Trustee under Section 6.07, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

SECTION 5.06. Application of Money Collected. Any or property collected or to be applied by the Trustee with respect to a series of Securities pursuant to this Article shall be applied in the following order, at the date

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or dates fixed by the Trustee and, in case of the distribution of such money or property on account of principal (or premium, if any) or interest (including any Additional Interest), upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: to the payment of all amounts due the Trustee and any predecessor Trustee under Section 6.07;

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

Third: the balance, if any, to the Person or Persons entitled thereto.

SECTION 5.07. Limitation on Suits. No Holder of any Securities of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture or for the appointment of a receiver, assignee, trustee, liquidator, sequestrator (or other similar official) or for any other remedy hereunder, unless:

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

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

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

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

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

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

SECTION 5.08. Unconditional Right of Holders to Receive Principal, Premium and Interest. Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and

(subject to Section 3.08) interest (including any Additional Interest) on such Security on the respective Stated Maturities expressed in such Security and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder. In the case of Securities of a series issued to a Bancorp Hawaii Capital Trust, any holder of the corresponding series of Capital Securities shall have the right, upon the occurrence of an Event of Default described in Section 5.01(1) or 5.01(2) hereof, to institute a suit directly against the Company for enforcement of payment to such Holder of principal of (and premium, if any) and (subject to Section 3.08) interest (including any Additional Interest) on the Securities having a principal amount equal to the aggregate Liquidation Amount of the Capital Securities of the corresponding series held by such Holder. The holders of any corresponding series of Capital Securities will not be able to exercise the rights set forth in the immediately preceding sentence under any circumstances other than as expressed therein unless there shall have been an Event of Default under the Trust Agreement.

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SECTION 5.09. Restoration of Rights and Remedies. If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every case the Company, the Trustee and the Holders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 5.10. Rights and Remedies Cumulative. Except as otherwise provided in the last paragraph of Section 3.07, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.11. Delay or Omission Not Waiver. Except as otherwise provided in the last paragraph of Section 3.07, no delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein.

Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders as the case may be.

SECTION 5.12. Control by Holders. The Holders of a majority in principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series, provided that:

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

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

(3) subject to the provisions of Section 6.01, the Trustee shall have the right to decline to follow such direction if the Trustee in good faith shall, by a Responsible Officer or Officers of the Trustee, determine that the proceeding so directed would be unjustly prejudicial to the Holders not joining in any such direction or would involve the Trustee in personal liability.

Upon receipt by the Trustee of any written notice directing the time, method or place of conducting any such proceeding or exercising any such trust or power, with respect to Securities of a series all or part of which is represented by a Global Security, a record date shall be established for determining Holders of Outstanding Securities of such series entitled to join in such notice, which record date shall be at the close of business on the day the Trustee receives such notice. The Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to join in such notice, whether or not such Holders remain Holders after such record date; provided, however, that, unless the Holders of a majority in principal amount of the Outstanding Securities of such series shall have joined in such notice prior to the day which is 90 days after such record date, such notice shall automatically and without further action by any Holder be canceled and of no further effect. Nothing in this paragraph shall prevent a Holder, or a proxy of a Holder, from giving, after expiration of such 90-day period, a new notice identical to a notice which has been canceled pursuant to the proviso to the preceding sentence, in which event a new record date shall be established pursuant to the provisions of this Section 5.12.

SECTION 5.13. Waiver of Past Defaults. The Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default hereunder and its consequences with respect to such series except a default:

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

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

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

SECTION 5.14. Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities of any series, or to any suit instituted by any Holder for the enforcement of the payment of the principal of (or premium,

if any) or interest (including any Additional Interest) on any Security on or after the respective Stated Maturities expressed in such Security.

SECTION 5.15. Waiver of Usury, Stay or Extension Laws. The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any usury, stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

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ARTICLE VI

The Trustee

SECTION 6.01. Certain Duties and Responsibilities. (a) Except during the continuance of an Event of Default:

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

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

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

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

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

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

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of Holders

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pursuant to Section 5.12 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Securities of such series.

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

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

SECTION 6.02. Notice of Defaults. Within 90 days after actual knowledge by a Responsible Officer of the Trustee of the occurrence of any default hereunder with respect to the Securities of any series, the Trustee shall transmit by mail to all Holders of Securities of such series, as their names and addresses appear in the Securities Register, notice of such default hereunder known to a Responsible Officer of the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of (or premium, if any) or interest (including any Additional Interest) on any Security of such series, the Trustee shall be fully protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Holders of Securities of such series; and provided, further, however, that, in the case of any default of the character specified in Section 5.01(3), no such notice to Holders of Securities of such series shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.

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SECTION 6.03. Certain Rights of Trustee. Subject to the provisions of Section 6.01:

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

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

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

(d) the Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and

complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

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

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, indenture, Security or other paper or

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document, but the Trustee in its discretion may make such inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

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

(h) the Trustee shall not be under any obligation to take any action that is discretionary under the provisions of this Indenture;

(i) the Trustee shall not be charged with knowledge of any Event of Default unless either (1) a Responsible Officer of the Trustee shall have actual knowledge or (2) the Trustee shall have received notice thereof in accordance with Section 1.05(1) hereof from the Company or a Holder; and

(j) no permissive power or authority available to the Trustee shall be construed as a duty.

SECTION 6.04. Not Responsible for Recitals or Issuance of Securities. The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities or any offering or disclosure materials prepared in connection therewith. The Trustee shall not be accountable for the use or application by the Company of the Securities or the proceeds thereof.

SECTION 6.05. May Hold Securities. The Trustee, any Paying Agent, Securities Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 6.08 and 6.13, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Paying Agent, Securities Registrar or such other agent.

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SECTION 6.06. Money Held in Trust. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Company.

SECTION 6.07. Compensation and Reimbursement. The Company, as borrower, agrees:

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

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

(3) to indemnify the Trustee or any predecessor Trustee, its officers, agents, directors and employees for, and to hold them harmless against, any and all loss, damage, claim, liability or expense (including the reasonable compensation and the expenses and disbursements of its agents and counsel) incurred without negligence or bad faith, arising out of or in connection with the acceptance or administration of this trust or the performance of its duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The obligations of the Company under this Section 6.07 shall survive the termination of this Indenture or the earlier resignation or removal of the Trustee.

To secure the Company's payment obligations in this Section, the Company and the Holders agree that the Trustee shall have a lien prior to the Securities on all

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money or property held or collected by the Trustee. Such lien shall survive the satisfaction and discharge of this Indenture.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 5.01(4) or (5) occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under the Bankruptcy Code of 1978, as amended, or any successor statute.

SECTION 6.08. Disqualification; Conflicting Interests. The Trustee for the Securities of any series issued hereunder shall be subject to the provisions of Section 310(b) of the Trust Indenture Act. Nothing herein shall prevent the Trustee from filing with the Commission the application referred to in the second-to-last paragraph of Section 301(b) of the Trust Indenture Act.

SECTION 6.09. Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder which shall be:

(a) a corporation organized and doing business under the laws of the United States of America or of any state, territory or the District of Columbia, authorized under such laws to exercise corporate

trust powers and subject to supervision or examination by Federal, state, territorial or District of Columbia authority, or

(b) a corporation or other Person organized and doing business under the laws of a foreign government that is permitted to act as Trustee pursuant to a rule, regulation or order of the Commission, authorized under such laws to exercise corporate trust powers, and subject to supervision or examination by authority of such foreign government or a political subdivision thereof substantially equivalent to the supervision or examination applicable to United States institutional trustees,

in either case having a combined capital and surplus of at least \$50,000,000, subject to supervision or examination by Federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examination authority, then, for the purposes of this

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Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article. Neither the Company nor any Person directly or indirectly controlling, controlled by or under common control with the Company shall serve as Trustee for the Securities of any series issued hereunder.

SECTION 6.10. Resignation and Removal; Appointment of Successor. (a) No resignation or removal of the Trustee and no appointment of a Successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the Successor Trustee under Section 6.11.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If an instrument of acceptance by a Successor Trustee shall not have been delivered to the Trustee within 60 days after the giving of such notice of resignation, the resigning Trustee may, at the expense of the Company, petition any court of competent jurisdiction for the appointment of a Successor Trustee with respect to the Securities of such series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series, delivered to the Trustee and to the Company. If an instrument of acceptance by a Successor Trustee shall not have been delivered to the Trustee within 60 days after such a removal, the Trustee so removed may, at the expense of the Company, petition any court of competent jurisdiction for the appointment of a Successor Trustee with respect to the Securities of such series.

(d) If at any time:

(i) the Trustee shall fail to comply with Section 6.08 after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

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(ii) the Trustee shall cease to be eligible under Section 6.09

and shall fail to resign after written request therefor by the Company or by any such Holder, or

(iii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, (i) the Company, acting pursuant to the authority of a Board Resolution, may remove the Trustee, or (ii) subject to Section 5.14, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a Successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a Successor Trustee with respect to the Securities of that or those series. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a Successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the Successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the Successor Trustee with respect to the Securities of such series and supersede the Successor Trustee appointed by the Company. If no Successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner hereinafter provided, any Holder who has been a bona fide Holder of a Security for at least six months may, subject to Section 5.14, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a Successor Trustee with respect to the Securities of such series.

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

SECTION 6.11. Acceptance of Appointment by Successor. (a) In case of the appointment hereunder of a Successor Trustee with respect to all Securities, every such Successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such Successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers trusts and duties of the retiring Trustee; but, on the request of the Company or the Successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such Successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such Successor Trustee all property and money held by such retiring Trustee hereunder.

(b) In case of the appointment hereunder of the Successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each Successor Trustee with respect to the Securities of one or more series shall execute and deliver an instrument or an

indenture supplemental hereto wherein each Successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each Successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such Successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring

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Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such instrument or supplemental indenture shall constitute such Trustee co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee and upon the execution and delivery of such instrument or supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such Successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such Successor Trustee relates; but, on request of the Company or any Successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such Successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such Successor Trustee relates.

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

(d) No Successor Trustee shall accept its appointment unless at the time of such acceptance such Successor Trustee shall be qualified and eligible under this Article. In the event that the Trust Indenture Act applies to this Indenture at the time that any Successor Trustee is appointed, such Successor Trustee shall qualify under such Act.

SECTION 6.12. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article (including qualification under the Trustee

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Indenture Act, if applicable), without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated, and in case any Securities shall not have been authenticated, any

successor to the Trustee may authenticate such Securities either in the name of any predecessor Trustee or in the name of such Successor Trustee, and in all cases the certificate of authentication shall have the full force which it is provided anywhere in the Securities or in this Indenture that the certificate of the Trustee shall have.

SECTION 6.13. Preferential Collection of Claims Against Company. If and when the Trustee shall be or become a creditor of the Company (or any other obligor upon the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company (or any such other obligor).

SECTION 6.14. Appointment of Authenticating Agent. The Trustee may appoint an authenticating agent or agents (each, an "Authenticating Agent") with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issue and upon exchange, registration of transfer or partial redemption thereof, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Where reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, or of any state, Territory or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section

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the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

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

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall give notice of such appointment in the manner provided in Section 1.06 to all Holders of Securities of the series with respect to which such Authenticating Agent will serve. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor

hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provision of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section.

If an appointment with respect to one or more series is made pursuant to this Section, the Securities of

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each series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication in the following form:

This is one of the Securities referred to in the within mentioned Indenture.

The Bank of New York as Trustee

by _____
As Authenticating Agent

by _____
Authorized Signatory

SECTION 6.15. Trustee's Rights and Obligations After Exchange and Registration. Following the exchange of the Capital Securities for registered securities, pursuant to Article XII hereof, and the qualification of this Indenture under the Trust Indenture Act, the Trustee shall have and be subject to all the duties and responsibilities specified with respect to an indenture trustee under the Trust Indenture Act. Subject to such provisions, the Trustee is under no obligation to exercise any of the powers vested in it by this Indenture at the request of any holder of the Securities, unless offered indemnity to its satisfaction by such holder against the costs, expenses and liabilities which might be incurred thereby. The Trustee will not be required to expend or risk its own funds or otherwise incur personal financial liability in the performance of its duties if the Trustee reasonably believes that repayment or adequate indemnity is not reasonably assured to it. Notwithstanding the foregoing, nothing in the Section 6.15 shall be deemed to abrogate any of the rights, indemnities or protections otherwise provided to the Trustee under this Indenture.

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ARTICLE VII

Holder's Lists and Reports by Trustee and Company

SECTION 7.01. Company To Furnish Trustee Names and Addresses of Holders. The Company will furnish or cause to be furnished to the Trustee:

- (a) semiannually, not more than 15 days after January 15 and July 15, a list, in such form as the Trustee may reasonably require, of

the names and addresses of the Holders as of such January 1 and July 1, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished, excluding from any such list names and addresses received by the Trustee in its capacity as Securities Registrar.

SECTION 7.02. Preservation of Information; Communications to Holders. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 7.01 and the names and addresses of Holders received by the Trustee in its capacity as Securities Registrar. The Trustee may destroy any list furnished to it as provided in Section 7.01 upon receipt of a new list so furnished.

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

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of either of them shall be held accountable by reason of the disclosure of information as to the names and addresses of the Holders made pursuant to the Trust Indenture Act.

SECTION 7.03. Reports by Trustee. (a) The Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be

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required pursuant to the Trust Indenture Act, at the times and in the manner provided pursuant thereto.

(b) Reports so required to be transmitted at stated intervals of not more than 12 months shall be transmitted no later than July 15 in each calendar year, commencing with the first July 15 after the first issuance of Securities under this Indenture.

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

SECTION 7.04. Reports by Company. The Company shall file with the Trustee and with the Commission, and transmit to Holders, such information, documents and other reports, and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the times and in the manner provided in the Trust Indenture Act; provided that any such information, documents or reports required to be filed with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), shall be filed with the Trustee within 15 days after the same is required to be filed with the Commission. Notwithstanding that the Company may not be required to remain subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Company shall continue to file with the Commission and provide the Trustee with the annual reports and the information, documents and other reports which are specified in Sections 13 and 15(d) of the Exchange Act, as amended. The Company also shall comply with the other provisions of Trust Indenture Act Section 314(a). Delivery of such reports, information and

documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on the Officers' Certificates).

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ARTICLE VIII

Consolidation, Merger, Conveyance, Transfer or Lease

SECTION 8.01. Company May Consolidate, etc., Only on Certain Terms. The Company shall not consolidate with or merge with or into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and no Person shall consolidate with or merge with or into the Company or convey, transfer or lease its properties and assets substantially as an entirety to the Company, unless:

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

(2) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have occurred and be continuing;

(3) in the case of the Securities of a series issued to a Bancorp Hawaii Capital Trust, such consolidation, merger, conveyance, transfer or lease is permitted under the related Trust Agreement and Bancorp Hawaii Guarantee and does not give rise to any breach or violation of the related Trust Agreement or Bancorp Hawaii Guarantee; and

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(4) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such consolidation, merger, conveyance, transfer or lease and any such supplemental indenture complies with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with; and the Trustee, subject to Section 6.01, may rely upon such Officers' Certificate and Opinion of Counsel as conclusive evidence that such transaction complies with this Section 8.01.

SECTION 8.02. Successor Corporation Substituted. Upon any

consolidation or merger by the Company with or into any other Person, or any conveyance, transfer or lease by the Company of its properties and assets substantially as an entirety to any Person in accordance with Section 8.01, the successor corporation formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; and in the event of any such conveyance, transfer or lease the Company shall be discharged from all obligations and covenants under the Indenture and the Securities and may be dissolved and liquidated.

Such successor Person may cause to be signed, and may issue either in its own name or in the name of the Company, any or all of the Securities issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such successor Person instead of the Company and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Securities which previously shall have been signed and delivered by the officers of the Company to the Trustee for authentication pursuant to such provisions and any Securities which such successor Person thereafter shall cause to be signed and delivered to the Trustee on its behalf for the purpose pursuant to such provisions. All the Securities so issued shall in all respects have the same legal rank and benefit under this Indenture as the Securities theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Securities had been issued at the date of the execution hereof.

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In case of any such consolidation, merger, sale, conveyance or lease, such changes in phraseology and form may be made in the Securities thereafter to be issued as may be appropriate.

ARTICLE IX

Supplemental Indentures

SECTION 9.01. Supplemental Indentures Without Consent of Holders. Without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory, to the Trustee, for any of the following:

(1) to evidence the succession of another Person to the Company, and the assumption by any such successor of the covenants of the Company herein and in the Securities contained;

(2) to convey, transfer, assign, mortgage or pledge any property to or with the Trustee or to surrender any right or power herein conferred upon the Company;

(3) to establish the form or terms of Securities of any series as permitted by Sections 2.01 or 3.01;

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

(5) to add any additional Events of Default;

(6) to change or eliminate any of the provisions of this Indenture; provided that any such change or elimination shall become effective only when there is no Security Outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision;

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(7) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture; provided that such action pursuant to this clause (7) shall not materially adversely affect the interest of the Holders of Securities of any series or, in the case of the Securities of a series issued to a Bancorp Hawaii Capital Trust and for so long as any of the corresponding series of Capital Securities shall remain outstanding, the holders of such Capital Securities;

(8) to evidence and provide for the acceptance of appointment hereunder by a Successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 6.11(b); or

(9) to comply with the requirements of the Commission in order to effect or maintain the qualification of this Indenture under the Trust Indenture Act.

SECTION 9.02. Supplemental Indentures with Consent of Holders. With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of each series affected by such supplemental indenture, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby,

(1) except to the extent permitted by Section 3.12 or as otherwise specified as contemplated by Section 3.01 with respect to the extension of the interest payment period of the Securities of any series, change the Stated Maturity of the principal of, or any installment of interest (including any

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Additional Interest) on, any Security, or reduce the principal amount thereof or the rate of interest thereon or reduce any premium payable upon the redemption thereof, or reduce the amount of principal of a Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 5.02, or change the place of payment where, or the coin or currency in which, any Security or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the date fixed for redemption thereof);

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

(3) modify any of the provisions of this Section, Section 5.13 or Section 10.05, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Security affected thereby; or

(4) modify the provisions in Article XIII of this Indenture with respect to the subordination of Outstanding Securities of any series in a manner adverse to the Holders thereof;

provided that, in the case of the Securities of a series issued to a Bancorp Hawaii Capital Trust, so long as any of the corresponding series of Capital Securities remains outstanding, no such amendment shall be made that adversely affects the holders of such Capital Securities, and no termination of this Indenture shall occur, and no waiver of any Event of Default or compliance with any covenant under this Indenture shall be effective, without the prior consent of the holders of at least a majority of the aggregate Liquidation Amount of such Capital Securities then outstanding unless and until the principal (and premium, if any) of the Securities of such series and all accrued and, subject to Section 3.08, unpaid interest (including any Additional Interest) thereon have been paid in full; and

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provided further, however, that in the case of the Securities of a series issued to a Bancorp Hawaii Capital Trust, so long as any of the corresponding series of Capital Securities remain outstanding, no amendment shall be made to Section 5.08 of this Indenture without the prior consent of the holders of each Preferred Security then outstanding unless and until the principal (and premium, if any) of the Securities of such series and all accrued and (subject to Section 3.08) unpaid interest (including any Additional interest) thereon have been paid in full.

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

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

SECTION 9.03. Execution of Supplemental Indentures. In executing or accepting the additional trusts created by any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 6.01) shall be fully protected in conclusively relying upon, an Officers' Certificate and an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture, and that all conditions precedent have been complied with. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, or which may subject it to liability or be contrary to applicable law.

SECTION 9.04. Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

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SECTION 9.05. Conformity with Trust Indenture Act. No supplemental indenture will be qualified or executed pursuant to the Trust Indenture Act unless this Indenture is so qualified, or in connection with Capital Securities which are registered under the Securities Exchange Act of 1934, as amended, upon the effectiveness of a registration statement and the consummation of an exchange offer pursuant to a Registration Rights Agreement as contemplated in Article XII hereof. Every supplemental indenture so qualified or executed shall conform to the requirements of the Trust Indenture Act as then in effect.

SECTION 9.06. Reference in Securities to Supplemental Indentures. Securities authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Company, bear a notation in form approved by the Company as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such Series.

ARTICLE X

Covenants

SECTION 10.01. Payment of Principal, Premium and Interest. The Company covenants and agrees for the benefit of each series of securities that it will duly and punctually pay the principal of (and premium, if any) and interest on the Securities of that series in accordance with the terms of such Securities and this Indenture.

SECTION 10.02. Maintenance of Office or Agency. The Company will maintain in each Place of Payment for any series, an office or agency where Securities of that series may be presented or surrendered for payment and an office or agency where Securities may be surrendered for transfer or exchange and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The Company initially appoints the Trustee, acting through its Corporate Trust Office, as its agent for said purposes. The Company will give prompt written notice to the Trustee of any change in the location of any such

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

The Company may also from time to time designate one or more

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

SECTION 10.03. Money for Security Payments To Be Held in Trust. If the Company shall at any time act as its own Paying Agent with respect to any series of Securities, it will, on or before each due date of the principal of (and premium, if any) or interest on any of the Securities of such series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal (and premium, if any) or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided, and will promptly notify the Trustee of its failure so to act.

Whenever the Company shall have one or more Paying Agents, it will, prior to 10:00 a.m. New York City time on each due date of the principal of or interest on any Securities, deposit with a Paying Agent a sum sufficient to pay the principal (and premium, if any) or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal and premium (if any) or interest, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its failure so to act.

The Company will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the

Trustee, subject to the provisions of this Section, that such Paying Agent will:

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

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

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

(4) comply with the provisions of the Trust Indenture Act applicable to it as a Paying Agent.

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

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of (and premium, if any) or interest on any Security and remaining unclaimed for two years after such principal (and premium, if any) or interest has become due and payable shall (unless otherwise required by mandatory provision of applicable

escheat or abandoned or unclaimed property law) be paid on Company Request to the Company, or (if then held by the Company) shall (unless otherwise required by mandatory provision of applicable escheat or abandoned or unclaimed property law) be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all

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liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in the Borough of Manhattan, the City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company.

SECTION 10.04. Statement as to Compliance. The Company shall deliver to the Trustee, within 120 days after the end of such calendar year of the Company ending after the date hereof, an Officers' Certificate executed by authorized officers at least one of whom shall be the principal executive, financial or accounting officer of the Company covering the preceding calendar year, stating whether or not to the best knowledge of the signers thereof the Company is in default in the performance, observance or fulfillment of or compliance with any of the terms, provisions, covenants and conditions of this Indenture, and if the Company shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge. For the purpose of this Section 10.04, compliance shall be determined without regard to any grace period or requirement of notice provided pursuant to the terms of this Indenture.

SECTION 10.05. Waiver of Certain Covenants. The Company may omit in any particular instance to comply with any covenant or condition as specified as contemplated by Section 3.01 with respect to the Securities of any series, if before or after the time for such compliance the Holders of at least a majority in principal amount of the Outstanding Securities of such series shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company in respect of any such covenant or condition shall remain in full force and effect.

SECTION 10.06. Payment of the Trust's Costs and Expenses. Since the Bancorp Hawaii Capital Trusts are being formed solely to facilitate the investment in the

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Securities, the Company, as Borrower, hereby covenants to pay all debts and obligations (other than with respect to the Trust Securities) and all costs and expenses of such Trusts (including, but not limited to, all costs and expenses relating to the organization of such Trusts, the fees and expenses of the Trustees and all costs and expenses relating to the operation of such Trusts) and to pay any and all taxes, duties, assessments or other governmental charges of whatever nature (other than United States withholding taxes) imposed on such Trusts by the United States, or any other taxing authority (such payments of

amounts in connection with taxes being herein referred to as "Additional Sums"), so that the net amounts received and retained by such Trusts and their respective Property Trustees after paying such expenses or Additional Sums will be equal to the amounts such Trusts and Property Trustees would have received had no such costs, expenses or taxes, duties, assessments or other governmental charges been incurred by or imposed on such Trusts. The foregoing obligations of the Company are for the benefit of, and shall be enforceable by, any person to whom such debts, obligations, costs, expenses and taxes are owed (a "Creditor") whether or not such Creditor has received notice thereof. Any such Creditor may enforce such obligations of the Company hereunder directly against the Company, and the Company hereby irrevocably waives any right or remedy to require that any such Creditor take any action against any Trust or any other person before proceeding against the Company. The Company also agrees hereby to execute such additional agreements as may be necessary or desirable to give full effect to the foregoing.

SECTION 10.07. Additional Covenants. The Company covenants and agrees with each Holder of Securities of a series issued to a Bancorp Hawaii Capital Trust that it will not (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any shares of the Company's capital stock, or (ii) make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities of the Company (including Other Debt) that rank pari passu with or junior in interest to the Securities of such series or (iii) make any guarantee payments with respect to any guarantee by the Company of debt securities of any subsidiary of the company (including Other Guarantees) if such guarantee ranks pari passu with or junior in interest to the Securities (other than (a) dividends or distributions in Common Stock of the Company, (b) any declaration of a

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dividend in connection with the implementation of a stockholders' rights plan, or the issuance of stock under any such plan in the future, or the redemption or repurchase of any such rights pursuant thereto, (c) payments under the Guarantee Agreement, (d) purchases or acquisitions of shares of the Company's Common Stock in connection with the satisfaction by the Company of its obligations under any employee benefit plan or other contractual obligation of the Company (other than a contractual obligation ranking pari passu with or junior in interest to these Securities), (e) as a result of a reclassification of the Company's capital stock or the exchange or conversion of one class or series of the Company's capital stock for another class or series of the Company's capital stock, or (f) the purchase of fractional interests in shares of the Company's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged), if at such time (i) there shall have occurred any event of which the Company has actual knowledge that (a) with the giving of notice or the lapse of time or both, would constitute an Event of Default hereunder and (b) in respect of which the Company shall not have taken reasonable steps to cure, (ii) the Company shall be in default with respect to its payment of any obligations under the related Bancorp Hawaii Guarantee or (iii) the Company shall have given notice of its election to begin an Extension Period as provided herein and shall not have rescinded such notice, or such Extension Period, or any extension thereof, shall be continuing.

The Company also covenants with each Holder of Securities of a series issued to a Bancorp Hawaii Capital Trust (i) to maintain directly or indirectly 100% ownership of the Common Securities of such Bancorp Hawaii Capital Trust; provided, however, that any permitted successor of the Company hereunder may succeed to the Company's ownership of such Common Securities, (ii) not to voluntarily terminate, windup or liquidate such Bancorp Hawaii Capital Trust, except (a) in connection with a distribution of the Securities of such series to the holders of Capital Securities in liquidation of such Bancorp Hawaii Capital Trust or (b) in connection with certain mergers, consolidations or amalgamations permitted by the related Trust Agreement and (iii) to use its

reasonable efforts, consistent with the terms and provisions of such Trust Agreement, to cause such Bancorp Hawaii Capital Trust to remain classified as a grantor trust and not an association

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taxable as a corporation for United States Federal income tax purposes.

SECTION 10.08. Information Returns. On or before December 15 of each year during which any Securities are outstanding, the Company shall furnish to each Paying Agent such information as may be reasonably requested by each Paying Agent in order that such Paying Agent may prepare the information which it is required to report for such year on Internal Revenue Service Forms 1096 and 1099. Such information shall include the amount of original issue discount, if any, includible in income for each \$1,000 of principal amount at Stated Maturity of outstanding Securities during such year and such other specific information relating to such original issue discount as may then be relevant under the Internal Revenue Code of 1986, as amended from time to time.

ARTICLE XI

Redemption of Securities

SECTION 11.01. Applicability of This Article. Redemption of Securities (whether by operation of a sinking fund or otherwise) as permitted or required by any form of Security issued pursuant to this Indenture shall be made in accordance with such form of Security and this Article; provided, however, that if any provision of any such form of Security shall conflict with any provision of this Article, the provision of such form of Security shall govern. Except as otherwise set forth in the form of Security for such series, each Security shall be subject to partial redemption only in the amount of \$1,000 or, in the case of the Securities of a series issued to a Bancorp Hawaii Capital Trust, \$1,000, or integral multiples thereof.

SECTION 11.02. Election To Redeem; Notice to Trustee. The election of the Company to redeem any Securities shall be evidenced by or pursuant to a Board Resolution. In case of any redemption at the election of the Company of any Securities of any particular series and having the same terms, the Company shall, not less than 45 nor more than 60 days prior to the date fixed for redemption (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee and the Property Trustee of such date and of the principal amount of Securities of that series to be redeemed. In the case of any redemption of

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Securities prior to the expiration of any restriction on such redemption provided in the terms of such Securities, the Company shall furnish the Trustee with an Officers' Certificate and an Opinion of Counsel evidencing compliance with such restriction. Any such notice given to the Trustee hereunder shall include the information required by Section 11.04 hereof.

SECTION 11.03. Selection of Securities To Be Redeemed. If less than all the Securities of any series are to be redeemed (unless all the Securities of such series and of a specified tenor are to be redeemed or unless such redemption affects only a single Security all as designated to the Trustee by the Company), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by

such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of a portion of the principal amount of any Security shall be in an authorized denomination (which shall not be less than the minimum authorized denomination) for such Security. If less than all the Securities of such series and of a specified tenor are to be redeemed (unless such redemption affects only a single Security), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series and specified tenor not previously called for redemption in accordance with the preceding sentence.

The Trustee shall promptly notify the Company in writing of the Securities selected for partial redemption and the principal amount thereof to be redeemed. For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security which has been or is to be redeemed. If the Company shall so direct, Securities registered in the name of the Company, any Affiliate or any Subsidiary thereof shall not be included in the Securities selected for redemption.

SECTION 11.04. Notice of Redemption. Notice of redemption shall be given by first-class mail, postage prepaid, mailed not later than the thirtieth day, and not earlier than the sixtieth day, prior to the date fixed for

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redemption, to each Holder of Securities to be redeemed, at the address of such Holder as it appears in the Securities Register.

With respect to Securities of each series to be redeemed, each notice of redemption shall state:

- (a) the date fixed for redemption for Securities of such series;
- (b) the redemption price at which Securities of such series are to be redeemed;
- (c) if less than all Outstanding Securities of such particular series and having the same terms are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the particular Securities to be redeemed;
- (d) that on the date fixed for redemption, the redemption price at which such Securities are to be redeemed will become due and payable upon each such Security or portion thereof, and that interest thereon, if any, shall cease to accrue on and after said date;
- (e) the place or places where such Securities are to be surrendered for payment of the redemption price at which such Securities are to be redeemed;
- (f) that the redemption is for a sinking fund, if such is the case; and
- (g) such other provisions as may be required in respect of the terms of a particular series of Securities.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company and shall not be irrevocable. The notice if mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder

receives such notice. In any case, a failure to give such notice by mail or any defect in the notice to the Holder of any Security designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Security.

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SECTION 11.05. Deposit of Redemption Price. Prior to 10:00 a.m. New York City time on the redemption date specified in the notice of redemption given as provided in Section 11.04, the Company will deposit with the Trustee or with one or more paying agents an amount of money sufficient to redeem on the redemption date all the Securities so called for redemption at the applicable redemption price.

SECTION 11.06. Payment of Securities Called for Redemption. If any notice of redemption has been given as provided in Section 11.04, the Securities or portion of Securities with respect to which such notice has been given shall become due and payable on the date and at the place or places stated in such notice at the applicable redemption price. On presentation and surrender of such Securities at a place of payment in said notice specified, the said securities or the specified portions thereof shall be paid and redeemed by the Company at the applicable redemption price.

Upon presentation of any Security redeemed in part only, the Company shall execute and the Trustee shall authenticate and deliver to the Holder thereof, at the expense of the Company, a new Security or Securities of that same series, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the Security so presented and having the same Original Issue Date, Stated Maturity and terms. If the Global Security is so surrendered, such new Security will (subject to Section 3.06) also be a new Global Security.

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

SECTION 11.07. Company's Right of Redemption. (a) Unless otherwise specified as contemplated by Section 3.01 with respect to the Securities of a particular series and notwithstanding any additional redemption rights that may be so specified, the Company may, at its option, redeem the Securities of any series after their date of issuance in whole at any time or in part from time to time, subject to the provisions of this clause (a) and the other provisions of this Article XI. Unless otherwise specified as contemplated by Section 3.01 with respect to the

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Securities of a particular series, the redemption price for any Security so redeemed pursuant to this clause (a) shall be equal to 100% of the principal amount of such Securities plus any accrued and unpaid interest, including any Additional Interest, to the date fixed for redemption. The Company shall not redeem the Securities in part unless all accrued and unpaid interest (including any Additional Interest) has been paid in full on all Securities Outstanding for all interest periods terminating on or prior to the date fixed for redemption.

(b) In the case of the Securities of a series issued to a Bancorp Hawaii Capital Trust, except as otherwise specified as contemplated by Section 3.01, if a Tax Event in respect of the Company or such Bancorp Hawaii Capital Trust shall occur and be continuing, the Company may, at its option,

redeem the Securities of such series within 90 days of the occurrence of such Tax Event, in whole but not in part, subject to the provisions of this clause (b) and the other provisions of this Article XI. The redemption price for any Security so redeemed pursuant to this clause (b) shall be equal to 100% of the principal amount of such Securities then Outstanding plus accrued and unpaid interest, including any Additional Interest, to the date fixed for redemption.

ARTICLE XII

Exchange and Registration Rights

SECTION 12.01. Exchange. (a) If specified as contemplated by Section 3.01 for Securities for any series, the Company shall enter into a registration rights agreement with the Initial Purchasers (the "Registration Rights Agreement") for the benefit of the holders of any Capital Securities of any Bancorp Hawaii Capital Trust which are not registered under the Securities Act of 1933, as amended (the "Securities Act") providing that such Bancorp Hawaii Capital Trust use its best efforts to exchange such Capital Securities for registered securities, by means of an exchange offer registration statement (an "Exchange Offer Registration Statement"), issued by such Bancorp Hawaii Capital Trust with terms identical in all material respects to the terms of the Capital Securities (the "Exchange Capital Securities").

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(b) In the event that Bancorp Hawaii Capital Trust is successful in providing Exchange Capital Securities to the holders of Capital Securities as described in clause (a) of this Section 12.01, the Company shall contemporaneously exchange the Securities held by such Bancorp Hawaii Capital Trust for new securities issued by the Company (the "Exchange Securities") with terms identical in all material respects to the terms of the Securities to such Capital Securities, and shall further contemporaneously exchange the Guarantee then held by the Guarantee Trustee under the Guarantee Agreement for a new guarantee of the Company (the "Exchange Guarantee") with terms identical in all material respects to the terms of the Guarantee.

SECTION 12.02. Registration. If specified as contemplated by Section 3.01 for Securities of any series, the Administrative Trustee of any Bancorp Hawaii Capital Trust on behalf of such Bancorp Hawaii Capital Trust shall (a) file a registration statement under the Securities Act covering resales of the Capital Securities (the "Registration Statement"), (b) use their best efforts to cause such Registration Statement to be declared effective under the Securities Act, and (c) use their best efforts to cause such Registration Statement to remain effective for as long as specified as contemplated by Section 3.01 for Securities of such series. The Administrative Trustees shall (x) promptly deliver to the holders and to the Delaware Trustee and the Property Trustee written notice of their intent to file such Registration Statement. All costs incurred in connection with the filing and maintenance of such Registration Statement shall be borne by the Company.

SECTION 12.03. Increase in Interest Rate. If specified as contemplated by Section 3.01 for Securities of any series, the Company may enter into an agreement providing that, in the event that (i) an Exchange Offer Registration Statement or a Registration Statement is not filed, (ii) such Exchange Offer Registration Statement or Registration Statement does not become effective, or (iii) such Exchange Offer Registration Statement or Registration Statement does not remain effective within the time period or for as long as contemplated by the applicable registration rights agreement, the Company shall pay to the relevant Bancorp Hawaii Capital Trust, and such Bancorp Hawaii Capital Trust shall pay to the holders of the Capital Securities, an amount, which may be either fixed or based on the duration and/or principal amount of the Capital Securities affected thereby.

SECTION 12.04. Compliance With Law. Any registration rights agreement entered into hereunder may provide that any Holder of Capital Securities who is considered to be an affiliate of the Company or the Bancorp Hawaii Capital Trust or any underwriter in connection with the issuance and sale of Capital Securities be barred from participation in the Exchange Offer Registration statement or other Registration Statement, in accordance with applicable law or regulation.

ARTICLE XIII

Sinking Funds

SECTION 13.01. Applicability of Article. The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of any series except as otherwise specified as contemplated by Section 3.01 for such Securities.

The minimum amount of any sinking fund payment provided for by the terms of any Securities of any series is herein referred to as a "mandatory sinking fund payment", and any sinking fund payment in excess of such minimum amount which is permitted to be made by the terms of such Securities of any series is herein referred to as an "optional sinking fund payment". If provided for by the terms of any Securities of any series, the case amount of any sinking fund payment may be subject to reduction as provided in Section 13.02. Each sinking fund payment shall be applied to the redemption (or purchase by tender or otherwise) of Securities of any series as provided for by the terms of such Securities.

SECTION 13.02. Satisfaction of Sinking Fund Payments with Securities. In lieu of making all or any part of a mandatory sinking fund payment with respect to any Securities of a series in cash, the Company may at its option, at any time no more than 16 months and no less than 45 days prior to the date on which such sinking fund payment is due, deliver to the Trustee Securities of such series (together with the unmatured Coupons, if any, appertaining thereto) theretofore purchased or otherwise acquired by the Company, except Securities of such series that have been redeemed through the application of mandatory or optional sinking fund payments pursuant to the terms of the Securities of such series, accompanied by a Company Order

instructing the Trustee to credit such obligations and stating that the Securities of such series were originally issued by the Company by way of bona fide sale or other negotiation for value; provided that the Securities to be so credited have not been previously so credited. The Securities to be so credited shall be received and credited for such purpose by the Trustee at the redemption price for such Securities, as specified in the Securities so to be redeemed, for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

SECTION 13.03. Redemption of Securities for Sinking Fund. Not less than 45 days prior to each sinking fund payment date for any series of securities, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for such Securities pursuant to the terms of such Securities, the portion thereof, if any, which is to be satisfied by payment of cash in the currency in which the Securities of such series are payable (except as provided pursuant to Section

3.01) and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities pursuant to Section 13.02 and will also deliver to the Trustee any Securities to be so delivered. Such Certificate shall be irrevocable and upon its delivery the Company shall be obligated to make the cash payment or payments therein referred to, if any, on or before the succeeding sinking fund payment date. In the case of the failure of the Company to deliver such Certificate (or, as required by this Indenture, the Securities and coupons, if any, specified in such Certificate) by the due date therefor, the sinking fund payment due on the succeeding sinking fund payment date for such series shall be paid entirely in cash and shall be sufficient to redeem the principal amount of the Securities of such series subject to a mandatory sinking fund payment without the right to deliver or credit securities as provided in Section 13.02 and without the right to make the optional sinking fund payment with respect to such series at such time.

Any sinking fund payment or payments (mandatory or optional) made in cash plus any unused balance of any preceding sinking fund payments made with respect to the Securities of any particular series shall be applied by the Trustee (or by the Company if the Company is acting as its own Paying Agent) on the sinking fund payment date on which such payment is made (or, if such payment is made before a

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sinking fund payment date, on the sinking fund payment date immediately following the date of such payment) to the redemption of Securities of such series at the redemption price specified in such Securities with respect to the sinking fund. Any sinking fund moneys not so applied or allocated by the Trustee (or by the Company if the Company is acting as its own Paying Agent, segregated and held in trust as provided in Section 10.03) for such series and together with such payment (or such amount so segregated) shall be applied in accordance with the provisions of this Section 13.03. Any and all sinking fund moneys with respect to the Securities of any particular series held by the Trustee (or if the Company is acting as its own Paying Agent, segregated and held in trust as provided in Section 10.03) on the last sinking fund payment date with respect to Securities of such series and not held for the payment or redemption of particular Securities of such series shall be applied by the Trustee (or by the Company if the Company is acting as its own Paying Agent), together with other moneys, if necessary, to be deposited (or segregated) sufficient for the purpose, to the payment of the principal of the Securities of such series at Maturity. The Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 11.03 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 11.04. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Section 11.06. On or before each sinking fund payment date, the Company shall pay to the Trustee (or, if the Company is acting as its own Paying Agent, the Company shall segregate and hold in trust as provided in Section 10.03) in cash a sum in the currency in which Securities of such series are payable (except as provided pursuant to Section 3.01) equal to the principal, premium, if any, and any interest accrued to the redemption date for Securities or portions thereof to be redeemed on such sinking fund payment date pursuant to this Section 13.03.

Neither the Trustee nor the Company shall redeem any Securities of a series with sinking fund moneys or mail any notice of redemption of Securities of such series by operation of the sinking fund for such series during the continuance of a default in payment of interest, if any, on any Securities of such series or of any Event of Default (other than an Event of Default occurring as a consequence of this paragraph) with respect to the Securities of such

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series, except that if the notice of redemption shall have been provided in accordance with the provisions hereof, the Trustee (or the Company if the Company is then acting as its own Paying Agent) shall redeem such Securities if cash sufficient for that purpose shall be deposited with the Trustee (or segregated by the Company) for that purpose in accordance with the terms of this Article XII. Except as aforesaid, any moneys in the sinking fund for such series at the time when any such default or Event of Default shall occur and any moneys thereafter paid into such sinking fund shall, during the continuance of such default or Event of Default, be held as security for the payment of the Securities and coupons, if any, of such series; provided, however, that in case such default or Event of Default shall have been cured or waived herein, such moneys shall thereafter be applied on the next sinking fund payment date for the Securities of such series on which such moneys may be applied pursuant to the provisions of this Section 13.03.

ARTICLE XIV

Subordination of Securities

SECTION 14.01. Securities Subordinate to Senior Debt. The Company covenants and agrees, and each Holder of a Security, by its acceptance thereof, likewise covenants and agrees, that, to the extent and in the manner hereinafter set forth in this Article, the payment of the principal of (and premium, if any) and interest (including any Additional Interest) on each and all of the Securities are hereby expressly made subordinate and junior in right of payment to the prior payment in full of all amounts then due and payable in respect of all Senior Debt.

SECTION 14.02. Payment Over of Proceeds Upon Dissolution, etc. In the event of (a) any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company, its creditors or its property, (b) any proceeding for the liquidation, dissolution, or other winding up of the Company, voluntary or involuntary, whether or not involving insolvency or bankruptcy proceedings, (c) any assignment by the Company for the benefit of creditors or (d) any other marshaling of the assets of the Company (each such event, if any, herein sometimes referred to as a "Proceeding"), then the holders of Senior Debt shall be entitled to receive payment in full

of principal of (and premium, if any) and interest, if any, on such Senior Debt, or provision shall be made for such payment in cash or cash equivalents or otherwise in a manner satisfactory to the holders of Senior Debt, before the Holders of the Securities are entitled to receive or retain any payment or distribution of any kind or character, whether in cash, property or securities (including any payment or distribution which may be payable or deliverable by reason of the payment of any other Debt of the Company (including any series of the Securities) subordinated to the payment of the Securities, such payment or distribution being hereinafter referred to as a "Junior Subordinated Payment"), on account of principal of (or premium, if any) or interest (including any Additional Interest) on the Securities or on account of the purchase or other acquisition of Securities by the Company or any Subsidiary and to that end the holders of Senior Debt shall be entitled to receive, for application to the payment thereof, any payment or distribution of any kind or character, whether in cash, property or securities, including any Junior Subordinated Payment, which may be payable or deliverable in respect of the Securities in any such Proceeding; provided, however, that holders of Senior Debt shall not be entitled to receive payment of any such amounts to the extent that such holders would be

required by the subordination provisions of such Senior Debt to pay such amounts over to the obligees on trade accounts payable or other liabilities arising in the ordinary course of business.

In the event that, notwithstanding the foregoing provisions of this Section, the Trustee or the Holder of any security shall have received any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, including any Junior Subordinated Payment, before all Senior Debt is paid in full or payment thereof is provided for in cash or cash equivalents or otherwise in a manner satisfactory to the holders of Senior Debt, and if such fact shall, at or prior to the time of such payment or distribution, have been made known to a Responsible Officer of the Trustee or, as the case may be, such Holder, then and in such event such payment or distribution shall be paid over or delivered forthwith to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other Person making payment or distribution of assets of the Company for application to the payment of all Senior Debt remaining unpaid, to the extent necessary to pay all Senior

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Debt in full, after giving effect to any concurrent payment or distribution to or for the holders of Senior Debt.

For purposes of this Article only, the words "any payment or distribution of any kind or character, whether in cash, property or securities" shall not be deemed to include shares of stock of the Company as reorganized or readjusted, or securities of the Company or any other corporation provided for by a plan or reorganization or readjustment which securities are subordinated in right of payment to all then outstanding Senior Debt to substantially the same extent as the Securities are so subordinated as provided in this Article. The consolidation of the Company with, or the merger of the Company into, another Person or the liquidation or dissolution of the Company following the sale of all or substantially all of its properties and assets as an entirety to another Person or the liquidation or dissolution of the Company following the sale of all or substantially all of its properties and assets as an entirety to another Person upon the terms and conditions set forth in Article VIII shall not be deemed a Proceeding for the purposes of this Section if the Person formed by such consolidation or into which the Company is merged or the Person which acquires by sale such properties and assets as an entirety, as the case may be, shall, as a part of such consolidation, merger, or sale comply with the conditions set forth in Article VIII.

SECTION 14.03. Prior Payment to Senior Debt Upon Acceleration of Securities. In the event that any Securities are declared due and payable before their Stated Maturity, then and in such event the holders of the Senior Debt outstanding at the time such Securities so become due and payable shall first be entitled to receive payment in full of all amounts due on or in respect of such Senior Debt (including any amounts due upon acceleration), or provision shall be made for such payment in cash or cash equivalents or otherwise in a manner satisfactory to the holders of Senior Debt, before the Holders of the Securities will be entitled to receive or retain any payment or distribution of any kind or character, whether in cash, property or securities (including any Junior Subordinated Payment) by the Company on account of the principal of (or premium, if any) or interest (including any Additional Interest) on the Securities or on account of the purchase or other acquisition of Securities by the Company or any Subsidiary; provided, however, that nothing in this Section shall prevent the satisfaction of any sinking fund payment in

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accordance with this Indenture or as otherwise specified as contemplated by Section 3.01 for the Securities of any series by delivering and crediting pursuant to Section 13.02 or as otherwise specified as contemplated by Section 3.01 for the Securities of any series Securities which have been acquired (upon redemption or otherwise) prior to such declaration of acceleration; provided further, however, that holders of Senior Debt shall not be entitled to receive payment of any such amounts to the extent that such holders would be required by the subordination provisions of such Senior Debt to pay such amounts over to the obligees on trade accounts payable or other liabilities arising in the ordinary course of business.

In the event that, notwithstanding the foregoing, the Company shall make any payment to the Trustee or the Holder of any Security prohibited by the foregoing provisions of this Section, and if such fact shall, at or prior to the time of such payment, have been made known to a Responsible Officer of Trustee or, as the case may be, such Holder, then and in such event such payment shall be paid over and delivered forthwith to the Company.

The provisions of this Section shall not apply to any payment with respect to which Section 14.02 would be applicable.

SECTION 14.04. No Payment When Senior Debt in Default. (a) In the event and during the continuation of any default by the Company in the payment of principal of (or premium, if any) or interest, if any, on any Senior Debt, or in the event that any event of default with respect to any Senior Debt shall have occurred and be continuing and shall have resulted in such Senior Debt becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, unless and until such event of default shall have been cured or waived or shall have ceased to exist and such acceleration shall have been rescinded or annulled, or (b) in the event any judicial proceeding shall be pending with respect to any such default in payment or such event or default, then no direct or indirect payment or distribution of any kind or character, whether in cash, property or securities (including any Junior Subordinated Payment) shall be made or agreed to be made by the Company on account of principal of (or premium, if any) or interest (including any Additional Interest), if any, on the Securities or on account of any redemption, repayment, retirement, purchase or other acquisition of any

Securities by the Company or any Subsidiary; provided, however, that nothing in this Section shall prevent the satisfaction of any sinking fund payment in accordance with this Indenture or as otherwise specified as contemplated by Section 3.01 for the Securities of any series by delivering and crediting pursuant to Section 13.02 or as otherwise specified as contemplated by Section 3.01 for the Securities of any series Securities which have been acquired (upon redemption or otherwise) prior to such default in payment or event of default.

In the event that, notwithstanding the foregoing, the Company shall make any payment to the Trustee or the Holder of any Security prohibited by the foregoing provisions of this Section, and if such fact shall, at or prior to the time of such payment, have been made known to a Responsible Officer of the Trustee or, as the case may be, such Holder, then and in such event such payment shall be paid over and delivered forthwith to the Company.

The provisions of this Section shall not apply to any payment with respect to which Section 14.02 would be applicable.

SECTION 14.05. Payment Permitted If No Default. Nothing contained in this Article or elsewhere in this Indenture or in any of the Securities shall prevent (a) the Company, at any time except during the pendency of any Proceeding referred to in Section 14.02 or under the conditions described in Sections 14.03 and 14.04, from making payments at any time of principal of

(and premium, if any) or interest (including Additional Interest) on the Securities, or (b) the application by the Trustee of any money deposited with it hereunder to the payment of or on account of the principal of (and premium, if any) or interest (including any Additional Interest) on the Securities or the retention of such payment by the Holders, if, at the time of such payment by the Company or application by the Trustee, as the case may be, it did not have knowledge that such payment or application, as the case may be, would have been prohibited by the provisions of this Article.

SECTION 14.06. Subrogation to Rights of Holders of Senior Debt. Subject to the payment of all Senior Debt to the extent required under Sections 14.02 and 14.03 of this Indenture, or the provision for such payment in cash or cash equivalents or otherwise in a manner satisfactory to

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the holders of Senior Debt, the Holders of the Securities shall be subrogated to the extent of the payments or distributions made to the holders of such Senior Debt pursuant to the provisions of this Article (equally and ratably with the holders of all indebtedness of the Company which by its express terms is subordinated to Senior Debt of the Company to substantially the same extent as the Securities are subordinated to the Senior Debt and is entitled to like rights of subrogation by reason of any payments or distributions made to holders of such Senior Debt) to the rights of the holders of such Senior Debt to receive payments and distributions of cash, property and securities applicable to the Senior Debt until the principal of (and premium, if any) and interest on the Securities shall be paid in full. For purposes of such subrogation or assignment, no payments or distributions to the holders of the Senior Debt of any cash, property or securities to which the Holders of the Securities or the Trustee would be entitled except for the provisions of this Article, and no payments over pursuant to the provisions of this Article to the holders of Senior Debt by Holders of the Securities or the Trustee, shall, as among the Company, its creditors other than holders of Senior Debt, and the Holders of the Securities, be deemed to be a payment or distribution by the Company to or on account of the Senior Debt.

SECTION 14.07. Provisions Solely to Define Relative Rights. The provisions of this Article are and are intended solely for the purpose of defining the relative rights of the Holders of the Securities on the one hand and the holders of Senior Debt on the other hand. Nothing contained in this Article or elsewhere in this Indenture or in the Securities is intended to or shall (a) impair, as between the Company and the Holders of the Securities, the obligations of the Company, which are absolute and unconditional, to pay to the Holders of the Securities the principal of (and premium, if any) and interest (including any Additional Interest) on the Securities as and when the same shall become due and payable in accordance with their terms; or (b) affect the relative rights against the Company of the Holders of the Securities and creditors of the Company other than their rights in relation to the holders of Senior Debt; or (c) prevent the Trustee or the Holder of any Security from exercising all remedies otherwise permitted by applicable law upon default under this Indenture including, without limitation, filing and voting claims in any Proceeding, subject to the rights, if any, under this Article of the holders of Senior Debt to receive

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cash, property and securities otherwise Payable or deliverable to the Trustee or such Holder.

SECTION 14.08. Trustee To Effectuate Subordination. Each

Holder of a Security by his or her acceptance thereof authorizes and directs the Trustee on his or her behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination provided in this Article and appoints the Trustee his or her attorney-in-fact for any and all such purposes.

SECTION 14.09. No Waiver of Subordination Provisions. No right of any present or future holder of any Senior Debt to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof that any such holder may have or be otherwise charged with.

SECTION 14.10. Notice to Trustee. The Company shall give prompt written notice to the Trustee of any fact known to the Company which would prohibit the making of any payment to or by the Trustee in respect of the Securities. Notwithstanding the provisions of this Article or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Trustee in respect of the Securities, unless and until the Trustee shall have received written notice thereof from the Company or a holder of Senior Debt or from any trustee, agent or representative therefor (whether or not the facts contained in such notice are true); provided, however, that if the Trustee shall not have received the notice provided for in this Section at least two Business Days prior to the date upon which by the terms hereof any monies may become payable for any purpose (including, without limitation, the payment of the principal of (and premium, if any) or interest (including any Additional Interest) on any Security), then, anything herein contained to the contrary notwithstanding, the Trustee shall have full power and authority to receive such monies and to apply the same to the purpose for which they were received and shall not be affected by any notice to the contrary which may be received by it within two Business Days prior to such date.

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SECTION 14.11. Reliance on Judicial Order or Certificate of Liquidating Agent. Upon any payment or distribution of assets of the Company referred to in this Article, the Trustee, subject to the provisions of Article VI, and the Holders of the Securities shall be entitled to conclusively rely upon any order or decree entered by any court of competent jurisdiction in which such Proceeding is pending, or a certificate of the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee for the benefit of creditors, agent or other Person making such payment or distribution, delivered to the Trustee or to the Holders of Securities, for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of the Senior Debt and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article.

SECTION 14.12. Trustee Not Fiduciary for Holders of Senior Debt. The Trustee, in its capacity as trustee under this Indenture, shall not be deemed to owe any fiduciary duty to the holders of Senior Debt and shall not be liable to any such holders if it shall in good faith mistakenly pay over or distribute to Holders of Securities or to the Company or to any other Person cash, property or securities to which any holders of Senior Debt shall be entitled by virtue of this Article or otherwise. With respect to the holders of Senior Debt, the Trustee undertakes to perform or to observe only such of its covenants or obligations as are specifically set forth in this Article XIV and no implied covenants or obligations with respect to holder of Senior Debt shall be read into this Indenture against the Trustee.

SECTION 14.13. Rights of Trustee as Holder of Senior Debt; Preservation of Trustee's Rights. The Trustee in its individual capacity shall

be entitled to all the rights set forth in this Article with respect to any Senior Debt which may at any time be held by it, to the same extent as any other holder of Senior Debt, and nothing in this Indenture shall deprive the Trustee of any of its rights as such holder.

SECTION 14.14. Article Applicable to Paying Agents. In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting hereunder, the term "Trustee" as used in this Article

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shall in such case (unless the context otherwise requires) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article in addition to or in place of the Trustee.

SECTION 14.15. Certain Conversions or Exchanges Deemed Payment. For purposes of this Article only, (a) the issuance and delivery of junior securities upon conversion or exchange of Securities shall not be deemed to constitute a payment or distribution on account of the principal of (or premium, if any) or interest (including any Additional Interest) on Securities or on account of the purchase or other acquisition of Securities, and (b) the payment,

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issuance or delivery of cash, property or securities (other than junior securities) upon conversion or exchange of a Security shall be deemed to constitute payment on account of the principal of such Security. For the purposes of this Section, the term "junior securities" means (i) shares of any stock of any class of the Company and (ii) securities of the Company which are subordinated in right of payment to all Senior Debt which may be outstanding at the time of issuance or delivery of such securities to substantially the same extent as, or to a greater extent than, the Securities are so subordinated as provided in this Article.

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

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

BANCORP HAWAII, INC.,

by _____

Name:

Title:

[Seal]

THE BANK OF NEW YORK, as Trustee,

by _____

[Seal]

Name:
Title:

CERTIFICATE OF TRUST
OF
BANCORP HAWAII CAPITAL TRUST 1

The undersigned, the trustees of Bancorp Hawaii Capital Trust 1, desiring to form a business trust pursuant to Delaware Business Trust Act, 12 Del. C. Section 3810, hereby certify as follows:

- (a) The name of the business trust being formed hereby (the "Trust") is "Bancorp Hawaii Capital Trust 1"
- (b) The name and business address of the trustee of the Trust which has its principal place of business in the State of Delaware are as follows;

The Bank of New York (Delaware)
White Clay Center, Route 273
New Castle County
Newark, DE 19711
- (c) The Trust created hereby shall terminate on December 23, 2050.
- (d) This Certificate of Trust shall be effective as of the date of filing.

Dated: December 23, 1996

/s/ David A. Houle

David A. Houle, not in his individual capacity, but solely as Administrative Trustee

/s/ Joseph T. Kiefer

Joseph T. Kiefer not in his individual capacity, but solely as Administrative Trustee

THE BANK OF NEW YORK (DELAWARE),
not in its individual capacity
but solely as Delaware Trustee

By: /s/ Melissa Beneduce

Name: Melissa Beneduce
Title: Assistant Vice President

CERTIFICATE OF AMENDMENT
TO
CERTIFICATE OF TRUST
OF
BANCORP HAWAII CAPITAL TRUST 1

The undersigned, being an Administrative Trustee of Bancorp Hawaii Capital Trust 1 organized and existing under and by virtue of the Delaware Business Trust Act (the "Trust"), does hereby certify as follows:

FIRST: That the Certificate of Trust of the Trust was filed with the Secretary of State of the State of Delaware on December 23, 1996.

SECOND: That the name under which the Trust was formed is Bancorp Hawaii Capital Trust 1.

THIRD: That effective as of the date of filing this Certificate of Amendment, Paragraph (a) of the Certificate of Trust of the Trust is hereby amended to read in its entirety as follows:

"(a). The name of the business trust being formed hereby (the "Trust") is "Bancorp Hawaii Capital Trust I."

IN WITNESS WHEREOF, this Certificate has been executed this 30th day of December, 1996.

/s/ Joseph T. Kiefer

Joseph T. Kiefer, not in his
individual capacity, but
solely in his capacity as
Administrative Trustee

TRUST AGREEMENT
OF
BANCORP HAWAII CAPITAL TRUST 1

TRUST AGREEMENT ("Declaration") dated and effective as of December 30, 1996 by the Trustees (as defined herein), the Sponsor (as defined herein), and by the holders from time to time, of undivided beneficial interests in the Trust to be issued pursuant to this Declaration;

WHEREAS, the Trustees and the Sponsor desire to establish Bancorp Hawaii Capital Trust 1 (the "Trust") pursuant to the Delaware Business Trust Act for the sole purpose of issuing and selling certain securities representing undivided beneficial interests in the assets of the Trust and investing the proceeds thereof in certain Debentures of the Debentures Issuer;

NOW, THEREFORE, it being the intention of the parties hereto that the Trust constitute a business trust under the Delaware Business Trust Act and that this Declaration constitute the governing instrument of such business trust.

ARTICLE I
DEFINITIONS

SECTION 1.1 Definitions.

Unless the context otherwise requires:

- (a) Capitalized terms used in this Declaration but not defined in the preamble above have the respective meanings assigned to them in this Section 1.1;
- (b) a term defined anywhere in this Declaration has the same meaning throughout;
- (c) all references to "the Declaration" or "this Declaration" are to this Trust Agreement as modified, supplemented or amended from time to time;
- (d) all references in this Declaration to Articles and

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Sections are to Articles and Sections of this Declaration unless otherwise specified; and

- (e) a reference to the singular includes the plural and vice versa.

"Administrative Trustee" means any Trustee other than the Delaware Trustee and the Property Trustee.

"Affiliate" has the same meaning as given to that term in Rule 405 of the Securities Act or any successor rule thereunder.

"Business Day" means any day other than a day on which banking institutions in New York, New York are authorized or required by law to close.

"Capital Security" means a security representing an undivided beneficial interest in the assets of the Trust with such terms as may be set out in this Declaration or in any amendment or restatement hereof.

"Capital Security Holders" means the persons acquiring Capital Securities and holding the same, from time to time.

"Certificate of Trust" shall mean the certificate of trust to be filed pursuant to Section 3810 of the Delaware Business Trust Act.

"Commission" means the Securities and Exchange Commission.

"Common Security" means a security representing an undivided beneficial interest in the assets of the Trust having such rights and with terms as may be set out in this Declaration or in any amendment or restatement hereof.

"Common Security Holder" means the Parent, as the owner of the Common Securities.

"Company Indemnified Person" means (a) any Administrative Trustee; (b) any Affiliate of any Administrative Trustee; (c) any officers, directors, shareholders, members, partners, employees, representatives or agents of any Administrative Trustee; or (d)

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any employee or agent of the Trust or its Affiliates.

"Covered Person" means (a) any officer, director, shareholder, partner, member, representative, employee or agent of (i) the Trust or (ii) the Trust's Affiliates and (b) any holder of Securities.

"Debenture Issuer" means the Parent in its capacity as the issuer of the Debentures under the Indenture.

"Debentures" means the series of Debentures to be issued by the Debenture Issuer and acquired by the Trust.

"Debenture Trustee" means The Bank of New York, as trustee under the Indenture until a successor is appointed thereunder, and thereafter means such successor trustee.

"Delaware Business Trust Act" means Chapter 38 of Title 12 of the Delaware Code, 12 Del. Code Section 3801 et seq., as it may be amended from time to time, or any successor legislation.

"Delaware Trustee" has the meaning set forth in Section 3.1.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time or any successor legislation.

"Fiduciary Indemnified Person" has the meaning set forth in Section 4.3(b).

"Indemnified Person" means a Company Indemnified Person or a Fiduciary Indemnified Person.

"Indenture" means the indenture to be entered into between the Parent and the Debenture Trustee and any indenture supplemental thereto pursuant to which the Debentures are to be issued or governed.

"Offering Circular" has the meaning set forth in Section 2.6(b)(i).

"Parent" means Bancorp of Hawaii, Inc., a Delaware corporation or any successor entity in a merger, consolidation or

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similar reorganization.

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature.

"PORTAL" has the meaning set forth in Section 2.6(b)(iii).

"Property Trustee" has the meaning set forth in Section 3.4.

"Purchase Agreement" means the Purchase Agreement by and among the Parent, the Trust UBS Securities LLC, Credit Suisse First Boston and Salomon Brothers Inc.

"Securities" means the Common Securities and the Capital Securities.

"Securities Act" means the Securities Act of 1933, as amended from time to time, or any successor legislation.

"Sponsor" means the Parent in its capacity as sponsor of the Trust.

"Trustee" or "Trustees" means each Person who has signed this Declaration as a trustee, so long as such Person shall continue in office in accordance with the terms hereof, and all other Persons who may from time to time be duly appointed, qualified and serving as Trustees in accordance with the provisions hereof, and references herein to a Trustee or the Trustees shall refer to such Person or Persons solely in their capacity as trustees hereunder.

ARTICLE II ORGANIZATION

SECTION 2.1 Name.

The Trust created by this Declaration is named "Bancorp

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Capital Trust 1." The Trust's activities may be conducted under the name of the Trust or any other name deemed advisable by the Administrative Trustees.

SECTION 2.2 Office.

The address of the principal office of the Trust is 130 Merchant Street, Honolulu, Hawaii 96813. At any time, the Administrative Trustees may designate another principal office of the Trust.

SECTION 2.3 Purpose.

The exclusive purposes and functions of the Trust are (a) to issue and sell Securities and use the proceeds from such sale to acquire the Debentures, (b) to distribute the Trust's income as provided in this Declaration or any amendment or restatement hereof and (c) except as otherwise limited herein, to engage in only those other activities necessary, or incidental thereto. The Trust shall not borrow money, issue debt or reinvest proceeds derived from investments, pledge any of its assets, or otherwise undertake (or permit to be undertaken) any activity that would cause the Trust not to be classified for United States federal income tax purposes as a grantor trust.

SECTION 2.4 Declaration and Authority.

(a) The Trustees declare that all assets contributed to the Trust will be held in trust for the benefit of the holders, from time to time, of the securities representing undivided beneficial interests in the assets of the Trust issued hereunder, subject to the provisions of this Declaration. The Sponsor hereby contributes the sum of \$10 to be held by the Trustees hereunder and to which all other assets of the

Trust, from time to time, shall be added.

(b) Subject to the limitations provided in this Declaration, the Administrative Trustees shall have exclusive and complete authority to carry out the purposes of the Trust. An action taken by the Administrative Trustees in accordance with their powers shall constitute the act of and serve to bind the Trust. In dealing with the Administrative Trustees

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acting on behalf of the Trust, no person shall be required to inquire into the authority of the Administrative Trustees to bind the Trust. Persons dealing with the Trust are entitled to rely conclusively on the power and authority of the Administrative Trustees as set forth in this Declaration.

SECTION 2.5 Title to Property of the Trust.

Trust. Legal title to all assets of the Trust shall be vested in the

SECTION 2.6 Powers of the Trustees.

The Administrative Trustees shall have the exclusive power and authority to cause the Trust to engage in the following activities:

(a) to issue and sell the Capital Securities and the Common Securities in accordance with this Declaration; provided, however, that the Trust may issue no more than one series of Capital Securities and no more than one series of Common Securities, and , provided, further, that there shall be no interests in the Trust other the Securities and the issuance of the Securities shall be limited to the simultaneous issuance of both Capital and Common Securities on the date the Capital Securities are initially sold and any other date Capital Securities and Common Securities are sold pursuant to any over-allotment option granted by the Trust under the Purchase Agreement;

(b) in connection with the issuance and sale of the Capital Securities, at the direction of the Sponsor, to:

(i) permit the use of an offering circular (the "Offering Circular") in preliminary and final form prepared by the Sponsor, in relation to the offering and sale of Capital Securities to qualified institutional buyers in reliance on Rule 144A under the Securities Act and outside the United States to non U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act and to execute and file with the Commission, at such time as

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determined by the Sponsor, a registration statement filed on Form S-3 prepared by the Sponsor, including any amendments thereto in relation to the Capital Securities;

(ii) execute and file any documents prepared by the Sponsor, or take any acts as determined by the Sponsor to be necessary in order to qualify or register all or part of the Capital Securities in any State in which the Sponsor has determined to qualify or register such Capital Securities for sale;

(iii) execute and file an application, prepared by the Sponsor, to the Private Offerings, Resale and Trading through Automated Linkages ("PORTAL") Market and, at such time as determined by the Sponsor to the New York Stock Exchange or any other national stock exchange or the Nasdaq National Market for listing or quotation of the Capital Securities;

(iv) execute and enter into the Purchase Agreement and pricing agreement providing for the sale of the Capital Securities;

(c) to employ or otherwise engage employees and agents (who may be designated as officers with titles) and managers, contractors, advisors, and consultants and provide for reasonable compensation for such services;

(d) to incur expenses which are necessary or incidental to carry out any of the purposes of this Declaration; and

(e) to execute all documents or instruments, perform all duties and powers, and do all things for and on behalf of the Trust in all matters necessary or incidental to the foregoing.

SECTION 2.7 Filing of Certificate of Trust.

On the date of execution of this Declaration, the Trustees shall cause the filing of the Certificate of Trust for the Trust in the form attached hereto as Exhibit A with the

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Secretary of State of the State of Delaware.

SECTION 2.8 Duration of Trust.

The Trust, absent termination pursuant to the provisions of Section 5.2, shall have existence for fifty-four (54) years from the date hereof.

SECTION 2.9 Responsibilities of the Sponsor.

In connection with the issuance and sale of the Capital Securities, the Sponsor shall have the exclusive right and responsibility to engage in the following activities:

(a) to prepare for filing by the Administrative Trustee on behalf of Trust with the Commission a registration statement on Form S-3 in relation to the Capital Securities, including any amendments thereto;

(b) to determine the States in which to take appropriate action to qualify or register for sale of all or part of the Capital Securities or the Common Securities and to do any and all such acts, other than actions which must be taken by the Trust, and advise the Trust of actions it must take, and prepare for execution and filing any documents to be executed and filed by the Trust, as the Sponsor deems necessary or advisable in order to comply with the applicable laws of any such States;

(c) to prepare for filing by the Trust an application to PORTAL for listing upon notice of issuance of any Capital Securities;

(d) to negotiate the terms of the Purchase Agreement providing for the sale of the Capital Securities.

SECTION 2.10 Declaration Binding on Securities Holders.

Every Person by virtue of having become a holder of a Security or any interest therein in accordance with the terms of this Declaration, shall be deemed to have expressly assented and agreed to the terms of, and shall be bound by, this Declaration.

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ARTICLE III
TRUSTEES

SECTION 3.1 Trustees.

The number of Trustees initially shall be four (4), and thereafter the number of Trustees shall be such number as shall be fixed from time to time by a written instrument signed by the Sponsor. The Sponsor is entitled to appoint or remove without cause any Trustee at any time; provided, however, that the number of Trustees shall in no event be less than two (2); provided, however, that one Trustee, in the case of a natural person, shall be a person who is a resident of the State of Delaware or that, if not a natural person, is an entity which has its principal place of business in the State of Delaware (the "Delaware Trustee"); provided further that there shall be at least one trustee who is an employee or officer of, or is affiliated with the Parent (an "Administrative Trustee").

SECTION 3.2 Administrative Trustees.

The initial Administrative Trustees shall be:

David A. Houle
Joseph T. Kiefer

(a) Except as expressly set forth in this Declaration, any power of the Administrative Trustees may be exercised by, or with the consent of, any one such Administrative Trustee.

(b) Unless otherwise determined by the Administrative Trustees, and except as otherwise required by the Delaware Business Trust Act, any Administrative Trustee is authorized to execute on behalf of the Trust any documents which the Administrative Trustees have the power and authority to cause the Trust to execute pursuant to Section 2.6 provided, that, the registration statement referred to in Section 2.6(b)(i), including any amendments thereto, shall be signed by a majority of the Administrative Trustees; and

(c) an Administrative Trustee may, by power of attorney consistent with applicable law, delegate to any other

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natural person over the age of 21 his or her power for the purposes of signing any documents which the Administrative Trustees have power and authority to cause the Trust to execute pursuant to Section 2.6.

SECTION 3.3 Delaware Trustee.

The initial Delaware Trustee shall be:

The Bank of New York (Delaware)
White Clay Center, Route 273
Newark, DE 19711
Attention: Corporate Trust

Notwithstanding any other provision of this Declaration, the

Delaware Trustee shall not be entitled to exercise any of the powers, nor shall the Delaware Trustee have any of the duties and responsibilities of the Administrative Trustees described in this Declaration. The Delaware Trustee shall be a Trustee for the sole and limited purpose of fulfilling the requirements of Section 3807 of the Delaware Business Trust Act. Notwithstanding anything herein to the contrary, the Delaware Trustee shall not be liable for the acts or omissions to act of the Trust or of the Administrative Trustees except such acts as the Delaware Trustee is expressly obligated or authorized to undertake under this Declaration or the Delaware Business Trust Act and except for the gross negligence or willful misconduct of the Delaware Trustee.

SECTION 3.4 Property Trustee.

Prior to the issuance of the Capital Securities and Common Securities, the Sponsor shall appoint another trustee (the "Property Trustee") meeting the requirements of an eligible trustee of the Trust Indenture Act of 1939, as amended, by the execution of an amendment to or restatement of this Declaration executed by the Administrative Trustees, the Sponsor, the Property Trustee and the Delaware Trustee.

SECTION 3.5 Not Responsible for Recitals or Sufficiency of Declaration.

The recitals contained in this Declaration shall be

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taken as the statements of the Sponsor, and the Trustees do not assume any responsibility for their correctness. The Trustees make no representations as to the value or condition of the property of the Trust or any part thereof. The Trustees make no representations as to the validity or sufficiency of this Declaration.

SECTION 3.6 Compensation of Trustees.

The Depositor agrees:

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

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

(c) To the fullest extent possible the parties intend that Section 3561 of Title 12 of the Delaware Code shall not apply to the Trust and that compensation paid pursuant to Section 3.6(a) not be subject to review by any court under Section 3560 of Title 12 of the Delaware Code.

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ARTICLE IV
LIMITATION OF LIABILITY OF
HOLDERS OF SECURITIES, TRUSTEES OR OTHERS

SECTION 4.1 Exculpation.

(a) No Indemnified Person shall be liable, responsible or

accountable in damages or otherwise to the Trust or any Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Declaration or by law, except that an Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's gross negligence or willful misconduct with respect to such acts or omissions; and

(b) an Indemnified Person shall be fully protected in relying in good faith upon the records of the Trust and upon such information, opinions, reports or statements presented to the Trust by any Person as to matters the Indemnified Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Trust, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which distributions to holders of Securities might properly be paid.

SECTION 4.2 Fiduciary Duty.

(a) To the extent that, at law or in equity, an Indemnified Person has duties (including fiduciary duties) and liabilities relating thereto to the Trust or to any other Covered Person, an Indemnified Person acting under this Declaration shall not be liable to the Trust or to any other Covered Person for its good faith reliance on the provisions of this Declaration. The provisions of this Declaration, to the extent that they restrict the duties and liabilities of an Indemnified Person otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of such Indemnified Person;

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(b) unless otherwise expressly provided herein:

(i) whenever a conflict of interest exists or arises between Covered Persons; or

(ii) whenever this Declaration or any other agreement contemplated herein or therein provides that an Indemnified Person shall act in a manner that is, or provides terms that are, fair and reasonable to the Trust or any holder of Securities,

the Indemnified Person shall resolve such conflict of interest, take such action or provide such terms, considering in each case the relative interest of each party (including its own interest) to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable generally accepted accounting practices or principles. In the absence of bad faith by the Indemnified Person, the resolution, action or term so made, taken or provided by the Indemnified Person shall not constitute a breach of this Declaration or any other agreement contemplated herein or of any duty or obligation of the Indemnified Person at law or in equity or otherwise; and

(c) whenever in this Declaration an Indemnified Person is permitted or required to make a decision:

(i) in its "discretion" or under a grant of similar authority, the Indemnified Person shall be entitled to consider such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Trust or any other Person; or

(ii) in its "good faith" or another express standard, the Indemnified Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Declaration or by applicable law.

SECTION 4.3 Indemnification.

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The Depositor agrees, to the fullest extent permitted by applicable law, to indemnify and hold harmless (i) each Trustee, (ii) any Affiliate of any Trustee, (iii) any officer, director, shareholder, employee, representative or agent of any Trustee, and (iv) any employee or agent of the Trust or its Affiliates, (referred to herein as an "Indemnified Person") from and against any loss, damage, liability, tax, penalty, expense or claim of any kind or nature whatsoever incurred by such Indemnified Person by reason of the creation, operation or termination of the Trust or any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of authority conferred on such Indemnified Person by this Trust Agreement, except that no Indemnified Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Indemnified Person by reason of negligence or willful misconduct with respect to such acts or omissions.

SECTION 4.4 Outside Businesses.

Any Covered Person, the Sponsor and the Delaware Trustee may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Trust, and the Trust and the holders of Securities shall have no rights by virtue of this Declaration in and to such independent ventures or the income or profits derived therefrom and the pursuit of any such venture, even if competitive with the business of the Trust, shall not be deemed wrongful or improper. No Covered Person, the Sponsor or the Delaware Trustee shall be obligated to present any particular investment or other opportunity to the Trust even if such opportunity is of a character that, if presented to the Trust, could be taken by the Trust, and any Covered Person, the Sponsor and the Delaware Trustee shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment or opportunity. Any Covered Person and the Delaware Trustee may engage or be interested in any financial or other transaction with the Sponsor or any Affiliate of the Sponsor or may act as depositary for, trustee or agent for or may act on any committee or body of holders of, securities or other obligations of the Sponsor or its Affiliates.

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ARTICLE V
AMENDMENTS, TERMINATING, MISCELLANEOUS

SECTION 5.1 Amendments.

At any time before the issuance of any Securities, this Declaration may be amended or restated by, and only by, a written instrument executed by all of the Administrative Trustees and the Sponsor, provided, however, that no such amendment shall modify the duties of the Delaware Trustee without the execution of such Delaware Trustee of such amendment or restatement, as the case may be.

SECTION 5.2 Termination of Trust.

(a) The Trust shall terminate and be of no further force or effect:

(i) upon the bankruptcy of the Sponsor;

(ii) upon the filing of a Certificate of Dissolution or its equivalent with respect to the Sponsor or the failure of the Sponsor to revive its Charter within ten (10) days following the revocation of the Sponsor's charter or of the Trust's Certificate of Trust;

(iii) upon the entry of a decree of judicial dissolution of the Sponsor, or the Trust;

(iv) before the issuance of any Securities, with the consent of all of the Administrative Trustees and the Sponsor; and

(v) upon the expiration of the period set forth in Section 2.8 hereof.

(b) as soon as is practicable after the occurrence of an event referred to in Section 5.2(a), the Trustees shall file a certificate of cancellation with the Secretary of State of the State of Delaware.

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SECTION 5.3 Governing Law.

This Declaration and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware and all rights and remedies shall be governed by such laws without regard to principles of conflict of laws. The provisions of Section 3540 of Title 12 of the Delaware Code shall not apply to the Trust.

SECTION 5.4 Headings.

Headings contained in this Declaration are inserted for convenience of reference and do not affect the interpretation of this Declaration or any provision hereof.

SECTION 5.5 Successors and Assigns.

Whenever in this Declaration any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included, and all covenants and agreements in this Declaration by the Sponsor and the Trustees shall bind and inure to the benefit of their respective successors and assigns, whether so expressed.

SECTION 5.6 Partial Enforceability.

If any provision of this Declaration, or the application of such provision to any Person or circumstance, shall be held invalid, the remainder of this Declaration, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

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SECTION 5.7 Counterparts.

This Declaration may contain more than one counterpart of the signature page and this Declaration may be executed by the affixing of the

signature of each of the Trustees to one of such counterpart signature pages. All such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

IN WITNESS WHEREOF, the undersigned has caused these present to be executed as of the day and year above written.

THE BANK OF NEW YORK (DELAWARE),
not in its individual
capacity, but solely as
Delaware Trustee

By: /s/ Melissa Beneduce

Name: Melissa Beneduce
Title: Assistant Vice President

/s/ David A. Houle

David A. Houle, not in his
individual capacity, but
solely as Administrative
Trustee

/s/ Joseph T. Kiefer

Joseph T. Kiefer, not in his
individual capacity, but
solely as Administrative
Trustee

EXECUTION COPY

AMENDED AND RESTATED
DECLARATION OF TRUST

among

BANCORP HAWAII, INC., as Depositor,

THE BANK OF NEW YORK,
as Property Trustee,

THE BANK OF NEW YORK (DELAWARE)
as Delaware Trustee,

and

THE ADMINISTRATIVE TRUSTEES NAMED HEREIN

Dated as of December 30, 1996

BANCORP HAWAII CAPITAL TRUST I

BANCORP HAWAII CAPITAL TRUST I

Certain Sections of this Declaration of Trust relating to Sections
310 through 318 of the Trust Indenture Act of 1939:

Trust Indenture Act Section -----	Declaration of Trust Section -----
Section 310(a) (1)	8.07
(a) (2)	8.07
(a) (3)	8.09
(a) (4)	2.07 (a) (ii)
(b)	8.08
Section 311(a)	8.13
(b)	8.13
Section 312(a)	5.08
(b)	5.08
(c)	5.08
Section 313(a)	8.14 (a)
(b)	8.14 (a)
(c)	8.14 (a), 8.14 (b), 10.09
(d)	8.14 (c)
Section 314(a)	8.15
(b)	Not Applicable
(c) (1)	8.16
(c) (2)	8.16
(c) (3)	Not Applicable
(e)	1.01, 8.16
Section 315(a)	8.01 (a), 8.03 (a)
(b)	8.02, 10.09
(c)	8.01 (a)
(d)	8.01, 8.03
(e)	Not Applicable
Section 316(a)	Not Applicable
(a) (1) (A)	Not Applicable
(a) (1) (B)	Not Applicable
(a) (2)	Not Applicable
(b)	5.13
(c)	6.07
Section 317(a) (1)	Not Applicable
(a) (2)	Not Applicable
(b)	5.10
Section 318(a)	10.11

Note: This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Declaration of Trust.

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AMENDED AND RESTATED DECLARATION OF TRUST,
dated as of December 30, 1996, among (i) BANCORP
HAWAII, INC., a Hawaii corporation (including any
successors or assigns, the "Depositor"), (ii) THE
BANK OF NEW YORK, a New York banking corporation, as
property trustee, (in such capacity, the "Property
Trustee" and, in its separate corporate capacity and
not in its capacity as Property Trustee, the "Bank"),
(iii) THE BANK OF NEW YORK (Delaware), a Delaware
banking corporation, as Delaware trustee (the
"Delaware Trustee"), (iv) David A. Houle, an
individual, and Joseph T. Kiefer, an individual, each
of whose address is c/o Bancorp Hawaii, Inc. (each an
"Administrative Trustee" and collectively the
"Administrative Trustees") (the Property Trustee, the
Delaware Trustee and the Administrative Trustees are
referred to collectively herein as the "Trustees")
and (v) the several Holders, as hereinafter defined.

W I T N E S S E T H :

WHEREAS the Depositor, the Delaware Trustee and the
Administrative Trustees have heretofore duly declared and established a business
trust pursuant to the Delaware Business Trust Act by the entering into a certain
Declaration of Trust, dated as of December 23, 1996 (the "Original Declaration
of Trust"), and by the execution and filing by the Delaware Trustee and the
Administrative Trustees with the Secretary of State of the State of Delaware of
the Certificate of Trust, filed on December 23, 1996 (the "Certificate of
Trust"); and attached as Exhibit A; and

WHEREAS the Depositor, the Delaware Trustee and the
Administrative Trustees desire to amend and restate the Original Declaration of
Trust in its entirety as set forth herein to provide for, among other things (i)
the issuance of the Common Securities by the Trust to the Depositor, (ii) the
issuance and sale of the 8.25% Capital Securities, Series A (the "Initial
Capital Securities") by the Trust pursuant to the Purchase Agreement, (iii) the
issuance

pursuant to a registered exchange for the Initial Capital Securities of 8.25%
Capital Securities (the "Exchange Capital Securities") (each of the Initial
Capital Securities and the Exchange Capital Securities hereinafter referred to
as the "Capital Securities"), (iv) the acquisition by the Trust from the
Depositor of all of the right, title and interest in the Junior Subordinated
Debt Securities and (v) the appointment of The Bank of New York, a New York
banking corporation (in such capacity, the "Property Trustee" and, in its
separate corporate capacity and not in its capacity as Property Trustee, the

"Bank");

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, each party, for the benefit of the other parties and for the benefit of the Securityholders, hereby amends and restates the Original Declaration of Trust in its entirety and agrees as follows:

ARTICLE I

Defined Terms

SECTION 1.01. Definitions. For all purposes of this Declaration of Trust, except as otherwise expressly provided or unless the context otherwise requires:

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

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

(c) unless the context otherwise requires, any reference to an "Article" or a "Section" refers to an Article or a Section, as the case may be, of this Declaration of Trust;

(d) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Declaration of Trust as a whole and not to any particular Article, Section or other subdivision; and

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(e) all references to the date the Capital Securities were originally issued shall refer to the date the Initial Capital Securities were originally issued.

"Act" has the meaning specified in Section 6.08.

"Additional Distribution" has the meaning specified in Section 4.01(c).

"Adjusted Treasury Rate" means, with respect to any Redemption Date, the Treasury Rate plus (i) 1.25% if such Redemption Date occurs on or before January 1, 1998 or (ii) 0.50% if such Redemption Date occurs after January 1, 1998.

"Administrative Trustee" means each of David A. Houle and Joseph T. Kiefer, solely in such Person's capacity as Administrative Trustee of the Trust continued hereunder and not in such Person's individual capacity, or such Administrative Trustee's successor in interest in such capacity, or any successor trustee appointed as herein provided.

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

foregoing.

"Applicable Procedures" means, with respect to any transfer or transaction involving a Global Capital Security or beneficial interest therein, the rules and procedures of the Depository for such Capital Security, in each case to the extent applicable to such transaction and as in effect from time to time.

"Bank" has the meaning specified in the preamble to this Declaration of Trust.

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"Bankruptcy Event" means, with respect to any Person:

(a) the entry of a decree or order by a court having jurisdiction in the premises judging such Person a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjudication or composition of or in respect of such Person under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of such Person or of any substantial part of its property or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(b) the institution by such Person of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or similar official) of such Person or of any substantial part of its property or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due and its willingness to be adjudicated a bankrupt, or the taking of corporate action by such Person in furtherance of any such action.

"Board Resolution" means a copy of a resolution certified by the Secretary of an Assistant Secretary of the Depositor to have been duly adopted by the Depositor's Board of Directors, or such committee of the Board of Directors or officers of the Depositor to which authority to act on behalf of the Board of Directors has been delegated, and to be in full force and effect on the date of such certification, and delivered to the Trustees.

"Business Day" means a day other than (a) a Saturday or Sunday, (b) a day on which banking institutions

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in the City of New York are authorized or required by law or executive order to remain closed or (c) a day on which the Property Trustee's Corporate Trust Office or the Corporate Trust Office of the Debenture Trustee is closed for business.

"Capital Securities" means each of the Initial Capital Securities and the Exchange Capital Securities, treated together as a single

class of securities, each representing an undivided beneficial interest in the assets of the Trust, having a Liquidation Amount of \$1,000 per Capital Security and having the rights provided therefor in this Declaration of Trust, including the right to receive Distributions and a Liquidation Distribution as provided herein.

"Capital Securities Certificate" means a certificate evidencing ownership of Capital Securities, substantially in the form attached as Exhibit B.

"Capital Securityholder" means a Person in whose name a Capital Security or Capital Securities is registered in the Securities Register; and any such Person shall be deemed to be a beneficial owner within the meaning of the Delaware Business Trust Act.

"Capital Treatment Event" means the reasonable determination by the Depositor that, as a result of the occurrence of any amendment to, or change (including any announced prospective change) in, the laws (or any rules or regulations thereunder) of the United States or any political subdivision thereof or therein, or as a result of any official or administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or such pronouncement, action or decision is announced on or after the date of issuance of the Capital Securities, there is more than an insubstantial risk that the Depositor will not be entitled to treat an amount equal to the Liquidation Amount of the Capital Securities as "Tier 1 Capital" (or the then equivalent thereof) for purposes of the capital adequacy guidelines of the Federal Reserve, as then in effect and applicable to the Depositor.

"Certificate of Trust" has the meaning specified in the preamble to this Declaration of Trust.

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"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended. DTC shall be the initial Clearing Agency.

"Clearing Agency Participant" means a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

"Closing Date" has the meaning specified in the Purchase Agreement.

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

"Common Securities" means the 8.25% Common Securities, each representing an undivided beneficial interest in the assets of the Trust, having a Liquidation Amount of \$1,000 and having the rights provided therefor in this Declaration of Trust, including the right to receive Distributions and a Liquidation Distribution as provided herein.

"Common Securities Certificate" means a certificate evidencing ownership of Common Securities, substantially in the form attached as Exhibit C.

"Comparable Treasury Issue" means, with respect to any Redemption Date, the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the Remaining Life that would be

utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Remaining Life. If no United States Treasury security has a maturity which is within a period from three months before to three months after December 15, 2006, the two most closely corresponding United States Treasury securities shall be used as the Comparable Treasury Issue, and the Treasury Rate shall be interpolated or extrapolated on a straight-line basis, rounding to the nearest month using such securities.

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"Comparable Treasury Price" means (A) the average of five Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Debenture Trustee obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such Quotations.

"Corporate Trust Office" means the principal corporate trust office of the Property Trustee located in New York City which at the time of the execution of this Declaration of Trust is located at 101 Barclay Street, 21st Floor West, New York, New York 10286; Attention of Corporate Trust Trustee Administration.

"Declaration of Trust" means this Amended and Restated Declaration of Trust, as the same may be modified, amended or supplemented in accordance with the applicable provisions hereof, including all exhibits hereto, including, for all purposes of this Amended and Restated Declaration of Trust, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this Amended and Restated Declaration of Trust and any modification, amendment or supplement of either, respectively.

"Debenture Event of Default" means an "Event of Default" as defined in the Indenture.

"Debenture Trustee" means The Bank of New York, a New York banking corporation and any successor.

"Definitive Capital Securities Certificate" means Capital Securities Certificates issued in certificated, fully registered form.

"Delaware Business Trust Act" means Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. Section 3801, et seq., as it may be amended from time to time.

"Delaware Trustee" means the corporation identified as the "Delaware Trustee" in the preamble to this Declaration of Trust solely in its capacity as Delaware Trustee of the Trust continued hereunder and not in its individual capacity, or its successor in interest in such capacity, or any successor trustee appointed as herein provided.

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"Depositor" has the meaning specified in the preamble to this Declaration of Trust.

"Distribution Date" has the meaning specified in Section 4.01(a).

"Distributions" means amounts payable in respect of the Trust Securities as provided in Section 4.01.

"Early Termination Event" has the meaning specified in Section 9.02.

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

(a) the occurrence of a Debenture Event of Default; or

(b) default by the Trust in the payment of any Distribution when it becomes due and payable, and continuation of such default for a period of 30 days; or

(c) default by the Trust in the payment of any Redemption Price of any Trust Security when it becomes due and payable; or

(d) default in the performance, or breach, in any material respect, of any covenant or warranty of the Trustees in this Declaration of Trust (other than a covenant or warranty, a default in the performance or breach of which is addressed in clause (b) or (c) above), and continuation of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the defaulting Trustee or Trustees by the Holders of at least 25% in aggregate Liquidation Amount of the Outstanding Capital Securities, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(e) the occurrence of a Bankruptcy Event with respect to the Property Trustee and the failure by the

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Depositor to appoint a successor Property Trustee within 60 days thereof.

"Expiration Date" has the meaning specified in Section 9.01.

"Federal Reserve" means the Board of Governors of the Federal Reserve System.

"Global Capital Securities" means a beneficial interest in the Capital Securities, ownership and transfers of which shall be made through book entries by a Clearing Agency as described in Section 5.12.

"Global Capital Securities Certificate" means a certificate evidencing ownership of Global Capital Securities, substantially in the form attached as Exhibit B.

"Guarantee" means the Guarantee Agreement executed and delivered by the Depositor and The Bank of New York, as trustee, contemporaneously with the execution and delivery of this Declaration of Trust, for the benefit of the holders of the Trust Securities, as amended from time to time.

"Holder" means a Person in whose name a Trust Security or Trust Securities is registered in the Securities Register; any such Person shall be deemed to be a beneficial owner within the meaning of the Delaware Business Trust Act.

"Indenture" means the Indenture, dated as of December 30,

1996, between the Depositor and the Debenture Trustee, as trustee, (as amended or supplemented from time to time) relating to the issuance of the Junior Subordinated Debt Securities.

"Initial Purchasers" means UBS Securities LLC, Credit Suisse First Boston Corporation and Salomon Brothers Inc.

"Institutional Accredited Investor" means an institutional accredited investor within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act.

"Junior Subordinated Debt Securities" means the aggregate principal amount of the Depositor's 8.25% Junior Subordinated Debt Securities due 2026, issued pursuant to the Indenture.

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"Junior Subordinated Debt Securities Redemption Date" means, with respect to any Junior Subordinated Debt Securities to be redeemed under the Indenture, the date fixed for redemption under the Indenture.

"Letter of Representations" means the agreement among the Trust, the Property Trustee and The Depository Trust Company ("DTC"), as the initial Clearing Agency, dated as of the Closing Date.

"Lien" means any lien, pledge, charge, encumbrance, mortgage, deed of trust, adverse ownership interest, hypothecation, assignment, security interest or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever.

"Like Amount" means (a) with respect to a redemption of Trust Securities, Trust Securities having a Liquidation Amount equal to that portion of the principal amount of Junior Subordinated Debt Securities to be contemporaneously redeemed in accordance with the Indenture allocated to the Common Securities and the Capital Securities based upon the relative Liquidation Amounts of such classes and the proceeds of which will be used to pay the Redemption Price of such Trust Securities, and (b) with respect to a distribution of Junior Subordinated Debt Securities to Holders of Trust Securities in connection with a dissolution or liquidation of the Trust, Junior Subordinated Debt Securities having a principal amount equal to the Liquidation Amount of the Trust Securities of the Holder to whom such Junior Subordinated Debt Securities are distributed.

"Liquidation Amount" means the stated amount of \$1,000 per Trust Security.

"Liquidation Date" means the date on which Junior Subordinated Debt Securities are to be distributed to Holders of Trust Securities in connection with a termination and liquidation of the Trust pursuant to Section 9.04(a).

"Liquidation Distribution" has the meaning specified in Section 9.04(d).

"1940 Act" means the Investment Company Act of 1940, as amended.

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"Officers' Certificate" means a certificate signed by the

Chairman and Chief Executive Officer, President or a Vice President, and by the Treasurer, an Associate Treasurer, an Assistant Treasurer, the Controller, the Secretary or an Assistant Secretary, of the Depositor, and delivered to the appropriate Trustee. One of the officers signing an Officers' Certificate given pursuant to Section 8.16 shall be the principal executive, financial or accounting officer of the Depositor. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Declaration of Trust shall include:

(a) a statement that each officer signing the Officers' Certificate has read the covenant or condition and the definitions relating thereto;

(b) a brief statement of the nature and scope of the examination or investigation undertaken by each officer in rendering the Officers' Certificate;

(c) a statement that each such officer has made such examination or investigation as, in such officer's opinion, is necessary to enable such officer to express an informed opinion as to whether or not such covenant or condition has been complied with; and

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

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Trust, the Property Trustee or the Depositor, but not an employee of any thereof, and who shall and which opinion shall be reasonably acceptable to the Property Trustee.

"Original Declaration of Trust" has the meaning specified in the preamble to this Declaration of Trust.

"Other Capital Securities" means the Capital Securities sold by the Initial Purchasers in the initial offering contemplated by the Purchase Agreement to Institutional Accredited Investors in reliance on an exemption from the registration requirement of the Securities Act other than Rule 144A.

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"Outstanding", with respect to Capital Securities, means, as of the date of determination, all Capital Securities theretofore executed and delivered under this Declaration of Trust, except;

(a) Capital Securities theretofore canceled by the Property Trustee or delivered to the Property Trustee for cancellation;

(b) Capital Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Property Trustee or any Paying Agent for the Holders of such Capital Securities; provided that if such Capital Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Declaration of Trust; and

(c) Capital Securities which have been paid or in exchange for or in lieu of which other Capital Securities have been executed and delivered pursuant to Sections 5.04, 5.05, 5.06 and 5.13;

provided, however, that in determining whether the Holders of the requisite Liquidation Amount of the Outstanding Capital Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Capital Securities owned by the Depositor, any Administrative Trustee or any Affiliate of the Depositor or any Trustee shall be disregarded and deemed not to be Outstanding, except that (a) in determining whether any Trustee shall be protected in relying upon any such request, demand, authorization, direction,

notice, consent or waiver, only Capital Securities that a Responsible Officer of such Trustee actually knows to be so owned shall be so disregarded and (b) the foregoing shall not apply at any time when all of the outstanding Capital Securities are owned by the Depositor, one or more of the Trustees and/or any such Affiliate. Capital Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Administrative Trustees the pledgee's right so to act with respect to such Capital Securities and that the pledgee is not the Depositor or any Affiliate of the Depositor.

"Owner" means each Person who is the beneficial owner of a Global Capital Security as reflected in the records of the Clearing Agency or, if a Clearing Agency Participant is not the Owner, then as reflected in the

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records of a Person maintaining an account with such Clearing Agency (directly or indirectly), in accordance with the rules of such Clearing Agency.

"Paying Agent" means any paying agent or co-paying agent appointed pursuant to Section 5.10 and shall initially be the Bank.

"Payment Account" means a segregated noninterest-bearing corporate trust account maintained by the Property Trustee with the Bank in its trust department for the benefit of the Securityholders in which all amounts paid in respect of the Junior Subordinated Debt Securities will be held and from which the Property Trustee shall make payments to the Securityholders in accordance with Sections 4.01 and 4.02.

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

"Property Trustee" means the commercial bank or trust company identified as the "Property Trustee" in the preamble to this Declaration of Trust solely in its capacity as Property Trustee of the Trust continued hereunder and not in its individual capacity, or its successor in interest in such capacity, or any successor property trustee appointed as herein provided.

"Purchase Agreement" means the Purchase Agreement, dated as of December 23, 1996, among the Trust, the Depositor and the Initial Purchasers.

"Quotation Agent" means UBS Securities LLC and its successors; provided, however, that if the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), the Depositor shall substitute therefor another Primary Treasury Dealer.

"Redemption Date" means, with respect to any Trust Security to be redeemed, the date fixed for such redemption by or pursuant to this Declaration of Trust, provided, however, that each Junior Subordinated Debt Securities Redemption Date and the stated maturity of the Junior Subordinated Debt Securities shall be a Redemption Date for a Like Amount of Trust Securities.

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"Redemption Price" means, with respect to any Trust Security, the Liquidation Amount of such Trust Security, plus accumulated and unpaid Distributions to the Redemption Date, plus the related amount of the premium, if any, paid by the Depositor upon the concurrent redemption of a Like Amount of

Junior Subordinated Debt Securities, allocated on a pro rata basis (based on Liquidation Amounts) among the Trust Securities.

"Reference Treasury Dealer" means (i) the Quotation Agent and (ii) any other Primary Treasury Dealer selected by the Debenture Trustee after consultation with the Depositor.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Debenture Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Debenture Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

"Registration Agreement" means the Registration Agreement dated as of December 30, 1996, among the Trust, the Depositor and the Initial Purchasers.

"Registration Exchange Offer" has the meaning specified in the Registration Agreement.

"Registration Statement" has the meaning specified in the Registration Agreement.

"Regulation D" means Regulation D under the Securities Act (or any successor provision), as it may be amended from time to time.

"Relevant Trustee" has the meaning specified in Section 8.10.

"Remaining Life" has the meaning specified in Section 9.01(b).

"Responsible Officer" means, when used with respect to the Property Trustee, any officer assigned to the Corporate Trust Office, including any vice president, assistant vice president, assistant treasurer, assistant

secretary or any other officer to the Property Trustee customarily performing functions similar to those performed by any of the above designated officers and having direct responsibility for the administration for this Declaration of Trust, and also, with respect to a particular matter, any other officer, to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Restricted Capital Securities" means all Capital Securities required pursuant to Section 5.05(c) to bear a Restricted Capital Securities Legend. Such term includes the Global Capital Securities Certificate.

"Restricted Capital Securities Certificate" means a certificate substantially in the form set forth in Exhibit D.

"Restricted Capital Securities Legend" means a legend substantially in the form of the legend required in the form of Capital Securities Certificate set forth in Exhibit B to be placed upon a Restricted Capital Security.

"Rule 144A" means Rule 144A under the Securities Act (or any successor provision), as may be amended from time to time.

"Rule 144A Capital Securities" means the Capital Securities purchased by the Initial Purchasers from the Trust pursuant to the Purchase Agreement, other than the Other Capital Securities.

"Securities Register" and "Securities Registrar" have the respective meanings specified in Section 5.05.

"Securityholder" or "Holder" means a Person in whose name a Trust Security or Trust Securities is registered in the Securities Register; any such Person shall be deemed to be a beneficial owner within the meaning of the Delaware Business Trust Act; provided, however, that in determining whether the Holders of the requisite amount of Capital Securities have voted on any matter provided for in this Declaration of Trust, then for the purpose of any such determination, so long as Definitive Capital Securities Certificates have not been issued, the term Securityholders or Holders as used herein shall refer to the Owners.

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"Stated Maturity" has the meaning specified in Section 1.01 of the Indenture.

"Tax Event" has the meaning specified in Section 1.01 of the Indenture.

"Transfer Agent" means the Bank as set forth in the preamble to this Declaration of Trust.

"Treasury Rate" means (i) the yield, under the heading which represents the average for the week immediately prior to the calculation date, appearing in the most recently published statistical release designated "H.15 (519)" or any successor publication which is published weekly by the Federal Reserve and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Remaining Life (if no maturity is within three months before or after the Remaining Life, yields for the two published maturities most closely corresponding to the Remaining Life shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Treasury Rate shall be calculated on the third Business Day preceding the redemption date.

"Trust" means Bancorp Hawaii Capital Trust I.

"Trust Indenture Act" has the meaning specified in Section 1.01 of the Indenture.

"Trust Property" means (a) the Junior Subordinated Debt Securities, (b) the rights of the Property Trustee under the Guarantee, (c) any cash or deposit in, or owing to, the Payment Account and (d) all proceeds and rights in respect of the foregoing.

"Trust Securities Certificate" means any one of the Common Securities Certificates or the Capital Securities Certificates.

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"Trust Security" means any one of the Common Securities or the Capital Securities.

"Trustees" means, collectively, the Property Trustee, the Delaware Trustee and the Administrative Trustees.

ARTICLE II

Continuation of the Trust

SECTION 2.01. Name. The Trust continued hereby shall be known as "Bancorp Hawaii Capital Trust I", as such name may be modified from time to time by the Administrative Trustees following written notice to the Holders of Trust Securities and the other Trustees, in which name the Trustees may conduct the business of the Trust, make and execute contracts and other instruments on behalf of the Trust and sue and be sued.

SECTION 2.02. Office of the Delaware Trustee; Principal Place of Business. The address of the Delaware Trustee in the State of Delaware is The Bank of New York (Delaware), White Clay Center, Route 273, Newark, DE 19711, Attention of Corporate Trust Department, or such other address in the State of Delaware as the Delaware Trustee may designate by written notice to the Securityholders and the Depositor. The principal executive office of the Trust is in care of Bancorp Hawaii, Inc., 130 Merchant Street, Honolulu, HI 96813; Attention of Office of the Secretary.

SECTION 2.03. Initial Contribution of Trust Property; Organizational Expenses. The Property Trustee acknowledges receipt in trust from the Depositor in connection with this Declaration of Trust of the sum of \$10, which constitutes the initial Trust Property. The Depositor, as borrower, shall pay all organizational expenses of the Trust as they arise or shall, upon request of any Trustee, promptly reimburse such Trustee for any such expenses paid by such Trustee. The Depositor shall make no claim upon the Trust Property for the payment of such expenses.

SECTION 2.04. Issuance of the Capital Securities. The Capital Securities to be issued will be limited to \$100 million aggregate Liquidation Amount outstanding at any one time.

On December 23, 1996, the Depositor and the Administrative Trustees, on behalf of the Trust, and pursuant to the Original Declaration of Trust, and the Initial Purchasers executed and delivered the Purchase Agreement. Contemporaneously with the execution and delivery of this Declaration of Trust, an Administrative Trustee, on behalf of the Trust, shall execute or cause to be executed in accordance with Section 5.02 and delivered to the Initial Purchasers a Global Capital Securities Certificate in book-entry form, registered in the name of the nominee of the initial Clearing Agency, in an aggregate amount of Capital Securities having an aggregate Liquidation Amount of \$100 million against receipt of the aggregate purchase price of such Capital Securities equal to 100% of the Liquidation Amount multiplied by the number of Capital Securities being purchased which amount the Administrative Trustee shall promptly deliver to the Property Trustee.

SECTION 2.05. Issuance of the Common Securities; Subscription and Purchase of Junior Subordinated Debt Securities. Contemporaneously with the execution and delivery of this Declaration of Trust, an Administrative Trustee, on behalf of the Trust, shall execute or cause to be executed in accordance with Section 5.02(a) and delivered to the Depositor Common Securities Certificates, registered in the name of the Depositor, in an aggregate amount of 3,093 Common Securities having an aggregate Liquidation Amount of \$3,093,000 against payment by the Depositor of \$3,093,000 minus the amount previously contributed pursuant to Section 2.03. Contemporaneously therewith, an Administrative Trustee, on behalf of the Trust, shall subscribe to and purchase from the Depositor Junior

Subordinated Debt Securities, registered in the name of the Trust and having an aggregate principal amount equal to \$103,093,000, and, in satisfaction of the purchase price for such Junior Subordinated Debt Securities, the Trust shall deliver to the Depositor the sum of \$103,093,000.

SECTION 2.06. Declaration of Trust. The exclusive purposes and functions of the Trust are to (a) issue and sell Trust Securities, (b) use the proceeds from the sale of Trust Securities to acquire the Junior Subordinated Debt Securities, (c) receive payments to be made with respect to the Junior Subordinated Debt Securities, and (d) engaging in only those other activities necessary, advisable or incidental thereto such as registering the transfer of the Capital Securities and exchanging the Junior Subordinated Debt Securities for

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Exchange Junior Subordinated Debt Securities pursuant to the Registration Agreement. The Depositor hereby appoints the Trustees as trustees of the Trust, to have all the rights, powers and duties to the extent set forth herein, and the Trustees hereby accept such appointment. The Property Trustee hereby declares that it will hold the Trust Property in trust upon and subject to the conditions set forth herein for the benefit of the Trust and the Securityholders. The Administrative Trustees shall have all rights, powers and duties set forth herein and in accordance with applicable law with respect to accomplishing the purposes of the Trust. The Delaware Trustee shall not be entitled to exercise any powers, nor shall the Delaware Trustee have any of the duties and responsibilities, of the Property Trustee or the Administrative Trustees set forth herein. The Delaware Trustee shall be one of the Trustees of the Trust for the sole and limited purpose of fulfilling the requirements of Section 3807 of the Delaware Business Trust Act.

SECTION 2.07. Authorization to Enter into Certain Transactions. (a) The Trustees shall conduct the affairs of the Trust in accordance with the terms of this Declaration of Trust. Subject to the limitations set forth in paragraph (b) of this Section and in accordance with the following provisions (i) and (ii), the Trustees shall have the authority to enter into all transactions and agreements determined by the Trustees to be appropriate in exercising the authority, express or implied, otherwise granted to the Trustees under this Declaration of Trust, and to perform all acts in furtherance thereof, including without limitation, the following:

(i) As among the Trustees, each Administrative Trustee shall have the power and authority to act on behalf of the Trust with respect to the following matters:

(A) the issuance and sale of the Trust Securities;

(B) to cause the Trust to enter into, and to execute, deliver and perform on behalf of the Trust, the Purchase Agreement, the Registration Agreement, the Letter of Representations and such other agreements as may be necessary or desirable in connection with the purposes and function of the Trust;

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(C) assisting in the registration of the Capital Securities under the Securities Act of 1933, as amended and under state securities or blue sky laws, and the qualification of this Declaration of Trust as a trust indenture under the

Trust Indenture Act;

(D) assisting in the listing, if any, of the Capital Securities upon such securities exchange or exchanges as shall be determined by the Depositor and the registration of the Capital Securities under the Securities Exchange Act of 1934, as amended, (the "Exchange Act"), and the preparation and filing of all periodic and other reports and other documents pursuant to the foregoing;

(E) the sending of notices (other than notices of default) and other information regarding the Trust Securities and the Junior Subordinated Debt Securities to the Securityholders in accordance with this Declaration of Trust;

(F) the appointment of a Paying Agent, Transfer Agent and Securities Registrar in accordance with this Declaration of Trust;

(G) registering transfer of the Trust Securities in accordance with this Declaration of Trust;

(H) to the extent provided in this Declaration of Trust, the winding up of the affairs and liquidation of the Trust and the preparation, execution and filing of the certificate of cancellation with the Secretary of State of the State of Delaware;

(I) unless otherwise determined by the Depositor, the Property Trustee or the Administrative Trustees or as otherwise required by the Delaware Business Trust Act or the Trust Indenture Act to execute on behalf of the Trust (either acting alone or together with any or all of the Administrative Trustees) any documents that the Administrative Trustees have the power to execute pursuant to this Declaration of Trust; and

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(J) the taking of any action incidental to the foregoing as the Trustees may from time to time determine is necessary or advisable to give effect to the terms of this Declaration of Trust for the benefit of the Securityholders (without consideration of the effect of any such action on any particular Securityholders).

(ii) As among the Trustees, the Property Trustee shall have the power, duty and authority to act on behalf of the Trust with respect to the following matters:

(A) the establishment of the Payment Account;

(B) the receipt of the Junior Subordinated Debt Securities;

(C) the collection of interest, principal and any other payments made in respect of the Junior Subordinated Debt Securities in the Payment Account;

(D) the distribution of amounts owed to the Securityholders in respect of the Trust Securities;

(E) the exercise of all of the rights, powers and privileges of a holder of the Junior Subordinated Debt

Securities;

(F) the sending of notices of default and other information regarding the Trust Securities and the Junior Subordinated Debt Securities to the Securityholders in accordance with this Declaration of Trust;

(G) the distribution of the Trust Property in accordance with the terms of this Declaration of Trust;

(H) to the extent provided in this Declaration of Trust, the winding up of the affairs of and liquidation of the Trust and the preparation, execution and filing of the certificate of cancellation with the Secretary of State of the State of Delaware;

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(I) after an Event of Default the taking of any action incidental to the foregoing as the Property Trustee may from time to time determine is necessary or advisable to give effect to the terms of this Declaration of Trust and protect and conserve the Trust Property for the benefit of the Securityholders (without consideration of the effect of any such action on any particular Securityholder); and

(J) except as otherwise provided in this Section 2.07(a)(ii), the Property Trustee shall have none of the duties, liabilities, powers or the authority of the Administrative Trustees set forth in Section 2.07(a)(i).

(b) So long as this Declaration of Trust remains in effect, the Trust (or the Trustees acting on behalf of the Trust) shall not undertake any business, activities or transactions except as expressly provided herein or contemplated hereby. In particular, the Trustees shall not (i) acquire any investments or engage in any activities not authorized by this Declaration of Trust, (ii) sell, assign, transfer, exchange, mortgage, pledge, set-off or otherwise dispose of any of the Trust Property or interests therein, including to Securityholders, except as expressly provided herein, (iii) intentionally take any action that would cause the Trust to fail or cease to qualify as a "grantor trust" for United States federal income tax purposes, (iv) incur any indebtedness for borrowed money or issue any other debt, (v) take or consent to any action that would result in the placement of a Lien on any of the Trust Property, (vi) invest any proceeds received by the Trust from holding the Junior Subordinated Debt Securities, but shall distribute all such proceeds to Holders of Trust Securities pursuant to the terms of this Declaration of Trust and of the Trust Securities, (vii) acquire any assets other than the Trust Property, (viii) possess any power or otherwise act in such a way as to vary the Trust Property, (ix) possess any power or otherwise act in such a way as to vary the terms of the Trust Securities in any way whatsoever (except to the extent expressly authorized in this Declaration of Trust or by the terms of the Trust Securities), (x) issue any securities or other evidences of beneficial ownership of, or beneficial interest in, the Trust other than the Trust Securities, or (xi) other than as provided in this Declaration of Trust or by the terms of the Trust Securities, (A) direct the time, method and place of

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exercising any trust or power conferred upon the Debenture Trustee with respect to the Junior Subordinated Debt Securities, (B) waive any past default that is

waivable under the Indenture, (C) exercise any right to rescind or annul any declaration that the principal of all Junior Subordinated Debt Securities shall be due and payable, or (D) consent to any amendment, modification, or termination of the Indenture or the Junior Subordinated Debt Securities where such consent shall be required unless the Trust shall have received an Opinion of Counsel to the effect that such amendment, modification or termination will not cause more than an insubstantial risk that the Trust will be deemed an Investment Company required to be registered under the Investment Company Act, the Trust will not be classified as a grantor trust for United States federal income tax purposes or the Junior Subordinated Debt Securities will not be classified as indebtedness for such purposes. The Administrative Trustees shall defend all claims and demands of all Persons at any time claiming any Lien on any of the Trust Property adverse to the interest of the Trust or the Securityholders in their capacity as Securityholders.

(c) In connection with the issue and sale of the Trust Securities, the Depositor shall have the right and responsibility to assist the Trust with respect to, or effect on behalf of the Trust, the following (and any actions taken by the Depositor in furtherance of the following prior to the date of this Declaration of Trust are hereby ratified and confirmed in all respects):

(i) the preparation and filing by the Trust with the Commission and the execution on behalf of the Trust of a registration statement on the appropriate form in relation to the Trust Securities, including any amendments thereto;

(ii) the determination of the States in which to take appropriate action to qualify or register for sale all or part of the Trust Securities and the determination of any and all such acts, other than actions which must be taken by or on behalf of the Trust, and the advice to the Trustees of actions they must take on behalf of the Trust, and the preparation for execution and filing of any documents to be executed and filed by the Trust or on behalf of the Trust, as the Depositor deems necessary or advisable in order to comply with the applicable laws of any such States;

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(iii) the preparation for filing by the Trust and execution on behalf of the Trust of an application to the New York Stock Exchange or any other national stock exchange or the NASDAQ National Market for listing upon notice of issuance of any Trust Securities;

(iv) the preparation for filing by the Trust with the Commission and the execution on behalf of the Trust of a registration statement on Form 8-A relating to the registration of the Trust Securities under Section 12(b) or 12(g) of the Exchange Act, including any amendments thereto;

(v) the negotiation of the terms of, and the execution and delivery of, the Purchase Agreement providing for the sale of the Trust Securities; and

(vi) the taking of any other actions necessary or desirable to carry out any of the foregoing activities.

(d) Notwithstanding anything herein to the contrary, the Administrative Trustees are authorized and directed to conduct the affairs of the Trust and to operate the Trust so that the Trust will not (i) be deemed to be an "investment company" required to be registered under the Investment Company Act of 1940, as amended, or (ii) fail to be classified as a grantor trust for United States federal income tax purposes and so that the Junior Subordinated Debt Securities will be treated as indebtedness of the Depositor for United States federal income tax purposes. In this connection, the Depositor

and the Administrative Trustees are authorized to take any action, not inconsistent with applicable law, the Certificate of Trust or this Declaration of Trust, that each of the Depositor and the Administrative Trustees determines in their discretion to be necessary or desirable for such purposes, as long as such action does not adversely affect in any material respect the interests of the holders of the Trust Securities.

SECTION 2.08. Assets of Trust. The assets of the Trust shall consist solely of the Trust Property.

SECTION 2.09. Title to Trust Property. Legal title to all Trust Property shall be vested at all times in the Property Trustee (in its capacity as such) and shall be held and administered by the Property Trustee for the benefit of the Trust and the Securityholders in accordance with this Declaration of Trust.

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ARTICLE III

Payment Account

SECTION 3.01. Payment Account. (a) On or prior to the Closing Date, the Property Trustee shall establish the Payment Account. The Property Trustee and any agent of the Property Trustee shall have exclusive control and sole right of withdrawal with respect to the Payment Account for the purpose of making deposits in and withdrawals from the Payment Account in accordance with this Declaration of Trust. All moneys and other property deposited or held from time to time in the Payment Account shall be held by the Property Trustee in the Payment Account for the exclusive benefit of the Securityholders and for distribution as herein provided, including (and subject to) any priority of payments provided for herein or by applicable law.

(b) The Property Trustee shall deposit in the Payment Account, promptly upon receipt, all payments of principal of or interest on, and any other payments or proceeds with respect to, the Junior Subordinated Debt Securities. Amounts held in the Payment Account shall not be invested by the Property Trustee pending distribution thereof.

ARTICLE IV

Distributions; Redemption

SECTION 4.01. Distributions. (a) Distributions on the Trust Securities shall be cumulative and will accumulate whether or not there are funds of the Trust available for the payment of Distributions. Distributions shall accrue from December 30, 1996, and, except in the event (and to the extent) that the Depositor exercises its right to defer the payment of interest on the Junior Subordinated Debt Securities pursuant to the Indenture, shall be payable semi-annually in arrears on June 15 and December 15 of each year, commencing on June 15, 1997. If any date on which a Distribution is otherwise payable on the Trust Securities is not a Business Day, then the payment of such Distribution shall be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year,

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payment of such Distribution shall be made on the immediately preceding Business

Day, in each case with the same force and effect as if made on such date (each date on which distributions are payable in accordance with this Section 4.01(a), a "Distribution Date"). Accrued Distributions that are not paid on the applicable Distribution Date will bear interest on the amount thereof (to the extent permitted by law) at the rate per annum of 8.25% thereof, compounded semi-annually from the relevant Distribution Date.

(b) The Trust Securities represent undivided beneficial ownership interests in the Trust Property, and, assuming payments of interest on the Junior Subordinated Debt Securities are made when due (and before giving effect to Additional Distributions, defined below, if applicable), Distributions on the Trust Securities shall be payable at a rate of 8.25% per annum of the Liquidation Amount of the Trust Securities. The amount of Distributions payable for any full period shall be computed on the basis of a 360-day year of twelve 30-day months. The amount of Distributions for any partial period shall be computed on the basis of the number of days elapsed in a 360-day year of twelve 30-day months. The amount of Distributions payable for any period shall include the Additional Distributions, if any.

(c) So long as no Debenture Event of Default has occurred and is continuing, the Depositor has the right under the Indenture to defer the payment of interest on the Junior Subordinated Debt Securities at any time and from time to time for a period not exceeding 10 consecutive semi-annual periods (an "Extension Period"), provided that no Extension Period may extend beyond the Stated Maturity of the Junior Subordinated Debt Securities. As a consequence of any such deferral, semi-annual Distributions on the Trust Securities by the Trust will also be deferred (and the amount of Distributions to which Holders of the Trust Securities are entitled will accumulate additional Distributions thereon at the rate per annum of 8.25% per annum, compounded semi-annually) from the relevant payment date for such Distributions, but not exceeding the interest rate then accruing on the Junior Subordinated Debt Securities. In addition, in the event that a Registration Default (as defined in the Registration Agreement) occurs, additional Distributions shall accumulate on the Trust Securities at a rate of 0.25% per annum of the Liquidation Amount of the Trust Securities from and including the date on which such Registration Default shall occur to but

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excluding the date on which such Registration Default shall have been cured. The aggregate amount of such additional Distributions payable with respect to the preceding sentence shall not exceed 0.75% per annum (each type of increase in Distribution, described in Section 4.01(c), an "Additional Distribution").

(d) Distributions on the Trust Securities shall be made by the Property Trustee from the Payment Account and shall be payable on each Distribution Date only to the extent that the Trust has funds then on-hand and available in the Payment Account for the payment of such Distributions.

(e) Distributions on the Trust Securities with respect to a Distribution Date shall be payable to the Holders of record as they appear on the Securities Register for the Trust Securities on each June 1 and December 1.

SECTION 4.02. Redemption. (a) On each Junior Subordinated Debt Securities Redemption Date and on the Stated Maturity of the Junior Subordinated Debt Securities, the Trust will be required to redeem a Like Amount of Trust Securities at the Redemption Price.

(b) Notice of redemption shall be given by the Property Trustee by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date to each Holder of Trust Securities to be redeemed, at such Holder's address appearing in the Security Register. All notices of redemption shall identify the Trust Securities to be redeemed (including CUSIP numbers) and shall state:

(i) the Redemption Date;

(ii) the applicable Redemption Price, which shall be equal to (i) in the case of the repayment of the Junior Subordinated Debt Securities on the Stated Maturity of the Junior Subordinated Debt Securities, the Maturity Redemption Price (equal to the principal of, and accrued but unpaid interest on, the Junior Subordinated Debt Securities) or (ii) in the case of the optional prepayment of the Junior Subordinated Debt Securities, the Optional Redemption Price (equal to the Optional Prepayment Price in respect of the Junior Subordinated Debt Securities). If less than all of the Junior Subordinated Debt Securities are to be repaid or

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redeemed on a Redemption Date, then the proceeds from such repayment or redemption shall be allocated to the redemption of the Capital Securities and the Common securities on pro rata basis. The amount of premium, if any, paid by the Depositor upon the redemption of the Junior Subordinated Debt Securities to be repaid or redeemed on a Redemption Date shall be allocated to the redemption of the Capital Securities and the Common Securities on a pro rata basis;

(iii) if less than all the Outstanding Trust Securities are to be redeemed, the identification and the total Liquidation Amount of the particular Trust Securities to be redeemed; and

(iv) that on the Redemption Date the Redemption Price will become due and payable upon each such Trust Security to be redeemed and that distributions thereon will cease to accrue on and after said date.

The Trust in issuing the Trust Securities may use "CUSIP", and/or "private placement" numbers (if then generally in use), and, if so, the Property Trustee shall indicate the "CUSIP" or "private placement" numbers of the Trust Securities in notices or redemption and related materials as a convenience to Securityholders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Trust Securities or as contained in any notice of redemption and related material. The Depositor shall promptly notify the Property Trustee of any change in such numbers.

(c) The Trust Securities redeemed on each Redemption Date shall be redeemed at the Redemption Price with the proceeds from the contemporaneous redemption of Junior Subordinated Debt Securities. Redemptions of the Trust Securities shall be made and the applicable Redemption Price shall be payable on each Redemption Date only to the extent that the Trust has funds then on hand and available in the Payment Account for the payment of such Redemption Price.

(d) If the Property Trustee gives a notice of redemption in respect of any Trust Securities, then, by 12:00 noon, New York City time, on the Redemption Date, subject to Section 4.02(c), the Property Trustee will, so long as the Capital Securities are in book-entry-only form, irrevocably deposit with the Clearing Agency for the Capital

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Securities funds sufficient to pay the applicable Redemption Price and will give such Clearing Agency irrevocable instructions and authority to pay the

Redemption Price to the holders thereof. With respect to Capital Securities held in certificated form, the Property Trustee, subject to Section 4.02(c), will irrevocably deposit with the Paying Agent funds sufficient to pay the applicable Redemption Price and will give the Paying Agent irrevocable instructions and authority to pay the Redemption Price to the Holders thereof upon surrender of their Capital Securities Certificates. Notwithstanding the foregoing, Distributions payable on or prior to the Redemption Date for any Trust Securities called for redemption shall be payable to the Holders of such Trust Securities as they appear on the Register for the Trust Securities on the relevant record dates for the related Distribution Dates. If notice of redemption shall have been given and funds deposited as required, then upon the date of such deposit, all rights of Securityholders holding Trust Securities so called for redemption will cease, except the right of such Securityholders to receive the applicable Redemption Price and any Distribution payable on or prior to the Redemption Date, but without interest, and such Capital Securities will cease to be outstanding. In the event that any date on which any applicable Redemption Price is payable is not a Business Day, then payment of the applicable Redemption Price payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day falls in the next calendar year, such payment will be made on the immediately preceding Business Day, in each case, with the same force and effect as if made on such date. In the event that payment of the applicable Redemption Price in respect of any Trust Securities called for redemption is improperly withheld or refused and not paid either by the Trust or by the Depositor pursuant to the Guarantee, Distributions on such Trust Securities will continue to accrue, at the then applicable rate, from the Redemption Date originally established by the Trust for such Trust Securities to the date such applicable Redemption Price is actually paid, in which case the actual payment date will be the date fixed for redemption for purposes of calculating the applicable Redemption Price.

(e) Payment of the applicable Redemption Price on, and any distributions of Junior Subordinated Debt Securities to holders of, the Trust Securities shall be made to the recordholders thereof as they appear on the

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Securities Register for the Trust Securities on the relevant record date, and, with respect to Trust Securities held in certificated form, upon surrender of such certificated Trust Securities to the Paying Agent.

(f) Subject to Section 4.03(a), if less than all the outstanding Trust Securities are to be redeemed on a Redemption Date, then the aggregate Liquidation Amount of Trust Securities to be redeemed shall be allocated on a pro rata basis (based on Liquidation Amounts) among the Common Securities and the Capital Securities. The particular Trust Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Property Trustee from the Outstanding Trust Securities not previously called for redemption, on a pro rata basis (based upon Liquidation Amounts), by lot or by such method as the Property Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to \$1,000 or an integral multiple of \$1,000 in excess thereof) of the Liquidation Amount of Trust Securities of a denomination larger than \$1,000. The Property Trustee shall promptly notify the Security Registrar in writing of the Trust Securities selected for redemption and, in the case of any Trust Securities selected for partial redemption, the Liquidation Amount thereof to be redeemed. For all purposes of this Declaration of Trust, unless the context otherwise requires, all provisions relating to the redemption of Trust Securities shall relate in the case of any Trust Securities redeemed or to be redeemed only in part, to the portion of the Liquidation Amount of Trust Securities that has been or is to be redeemed.

SECTION 4.03. Subordination of Common Securities. (a) Payment of Distributions (including Additional Distributions, if applicable) on, and the

Redemption Price of the Trust Securities, as applicable, shall be made subject to Section 4.02(f), pro rata to the holders of the Common Securities and the Capital Securities based on the Liquidation Amount of the Trust Securities; provided, however, that if on any Distribution Date or Redemption Date any Event of Default resulting from a Debenture Event of Default shall have occurred and be continuing, no payment of any Distribution (including Additional Distributions, if applicable) on, or Redemption Price of, any of the Common Securities, and no other payment on account of the redemption, liquidation or other acquisition of such Common Securities, shall be made unless payment in full in cash of all accumulated and unpaid Distributions (including

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Additional Distributions, if applicable) on all outstanding Capital Securities for all Distribution periods terminating on or prior thereto, or, in the case of payment of the applicable Redemption Price the full amount of such Redemption Price on all Outstanding Capital Securities, shall have been made or provided for, and all funds immediately available to the Property Trustee shall first be applied to the payment in full in cash of all Distributions (including Additional Distributions, if applicable) on, or the Redemption Price of, Capital Securities then due and payable.

(b) In the case of the occurrence of any Event of Default resulting from any Debenture Event of Default, the Holder of Common Securities will be deemed to have waived any right to act with respect to any such Event of Default under this Declaration of Trust until the effect of all such Events of Default with respect to the Capital Securities have been cured, waived or otherwise eliminated. Until all such Events of Default under this Declaration of Trust with respect to the Capital Securities have been so cured, waived or otherwise eliminated, the Property Trustee shall act solely on behalf of the Holders of the Capital Securities and not on behalf of the Holder of the Common Securities, and only the Holders of the Capital Securities will have the right to direct the Property Trustee to act on their behalf.

SECTION 4.04. Payment Procedures. In the event Definitive Capital Securities Certificates are issued, payments of Distributions (including Additional Distributions, if applicable) in respect of the Capital Securities shall be made by check mailed to the address of the Person entitled thereto at such address as shall appear on the Securities Register. If the Capital Securities are held by a Clearing Agency, such Distributions shall be made to the Clearing Agency in immediately available funds, which shall credit the relevant Persons' accounts at such Clearing Agency on the applicable Distribution Dates. Payments in respect of the Common Securities shall be made in such manner as shall be mutually agreed between the Property Trustee and the Common Securityholder.

SECTION 4.05. Tax Returns and Reports. The Administrative Trustees shall prepare (or cause to be prepared), at the Depositor's expense, and file all United States federal, state and local tax and information returns and reports required to be filed by or in respect of the Trust. In this regard, the Administrative Trustees shall

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(a) prepare and file (or cause to be prepared and filed) the appropriate Internal Revenue Service form required to be filed in respect of the Trust in each taxable year of the Trust and (b) prepare and furnish (or cause to be prepared and furnished) to each Securityholder the appropriate Internal Revenue Service form required to be provided pursuant to the form referenced in clause (a) hereof. The Administrative Trustees shall provide the Depositor and the

Property Trustee with a copy of all such returns and reports promptly after such filing or furnishing. The Administrative Trustees shall comply with United States federal withholding and backup withholding tax laws and information reporting requirements with respect to any payments to Securityholders under the Trust Securities.

SECTION 4.06. Payment of Taxes, Duties, etc. of the Trust. Pursuant to Section 10.06 of the Indenture, the Depositor, as borrower, has agreed to, and it shall, promptly pay any taxes, duties or governmental charges of whatever nature (other than United States withholding taxes) imposed on the Trust by the United States or any other taxing authority.

SECTION 4.07. Payments Under Indenture. Any amount payable hereunder to any Holder of Capital Securities (and any Owner with respect thereto) shall be reduced by the amount of any corresponding payment such Holder (and Owner) has directly received pursuant to Section 5.08 of the Indenture.

ARTICLE V

Trust Securities Certificates

SECTION 5.01. Initial Ownership. Upon the formation of the Trust and the contribution by the Depositor pursuant to Section 2.03 and until the issuance of the Trust Securities, and at any time during which no Trust Securities are outstanding, the Depositor shall be the sole beneficial owner of the Trust.

SECTION 5.02. Trust Securities Certificates. (a) The Capital Securities Certificates shall be issued in \$100,000 Liquidation Amount (100 Capital Securities) and integral multiples of \$1,000 in excess thereof, and the Common Securities Certificates shall be issued in denominations of \$1,000 Liquidation Amount and integral

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multiples thereof. The Trust Securities Certificates shall be executed on behalf of the Trust by the manual or facsimile signature of at least one Administrative Trustee. Trust Securities Certificates bearing the manual or facsimile signatures of individuals who were, at the time when such signatures shall have been affixed, authorized to sign on behalf of the Trust, shall be validly issued and entitled to the benefits of this Declaration of Trust, notwithstanding that such individuals or any of them shall have ceased to be so authorized prior to the delivery of such Trust Securities Certificates or did not hold such offices at the date of delivery of such Trust Securities Certificates. A transferee of a Trust Securities Certificate shall become a Securityholder, and shall be entitled to the rights and subject to the obligations of a Securityholder hereunder, upon due registration of such Trust Securities Certificate in such transferee's name pursuant to Section 5.05.

(b) Upon their original issuance, Capital Securities Certificates representing Rule 144A Capital Securities shall be issued in the form of a Global Capital Securities Certificate registered in the name of Cede & Co. ("Cede") as DTC's nominee and deposited with or on behalf of DTC for credit by DTC to the respective accounts of the Owners thereof (or such other accounts as they may direct). Except as set forth herein, record ownership of the Global Capital Security may be transferred, in whole or in part, only to another nominee of DTC or to a successor of DTC or its nominee.

(c) Upon their original issuance, Capital Securities Certificates representing Other Capital Securities shall be issued in definitive form and may not be represented by the Global Security.

(d) A single Common Securities Certificate representing the Common Securities shall be issued to the Depositor in the form of a definitive Common Securities Certificate.

SECTION 5.03. Execution and Delivery of Trust, Securities Certificates. At the time of Delivery, the Administrative Trustees shall cause Trust Securities Certificates, in an aggregate Liquidation Amount as provided in Sections 2.04 and 2.05, to be executed on behalf of the Trust and delivered to the Property Trustee and upon such delivery the Property Trustee shall countersign and register

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such Trust Securities Certificates and deliver such Trust Securities Certificates upon the written order of the Depositor, executed by two authorized officers thereof, without further corporate action by the Depositor, in authorized denominations.

SECTION 5.04. Global Capital Security. (a) The Global Capital Security issued under this Declaration of Trust shall be registered in the name of Cede as nominee of the Clearing Agency and delivered to such custodian therefor, and such Global Capital Security shall constitute a single Capital Security for all purposes of this Declaration of Trust.

(b) Notwithstanding any other provision in this Declaration of Trust, the Global Capital Security may not be exchanged in whole or in part for Capital Securities registered, and no transfer of the Global Capital Security in whole or in part may be registered, in the name of any Person other than the Clearing Agency for such Global Capital Security, Cede, or other nominee thereof unless (i) such Clearing Agency advises the Property Trustee in writing that such Clearing Agency is no longer willing or able to properly discharge its responsibilities as Clearing Agency with respect to such Global Capital Security, and the Depositor is unable to locate a qualified successor, (ii) the Trust at its option advises DTC in writing that it elects to terminate the book-entry system through the Clearing Agency, or (iii) there shall have occurred and be continuing a Debenture Event of Default.

(c) If the Global Capital Security is to be exchanged for Other Capital Securities or cancelled in whole, it shall be surrendered by or on behalf of the Clearing Agency or its nominee to the Securities Registrar for exchange or cancellation as provided in this Article V. If the Global Capital Security is to be exchanged for Other Capital Securities or cancelled in part, or if another Capital Security is to be exchanged in whole or in part for a beneficial interest in the Global Capital Security, then either (i) such Global Capital Security shall be so surrendered for exchange or cancellation as provided in this Article V or (ii) the principal amount thereof shall be reduced, subject to Section 5.02, or increased by an amount equal to the portion thereof to be so exchanged or cancelled, or equal to the principal amount of such other Capital Security to be so exchanged for a beneficial interest therein, as the case may be, by means of an

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appropriate adjustment made on the records of the Security Registrar, whereupon the Property Trustee, in accordance with the Applicable Procedures, shall instruct the Clearing Agency or its authorized representative to make a corresponding adjustment to its records. Upon any such surrender or adjustment of the Global Capital Security by the Clearing Agency, accompanied by registration instructions, the Property Trustee shall, subject to Section 5.04(b) and as otherwise provided in this Article V, authenticate and deliver

any Capital Securities issuable in exchange for such Global Capital Security (or any portion thereof) in accordance with the instructions of the Clearing Agency. The Property Trustee shall not be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be fully protected in relying on, such instructions.

(d) Every Capital Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, the Global Capital Security or any portion thereof, whether pursuant to this Article V or Article IV or otherwise, shall be authenticated and delivered in the form of, and shall be, a Global Capital Security, unless such Global Capital Security is registered in the name of a Person other than the Clearing Agency for such Global Capital Security or a nominee thereof.

(e) The Clearing Agency or its nominee, as the registered owner of the Global Capital Security, shall be considered the Holder of the Capital Securities represented by the Global Capital Security for all purposes under this Declaration of Trust and the Capital Securities, and owners of beneficial interests in the Global Capital Security shall hold such interests pursuant to the Applicable Procedures and, except as otherwise provided herein, shall not be entitled to have any of the individual Capital Securities represented by the Global Capital Security registered in their names, shall not receive nor be entitled to receive physical delivery of any such Capital Securities in definitive form and shall not be considered the Holders thereof under this Declaration of Trust. Accordingly, any such owner's beneficial interest in the Global Capital Security shall be shown only on, and the transfer of such interest shall be effected only through, records maintained by the Clearing Agency or its nominee. Neither the Property Trustee nor the Securities Registrar shall have any liability in respect of any transfers effected by the Clearing Agency.

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(f) The rights of owners of beneficial interests in the Global Capital Security shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such owners and the Clearing Agency.

SECTION 5.05. Registration of Transfer and Exchange Generally; Certain Transfers and Exchanges; Capital Securities Certificates; Securities Act Legends. (a) The Property Trustee shall keep or cause to be kept at its Corporate Trust Office a register or registers for the purpose of registering Capital Securities Certificates and transfers and exchanges of Capital Securities Certificates in which the registrar and transfer agent with respect to the Capital Securities (the "Securities Registrar"), subject to such reasonable regulations as it may prescribe, shall provide for the registration of Capital Securities Certificates and Common Securities Certificates (subject to Section 5.11 in the case of Common Securities Certificates) and registration of transfers and exchanges of Capital Securities Certificates as herein provided. Such register is herein sometimes referred to as the "Securities Register." The Property Trustee is hereby appointed "Securities Registrar" for the purpose of registering Capital Securities and transfers of Capital Securities as herein provided. The provisions of Sections 8.01, 8.03 and 8.06 hereunder shall apply to the Property Trustee also in its role as Securities Registrar.

Upon surrender for registration of transfer of any Capital security at the offices or agencies of the Property Trustee designated for that purpose, the Depositor shall execute, and authenticate and deliver, in the name of the designated transferee or transferees, one or more new Capital Securities of the same series of any authorized denominations of like tenor and aggregate principal amount and bearing such restrictive legends as may be required by this Declaration of Trust.

At the option of the Holder, Capital Securities may be exchanged for other Capital Securities of any authorized denominations, of like tenor and aggregate Principal Amount and bearing such restrictive legends as may be required by this Declaration of Trust, upon surrender of the Capital Securities to be exchanged at such office or agency. Whenever any securities are so surrendered for exchange, the Property Trustee shall execute and

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authenticate and deliver the Capital Securities that the Holder making the exchange is entitled to receive.

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

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

No service charge shall be made to a Holder for any transfer or exchange of Capital Securities, but the Property, Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Capital Securities.

Neither the Trust nor the Property Trustee shall be required, pursuant to the provisions of this Section, (i) to issue, register the transfer of or exchange any Capital Security during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of Capital Securities pursuant to Article IV and ending at the close of business on the day of such mailing of the notice of redemption, or (ii) to register the transfer of or exchange any Capital Security so selected for redemption in whole or in part, except, in the case of any such Capital Security to be redeemed in part, any portion thereof not to be redeemed.

The Capital Securities will be issued, and may be transferred, only in blocks having a Liquidation Amount of not less than \$100,000. Any transfer, sale or other disposition of Capital Securities in a block having a Liquidation Amount of less than \$100,000 shall be deemed to be void and of no legal effect whatsoever. Any such transferee shall be deemed not to be the Holder of such Capital Securities for any purpose, including but not limited to the receipt of Distributions on such Capital

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Securities, and such transferee shall be deemed to have no interest whatsoever in such Capital Securities.

(b) Certain Transfers and Exchanges. Notwithstanding any other provision of this Declaration of Trust, transfers and exchanges of Capital Securities and beneficial interests in a Global Capital Security shall be made only in accordance with this Section 5.05(b).

(i) Non-Global Restricted Capital Security to Global Security. If the Holder of a Restricted Capital Security (other than the Global Security) wishes at any time to transfer all or any portion of such Capital Security to a Person who wishes to take delivery thereof in the

form of a beneficial interest in the Global Security, such transfer may be effected only in accordance with the provisions of this Clause (b) (i) and subject to the Applicable Procedures. Upon receipt by the Securities Registrar of (A) such Capital Security as provided in Section 5.05(a) and instructions satisfactory to the Securities Registrar directing that a beneficial interest in the Global Security in a specified principal amount not greater than the principal amount of such Capital Security to be credited to a specified Clearing Agency Participant's account and (B) a Restricted Capital Securities Certificate duly executed by such Holder or such Holder's attorney duly authorized in writing, then the Securities Registrar shall cancel such Capital Security (and issue a new Capital Security in respect of any untransferred portion thereof) as provided in Section 5.01(a) and increase the aggregate principal amount of the Global Capital Security by the specified principal amount as provided in Section 5.04(c).

(ii) Non-Global Security to Non-Global Security. A Capital Security that is not a Global Capital Security may be transferred, in whole or in part, to a Person who takes delivery in the form of another Capital Security that is not a Global Security as provided in Section 5.05(a) provided that if the Capital Security to be transferred in whole or in part is a Restricted Capital Security, the Securities Registrar shall have received a Restricted Securities Certificate duly executed by the transferor Holder or such Holder's attorney duly authorized in writing.

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(iii) Exchanges Between Global Capital Security and Non-Global Capital Security. A beneficial interest in the Global Capital Security may be exchanged for a Capital Security that is not a Global Capital Security as provided in Section 5.04.

(iv) Certain Initial Transfers of Non-Global Capital Securities. In the case of Capital Securities initially issued other than in global form, an initial transfer or exchange of such Capital Securities that does not involve any change in beneficial ownership may be made to an Institutional Accredited Investor or Investors as if such transfer or exchange were not an initial transfer or exchange; provided that written certification shall be provided by the transferee and transferor of such Securities to the Securities Registrar that such transfer or exchange does not involve a change in beneficial ownership.

(v) Limitations Relating to Principal Amount. Notwithstanding any other provision of this Declaration of Trust and unless otherwise specified as permitted by this Declaration of Trust, Capital Securities or portions thereof may be transferred or exchanged only in principal amounts of not less than \$100,000. Any transfer, exchange or other disposition of Capital Securities in contravention of this Section 5.05(b) (v) shall be deemed to be void and of no legal effect whatsoever, any such transferee shall be deemed not to be the Holder or owner of any beneficial interest in such Capital Securities for any purpose, including but not limited to the receipt of interest payable on such Capital Securities, and such transferee shall be deemed to have no interest whatsoever in such Capital Securities.

(c) Restricted Securities Legend. Except as set forth below, all Capital Securities shall bear a Restricted Capital Securities Legend:

(i) subject to the following Clauses of this Section 5.05(c), a Capital Security or any portion thereof that is exchanged, upon transfer or otherwise, for a Global Capital Security or any portion thereof shall bear the Restricted Capital Securities Legend while represented thereby;

(ii) subject to the following Clauses of this Section 5.05(c), a new Capital Security which is not a Global Capital Security and is issued in exchange for another Capital Security (including a Global Capital Security) or any portion thereof, upon transfer or otherwise, shall, if such new Capital Security is required to be issued in the form of a Restricted Capital Security, bear a Restricted Capital Securities Legend;

(iii) a new Capital Security (other than a Global Capital Security) that does not bear a Restricted Capital Securities Legend may be issued in exchange for or in lieu of a Restricted Capital Security or any portion thereof that bears such a legend if, in the Depositor's judgment, placing such a legend upon such new Capital Security is not necessary to ensure compliance with the registration requirements of the Securities Act, and the Property Trustee, at the written direction of the Trust in the form of an Officers' Certificate, shall authenticate and deliver such a new Capital Security as provided in this Article V;

(iv) notwithstanding the foregoing provisions of this Section 5.05(c), a Successor Capital Security of a Capital Security that does not bear a Restricted Capital Securities Legend shall not bear such form of legend unless the Depositor has reasonable cause to believe that such Successor Capital Security is a "restricted security" within the meaning of Rule 144 under the Securities Act, in which case the Property Trustee, at the written direction of the Trust in the form of an Officers' Certificate, shall authenticate and deliver a new Capital Security bearing a Restricted Capital Securities Legend in exchange for such Successor Capital Security as provided in this Article V; and

(v) Trust Securities distributed to holder of Capital Securities upon dissolution of the Trust shall bear a Restricted Capital Securities Legend if the Capital Securities so held bear a similar legend.

SECTION 5.06. Mutilated, Destroyed, Lost or Stolen Trust Securities Certificates. Provided Definitive Capital Securities Certificates are issued, if (a) any mutilated Trust Securities Certificate shall be surrendered

to the Securities Registrar, or if the Securities Registrar shall receive evidence to its satisfaction of the destruction, loss or theft of any Trust Securities Certificate and (b) there shall be delivered to the Securities Registrar and the Administrative Trustees such security or indemnity as may be required by them to save each of them harmless, then in the absence of notice that such Trust Securities Certificate shall have been acquired by a bona fide purchaser, the Administrative Trustees, or any one of them, on behalf of the Trust shall execute and make available for delivery, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Trust Securities Certificate, a new Trust Securities Certificate of like class, tenor and denomination. In connection with the issuance of any new Trust Securities Certificate under this Section, the Administrative Trustees or the Securities Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. Any duplicate Trust Securities Certificate issued pursuant to this Section shall constitute conclusive evidence of an undivided beneficial interest in the assets of the Trust, as if originally issued, whether or not the lost, stolen or destroyed Trust Securities

Certificate shall be found at any time.

SECTION 5.07. Persons Deemed Securityholders. The Trustees or the Securities Registrar shall treat the Person in whose name any Trust Securities are issued as the owner of such Trust Securities for the purpose of receiving distributions and for all other purposes whatsoever, and neither the Trustees nor the Securities Registrar shall be bound by any notice to the contrary.

SECTION 5.08. Access to List of Securityholders' Names and Addresses. Each Owner of a Trust Securities acknowledges that the Depositor, the Property Trustee, the Delaware Trustee or the Administrative Trustees may from time to time make reasonable use of information consisting of such Owner's name and address, including the furnishing of a list of such names and addresses as contemplated hereunder, and each Owner shall be deemed to have agreed not to hold the Depositor, the Property Trustee or the Administrative Trustees accountable by reason of the disclosure of its name and address, regardless of the source from which such information was derived.

SECTION 5.09. Maintenance of Office or Agency; Transfer Agent. The Administrative Trustees shall maintain

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an office or offices or agency or agencies where Definitive Capital Securities Certificates, if issued, may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Trustees in respect of the Trust Securities may be served. The Administrative Trustees initially designate The Bank of New York, 101 Barclay Street, 21st Floor West, New York, NY 10286, Attention: Corporate Trust Trustee Administration, as its corporate trust office for such purposes. The Administrative Trustees shall give prompt written notice to the Depositor and to the Securityholders of any change in the location of the Securities Register or any such office or agency. The Bank shall act as initial transfer agent for the Trust Securities.

SECTION 5.10. Appointment of Paying Agent. The Paying Agent shall make Distributions to Securityholders from the Payment Account and shall report the amounts of such Distributions to the Property Trustee and the Administrative Trustees. Any Paying Agent shall have the revocable power to withdraw funds from the Payment Account for the purpose of making the Distributions referred to above. The Administrative Trustees may revoke such power and remove any Paying Agent if such Administrative Trustees determine in their sole discretion that such Paying Agent shall have failed to perform its obligations under this Declaration of Trust in any material respect. The Paying Agent shall initially be the Bank, and any co-paying agent chosen by the Bank, and acceptable to the Administrative Trustees and the Depositor. Any Person acting as Paying Agent shall be permitted to resign as Paying Agent upon 30 days' written notice to the Administrative Trustees, the Property Trustee and the Depositor. In the event that the Bank shall no longer be the Paying Agent or a successor Paying Agent shall resign or its authority to act be revoked, the Administrative Trustees shall appoint a successor that is acceptable to the Property Trustee and the Depositor to act as Paying Agent (which shall be a bank or trust company). The Administrative Trustees shall cause such successor Paying Agent or any additional Paying Agent appointed by the Administrative Trustees to execute and deliver to the Trustees an instrument in which such successor Paying Agent or additional Paying Agent shall agree with the Trustees that as Paying Agent, such successor Paying Agent or additional Paying Agent will hold all sums, if any, held by it for payment to the Securityholders in trust for the benefit of the Securityholders entitled thereto until such sums shall be paid to such

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Securityholders. The Paying Agent shall return all unclaimed funds to the Property Trustee and upon removal of a Paying Agent such Paying Agent shall also return all funds in its possession to the Property Trustee. The provisions of Sections 8.01, 8.03 and 8.06 herein shall apply to the Bank also in its role as Paying Agent, for so long as the Bank shall act as Paying Agent and, to the extent applicable, to any other paying agent appointed hereunder. Any reference in this Declaration of Trust to the Paying Agent shall include any co-paying agent unless the context requires otherwise.

SECTION 5.11. Ownership of Common Securities by Depositor. At each Time of Delivery, the Depositor shall acquire and retain beneficial and record ownership of the Common Securities. To the fullest extent permitted by law, other than a transfer in connection with a consolidation or merger of the Depositor into another corporation, or any conveyance, transfer or lease by the Depositor of its properties and assets substantially as an entirety to any Person, pursuant to Section 8.01 of the Indenture, any attempted transfer of the Common Securities shall be void. The Administrative Trustees shall cause each Common Securities Certificate issued to the Depositor to contain a legend stating "THIS CERTIFICATE IS NOT TRANSFERABLE".

SECTION 5.12. Notices to Clearing Agency. To the extent that a notice or other communication to the Holders is required under this Declaration of Trust, for so long as Capital Securities are represented by a Global Securities Certificate, the Trustees shall give all such notices and communications specified herein to be given to the Clearing Agency, and shall have no obligations to give duplicates thereof to the Owners.

SECTION 5.13. Rights of Securityholders. (a) The legal title to the Trust Property is vested exclusively in the Property Trustee (in its capacity as such) in accordance with Section 2.09, and the Securityholders shall not have any right or title therein other than the undivided beneficial ownership interest in the assets of the Trust conferred by their Trust Securities and they shall have no right to call for any partition or division of property, profits or rights of the Trust except as described below. The Trust Securities shall be personal property giving only the rights specifically set forth therein and in this Declaration of Trust. The Trust Securities shall have no preemptive or singular rights and

when issued and delivered to Securityholders against payment of the purchase price therefor will be fully paid and nonassessable. The Holders of the Trust Securities, in their capacities as such, shall be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware.

(b) For so long as any Capital Securities remain Outstanding, if, upon a Debenture Event of Default, the Debenture Trustee fails or the holders of not less than 25% in principal amount of the outstanding Junior Subordinated Debt Securities fail to declare the principal amount of all of the Junior Subordinated Debt Securities to be immediately due and payable, the Holders of at least 25% in Liquidation Amount of the Capital Securities then Outstanding shall have such right by a notice in writing to the Depositor and the Debenture Trustee with a copy to the Property Trustee; and upon any such declaration such principal amount of and the accrued interest on all of the Junior Subordinated Debt Securities shall become immediately due and payable; provided that the payment of principal and interest on such Junior Subordinated Debt Securities shall remain subordinated to the extent provided in the Indenture.

At any time after such a declaration of acceleration with respect to the Junior Subordinated Debt Securities has been made and before a judgment or decree for payment of the money due has been obtained by the Debenture Trustee as provided in the Indenture, the Holders of a majority in Liquidation Amount of the Capital Securities, by written notice to the Property Trustee, the Depositor and the Debenture Trustee, may rescind and annul such declaration and its consequences if:

(i) the Depositor has paid or deposited with the Debenture Trustee a sum sufficient to pay

(A) all overdue installments of interest (including any Additional Interest (as defined in the Indenture)) on all of the Junior Subordinated Debt Securities,

(B) the principal of (and premium, if any, on) any Junior Subordinated Debt Securities which have become due otherwise than by such declaration of acceleration and interest thereon at the rate

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borne by the Junior Subordinated Debt Securities, and

(C) all sums paid or advanced by the Debenture Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Debenture Trustee and the Property Trustee, their agents and counsel; and

(ii) all Events of Default with respect to the Junior Subordinated Debt Securities, other than the non-payment of the principal of the Junior Subordinated Debt Securities which has become due solely by such acceleration, have been cured or waived as provided in Section 5.13 of the Indenture.

If the Property Trustee fails to annul any such declaration and waive such default, the Holders of Capital Securities representing at least 50% of the aggregate Liquidation Amount of all the Outstanding Capital Securities shall also have the right to rescind and annul such declaration and its consequences by written notice to the Depositor, the Property Trustee and the Debenture Trustee, subject to the satisfaction of the conditions set forth in Clause (i) and (ii) of this Section 5.13(b).

The Holders of a majority in aggregate Liquidation Amount of the Capital Securities may, on behalf of the Holders of all the Capital Securities, waive any past default under the Indenture, except a default in the payment of principal or interest (unless such default has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration has been deposited with the Debenture Trustee) or a default in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of the holder of each Junior Subordinated Debt Securities. No such rescission shall affect any subsequent default or impair any right consequent thereon.

Upon receipt by the Property Trustee of written notice declaring such an acceleration, or rescission and annulment thereof, by Holders of the Capital Securities all or part of which is represented by Global Capital Securities, a record date shall be established for determining Holders of Outstanding Capital Securities entitled to join in such notice, which record date shall be at the close of business on the day the Property Trustee

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receives such notice. The Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to join in such notice, whether or not such Holders remain Holders after such record date; provided that, unless such acclamation of acceleration, or rescission and annulment, as the case may be, shall have become effective by virtue of the requisite percentage having joined in such notice prior to the day which is 90 days after such record date, such notice of declaration of acceleration, or rescission and annulment, as the case may be, shall automatically and without further action by any Holder be canceled and of no further effect. Nothing in this paragraph shall prevent a Holder, or a proxy of a Holder, from giving, after expiration of such 90 day period, a new written notice of declaration of acceleration, or rescission and annulment thereof, as the case may be, that is identical to a written notice which has been canceled pursuant to the proviso to the preceding sentence, in which event a new record date shall be established pursuant to the provisions of this Section 5.13(b).

(c) For so long as any Capital Securities remain Outstanding, to the fullest extent permitted by law and subject to the terms of this Declaration of Trust and the Indenture, upon a Debenture Event of Default specified in Section 5.01(1) or 5.01(2) of the Indenture, any Holder of Capital Securities shall have the right to institute a proceeding directly against the Depositor, pursuant to Section 5.08 of the Indenture, for enforcement of payment to such Holder of the principal amount of or interest on Junior Subordinated Debt Securities having a principal amount equal to the Liquidation Amount of the Capital Securities of such Holder (a "Direct Action"). Except as set forth in Sections 5.13(b) and 5.13(c), the Holders of Capital Securities shall have no right to exercise directly any right or remedy available to the holders or, or in respect of, the Junior Subordinated Debt Securities.

(d) A Securityholder may institute a legal proceeding directly against the Guarantor under the Guarantee to enforce its rights under the Guarantee without first instituting a legal proceeding against the Trust or any person or entity.

ARTICLE VI

Acts of Securityholders; Meetings; Voting

SECTION 6.01. Limitations on Capital Securityholder's Voting Rights. (a) Except as provided in this Declaration of Trust and in the Indenture and as otherwise required by law, no Holder of Capital Securities shall have any right to vote or in any manner otherwise control the administration, operation and management of the Trust or the obligations of the parties hereto, nor shall anything herein set forth, or contained in the terms of the Trust Securities Certificates, be construed so as to constitute the Capital Securityholders from time to time as partners or members of an association. Unless a Debenture Event of Default shall have occurred and be continuing, any Trustee may be removed at any time by the vote of the Common Securityholder. The right to vote to appoint, remove or replace the Administrative Trustees is vested exclusively in the Depositor as the holder of the Common Securities.

(b) So long as any Junior Subordinated Debt Securities are held by the Property Trustee, the Trustees shall not (i) direct the time, method and place of conducting any proceeding for any remedy available to the Debenture Trustee, or executing any trust or power conferred on the Property Trustee with respect to such Junior Subordinated Debt Securities, (ii) waive any past default which is waivable under Section 5.13 of the Indenture, (iii) exercise any right to rescind or annul a declaration that the principal of all the Junior Subordinated Debt Securities shall be due and payable or (iv) consent to any

amendment, modification or termination of the Indenture or the Junior Subordinated Debt Securities, where such consent shall be required, without, in each case, obtaining the prior approval of the Holders of at least a majority in aggregate Liquidation Amount of all Outstanding Capital Securities; provided, however, that where a consent under the Indenture would require the consent of each Holder of Junior Subordinated Debt Securities affected thereby, no such consent shall be given by the Property Trustee without the prior written consent of each Holder of Capital Securities. The Trustees shall not revoke any action previously authorized or approved by a vote of the Holders of Capital Securities, except by a subsequent vote of the Holders of Capital Securities. The Property Trustee shall notify all Holders of the Capital Securities of any notice of default received from the Debenture Trustee with respect

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to the Junior Subordinated Debt Securities. In addition to obtaining the foregoing approvals of the Holders of the Capital Securities, prior to taking any of the foregoing actions, the Trustees shall, at the expense of the Depositor, obtain an Opinion of Counsel experienced in such matters to the effect that the Trust will not fail to be classified as a grantor trust for United States federal income tax purposes on account of such action.

(c) If any proposed amendment to the Declaration of Trust provides for, or the Trustees otherwise propose to effect, (i) any action that would adversely affect in any material respect the interests, powers, preferences or special rights of the Trust Securities, whether by way of amendment to the Declaration of Trust or otherwise, or (ii) the dissolution, winding-up or termination of the Trust, other than pursuant to the terms of this Declaration of Trust, then the Holders of Outstanding Trust Securities as a class will be entitled to vote on such amendment or proposal.

SECTION 6.02. Notice of Meetings. Notice of all meetings of the Securityholders, stating the time, place and purpose of the meeting, shall be given by the Property Trustee pursuant to Section 10.09 to each Securityholder of record, at his registered address, at least 15 days and not more than 90 days before the meeting. At any such meeting, any business properly before the meeting may be so considered whether or not stated in the notice of the meeting. Any adjourned meeting may be held as adjourned without further notice.

SECTION 6.03. Meetings of Securityholders. No annual meeting of Securityholders is required to be held. The Administrative Trustees, however, shall call a meeting of Securityholders to vote on any matter upon the written request of the Securityholders of record of 25% of the Securities (based upon their Liquidation Amount) and the Administrative Trustees or the Property Trustee may, at any time in their discretion, call a meeting of Securityholders to vote on any matters as to which Securityholders are entitled to vote.

Securityholders of record of 50% of the Outstanding Securities (based upon their Liquidation Amount), present in person or represented by proxy, shall constitute a quorum at any meeting of Securityholders.

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If a quorum is present at a meeting, an affirmative vote by the Securityholders of record present, in person or by proxy, holding more than a majority of the Securities (based upon their Liquidation Amount) held by the Securityholders of record present, either in person or by proxy, at such meeting shall constitute the action of the Securityholders, unless this Declaration of Trust requires a greater number of affirmative votes.

SECTION 6.04. Voting Rights. Securityholders shall be entitled to one vote for each \$1,000 of Liquidation Amount represented by their Outstanding Trust Securities in respect of any matter as to which such Securityholders are entitled to vote.

SECTION 6.05. Proxies, etc. At any meeting of Securityholders, any Securityholder entitled to vote thereat may vote by proxy; provided that no proxy shall be voted at any meeting unless it shall have been placed on file with the Administrative Trustees, or with such other officer or agent of the Trust as the Administrative Trustees may direct, for verification prior to the time at which such vote shall be taken. Proxies may be solicited in the name of the Property Trustee or one or more officers of the Property Trustee. Only Securityholders of record shall be entitled to vote. When Trust Securities are held jointly by several persons, any one of them may vote at any meeting in person or by proxy in respect of such Securities, but if more than one of them shall be present at such meeting in person or by proxy, and such joint owners or their proxies so present disagree as to any vote to be cast, such vote shall not be received in respect of such Securities. A proxy purporting to be executed by or on behalf of a Securityholder shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger. No proxy shall be valid more than three years after its date of execution.

SECTION 6.06. Securityholder Action by Written Consent. Any action which may be taken by Securityholders at a meeting may be taken without a meeting if Securityholders holding more than a majority of all Outstanding Securities (based upon their Liquidation Amount) entitled to vote in respect of such action (or such larger proportion thereof as shall be required by any express provision of this Declaration of Trust) shall consent to the action in writing.

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SECTION 6.07. Record Date for Voting and Other Purposes. For the purposes of determining the Securityholders who are entitled to notice of and to vote at any meeting or by written consent, or to participate in any distribution on the Trust Securities in respect of which a record date is not otherwise provided for in this Declaration of Trust, or for the purpose of any other action, the Administrative Trustees may from time to time fix a date, not more than 90 days prior to the date of any meeting of Securityholders or the payment of a distribution or other action, as the case may be, as a record date for the determination of the identity of the Securityholders of record for such purposes.

SECTION 6.08. Acts of Securityholders. Any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Declaration of Trust to be given, made or taken by Securityholders or Owners may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Securityholders or Owners in person or by an agent duly appointed in writing; and, except as otherwise expressly provided herein, such action shall become effective when such instrument or instruments are delivered to an Administrative Trustee. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Securityholders or Owners signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Declaration of Trust and (subject to Section 8.01) conclusive in favor of the Trustees, if made in the manner provided in this Section.

The fact and date of the execution by any Person of any such instrument or writing may be provided by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing

such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which any Trustee receiving the same deems sufficient.

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The ownership of Trust Securities shall be proved by the Securities Registrar.

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

Without limiting the foregoing, a Securityholder entitled hereunder to take any action hereunder with regard to any particular Trust Security may do so with regard to all or any part of the Liquidation Amount of such Trust Security or by one or more duly appointed agents each of which may do so pursuant to such appointment with regard to all or any part of such Liquidation Amount.

If any dispute shall arise between the Securityholders and the Administrative Trustees or among such Securityholders or Trustees with respect to the authenticity, validity or binding nature of any request, demand, authorization, direction, consent, waiver or other Act of such Securityholder or Trustee under this Article VI, then the determination of such matter by the Property Trustee shall be conclusive with respect to such matter.

A Holder may institute a legal proceeding directly against the Depositor under the Guarantee Agreement to enforce its rights under the Guarantee Agreement without first instituting a legal proceeding against the Guarantee Trustee (as defined in the Guarantee Agreement), the Trust, any Trustee or any person or entity.

SECTION 6.09. Inspection of Records. Upon reasonable notice to the Administrative Trustees and the Property Trustee, the records of the Trust shall be open to inspection by Securityholders during normal business hours for any purpose reasonably related to such Securityholder's interest as a Securityholder.

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ARTICLE VII

Representations and Warranties

SECTION 7.01. Representations and Warranties of the Property Trustee and the Delaware Trustee. The Property Trustee and the Delaware Trustee, each severally on behalf of and as to itself, hereby represents and warrants for the benefit of the Depositor and the Securityholders that:

- (a) The Property Trustee is a banking corporation with trust powers, duly organized, validly existing and in good standing under the laws of New York, with trust power and authority to execute and

deliver, and to carry out and perform its obligations under the terms of this Declaration of Trust.

(b) The execution, delivery and performance by the Property Trustee of the Declaration of Trust has been duly authorized by all necessary corporate action on the part of the Property Trustee; and the Declaration of Trust has been duly executed and delivered by the Property Trustee, and constitutes a legal, valid and binding obligation of the Property Trustee, enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, moratorium, insolvency, and other similar laws affecting creditors' rights generally and to general principles of equity and the discretion of the court (regardless of whether the enforcement of such remedies is considered in a proceeding in equity or at law).

(c) The execution, delivery and performance of the Declaration of Trust by the Property Trustee does not conflict with or constitute a breach of the certificate of incorporation or by-laws of the Property Trustee.

(d) At the Closing Date, the Property Trustee has not knowingly created any liens or encumbrances on such Trust Securities.

(e) No consent, approval or authorization of, or registration with or notice to, any New York State or federal banking authority is required for the execution, delivery or performance by the Property Trustee, of the Declaration of Trust.

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(f) The Delaware Trustee is duly organized, validly existing and in good standing under the laws of the State of Delaware, with trust power and authority to execute and deliver, and to carry out and perform its obligations under the terms of, the Declaration of Trust.

(g) The execution, delivery and performance by the Delaware Trustee of the Declaration of Trust has been duly authorized by all necessary corporate action on the part of the Delaware Trustee; and the Declaration of Trust has been duly executed and delivered by the Delaware Trustee, and constitutes a legal, valid and binding obligation of the Delaware Trustee, enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, moratorium, insolvency, and other similar laws affecting creditors' right generally and to general principles of equity and the discretion of the court regardless of whether the enforcement of such remedies is considered in a proceeding in equity or at law).

(h) The execution, delivery and performance or the Declaration of Trust by the Delaware Trustee does not conflict with or constitute a breach of the certificate of incorporation or by-laws of the Delaware Trustee.

(i) No consent, approval or authorization of, or registration with or notice to, any state or federal banking authority is required for the execution, delivery or performance by the Delaware Trustee, of this Declaration of Trust.

(j) The Delaware Trustee is an entity which has its principal place of business in the State of Delaware.

SECTION 7.02. Representations and Warranties of Depositor. The Depositor hereby represents and warrants for the benefit of the Securityholders that:

(a) the Trust Securities Certificates issued at the Closing Date on behalf of the Trust have been duly authorized and will have been duly and validly executed, issued and delivered by the Trustees pursuant to the terms and provisions of, and in accordance with

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the requirements of, this Declaration of Trust, and the Securityholders will be, as of each such date, entitled to the benefits of this Declaration of Trust; and

(b) there are no taxes, fees or other governmental charges payable by the Trust (or the Trustees on behalf of the Trust) under the laws of the State of Delaware or any political subdivision thereof in connection with the execution, delivery and performance by the Property Trustee or the Delaware Trustee, as the case may be, of this Declaration of Trust.

ARTICLE VIII

The Trustees

SECTION 8.01. Certain Duties and Responsibilities. (a) The duties and responsibilities of the Trustees shall be as provided by this Declaration of Trust and, in the case of the Property Trustee, by the Trust Indenture Act; provided, however, that the Property Trustee shall not be subject to the provisions of the Trust Indenture Act until such time as this Declaration of Trust becomes qualified under the Trust Indenture Act upon the effectiveness of a registration statement pursuant to the Registration Agreement. Notwithstanding the foregoing, no provisions of this Declaration of Trust shall require the Trustees to expend or risk their own funds or otherwise incur any financial liability in the performance of any of their duties hereunder, or in the exercise of any of their rights or powers, if they shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not reasonably assured to it. Whether or not herein expressly so provided, every provision of this Declaration of Trust relating to the conduct or affecting the liability of or affording protection to the Trustees shall be subject to the provisions of this Article. Nothing in this Declaration of Trust shall be construed to release an Administrative Trustee from liability for his own grossly negligent action, his own grossly negligent failure to act, or his own wilful misconduct. To the extent that, at law or in equity, an Administrative Trustee has duties (including fiduciary duties) and liabilities relating thereto to the Trust or to the Securityholders, such Administrative Trustee shall not be liable to the Trust or to any Securityholder for such Trustee's good faith reliance on the provisions of this

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Declaration of Trust. The provisions of this Declaration of Trust, to the extent that they restrict the duties and liabilities of the Administrative Trustees otherwise existing at law or in equity, are agreed by the Depositor and the Securityholders to replace such other duties and liabilities of the Administrative Trustees.

(b) All payments made by the Property Trustee or a Paying Agent in respect of the Trust Securities shall be made only from the revenue and proceeds from the Trust Property and only to the extent that there shall be sufficient revenue or proceeds from the Trust Property to enable the Property Trustee or a Paying Agent to make payments in accordance with the terms hereof. Each Securityholder, by its acceptance of a Trust Security, agrees that it will

look solely to the revenue and proceeds from the Trust Property to the extent legally available for distribution to it as herein provided and that the Trustees are not personally liable to it for any amount distributable in respect of any Trust Security or for any other liability in respect of any Trust Security. This Section 8.01(b) does not limit the liability of the Trustees expressly set forth elsewhere in this Declaration of Trust or, in the case of the Property Trustee, in the Trust Indenture Act, if applicable.

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

(i) the Property Trustee shall not be liable for any error of judgment made in good faith by an authorized officer of the Property Trustee, unless it shall be proved that the Property Trustee was negligent in ascertaining the pertinent facts;

(ii) the Property Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in Liquidation Amount of the Trust Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Property Trustee, or exercising any trust or power conferred upon the Property Trustee under this Declaration of Trust;

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(iii) the Property Trustee's sole duty with respect to the custody, safe keeping and physical preservation of the Junior Subordinated Debt Securities and the Payment Account shall be to deal with such Property in a similar manner as the Property Trustee deals with similar property for its own account, subject to the projections and limitations on liability afforded to the Property Trustee under this Declaration of Trust and the Trust Indenture Act;

(iv) the Property Trustee shall not be liable for any interest on any money received by it except as it may otherwise agree in writing with the Depositor; and money held by the Property Trustee need not be segregated from other funds held by it except in relation to the Payment Account maintained by the Property Trustee pursuant to Section 3.01 and except to the extent otherwise required by law; and

(v) the Property Trustee shall not be responsible for monitoring the compliance by the Administrative Trustees or the Depositor with their respective duties under this Declaration of Trust nor shall the Property Trustee be liable for the default or misconduct of the Administrative Trustees or the Depositor.

SECTION 8.02. Events of Default Notices; Deferral of Interest Payment Notices. Within fifteen Business Days after the occurrence of any Event of Default actually known to a Responsible Officer of the Property Trustee, the Property Trustee shall transmit, in the manner and to the extent provided in Section 10.09, notice of such Event of Default to the Securityholders, the Administrative Trustees and the Depositor, unless such Event of Default shall have been cured or waived. The Depositor and the Administrative Trustees are required to file annually with the Property Trustee a certificate as to whether or not they are in compliance with all the conditions and covenants applicable to them under the Declaration of Trust.

Within five Business Days after the receipt of notice of the Depositor's exercise of its right to defer the payment of interest on the Junior Subordinated Debt Securities pursuant to the Indenture, the Administrative Trustee shall transmit, in the manner and to the extent provided in Section

10.09, notice of such exercise to the Securityholders and the Property Trustee, unless such exercise shall have been revoked.

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SECTION 8.03. Certain Rights of Property Trustee. Subject to the provisions of Section 8.01:

(a) the Property Trustee may conclusively rely and shall be fully protected in acting or refraining from acting in good faith upon any resolution, Opinion of Counsel, certificate, written representation of a Holder or transferee, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) if (i) in performing its duties under this Declaration of Trust the Property Trustee is required to decide between alternative courses of action or (ii) in construing any of the provisions of this Declaration of Trust the Property Trustee finds the same ambiguous or inconsistent with any other provisions contained herein (iii) the Property Trustee is unsure of the application of any Provision of this Declaration of Trust, then, except as to any matter as to which the Securityholders are entitled to vote under the terms of this Declaration of Trust, the Property Trustee shall deliver a notice to the Depositor requesting written instructions of the Depositor as to the course of action to be taken and the Property Trustee shall take such action, or refrain from taking such action, as the Property Trustee shall be instructed in writing to take, or to refrain from taking, by the Depositor; provided, however, that if the Property Trustee does not receive such instructions of the Depositor within ten Business Days after it has delivered such notice, or such reasonably shorter period of time set forth in such notice (which to the extent practicable shall not be less than two Business Days), it may, but shall be under no duty to, take or refrain from taking such action not inconsistent with this Declaration of Trust as it shall deem advisable and in the best interests of the Securityholders, in which event the Property Trustee shall have no liability except for its own bad faith, negligence or wilful misconduct;

(c) any direction or act of the Depositor or the Administrative Trustee contemplated by this Declaration

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of Trust shall be sufficiently evidenced by an Officers' Certificate;

(d) whenever in the administration of this Declaration of Trust, the Property Trustee shall deem it desirable that a matter be established before undertaking, suffering or omitting any action hereunder, the Property Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, request and conclusively rely upon an Officers' Certificate which, upon receipt of such request, shall be promptly delivered by the Depositor or the Administrative Trustees.

(e) the Property Trustee shall have no duty to see to any recording, filing or registration of any instrument (including any financing or continuation statement or any filing under tax or

securities laws) or any rerecording, refiling or reregistration thereof;

(f) the Property Trustee may consult with counsel of its selection (which counsel may be counsel to the Depositor or any of its Affiliates, and may include any of its employees) and the advice of such counsel shall be full and complete authorization and protection in respect of any action taken suffered or omitted by it hereunder in good faith and in reliance thereon and in accordance with such advice, such counsel may be counsel to the Depositor or any of its Affiliates, and may include any of its employees; the Property Trustee shall have the right at any time to seek instructions concerning the administration of this Declaration of Trust from any court of competent jurisdiction;

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

(h) the Property Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument,

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opinion, report, notice, request, consent, order, approval, bond, debenture, note or other evidence of indebtedness or other paper or document, unless requested in writing to do so by one or more Securityholders, but the Property Trustee may make such further inquiry or investigation into such facts or matters as it may see fit;

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

(j) whenever in the administration of this Declaration of Trust the Property Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action hereunder, the Property Trustee (i) may request instructions from the Holders of the Trust Securities which instructions may only be given by the Holders of the same proportion in Liquidation Amount of the Trust Securities as would be entitled to direct the Property Trustee under the terms of the Trust Securities in respect of such remedy, right or action, (ii) may refrain from enforcing such remedy or right or taking such other action until such instructions are received, and (iii) shall be fully protected in acting in accordance with instructions;

(k) except as otherwise expressly provided by this Declaration of Trust, the Property Trustee shall not be under any obligation to take any action that is discretionary under the provisions of this Declaration of Trust;

(l) when the Property Trustee incurs expenses or renders services in connection with a Bankruptcy Event, such expenses (including the fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy law or law relating to creditors rights generally;

and

(m) the Property Trustee shall not be charged with knowledge or an Event of Default unless a Responsible

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Officer of the Property Trustee obtains actual knowledge of such event or the Property Trustee receives written notice of such event from Securityholders holding at least 25%, of the Outstanding Trust Securities (based upon Liquidation Amount).

No provision of this Declaration of Trust shall be deemed to impose any duty or obligation on the Property Trustee to perform any act or acts or exercise any right, power, duty or obligation conferred or imposed on it, in any jurisdiction in which it shall be illegal, or in which the Property Trustee shall be unqualified or incompetent in accordance with applicable law, to perform any such act or acts, or to exercise any such right, power, duty or obligation. No permissive power or authority available to the Property Trustee shall be construed to be a duty.

SECTION 8.04. Not Responsible for Recitals. The recitals contained herein and in the Trust Securities Certificates shall be taken as the statements of Trust, and the Trustees do not assume any responsibility for their correctness. The Trustees shall not be accountable for the use or application by the Depositor of the proceeds of the Junior Subordinated Debt Securities.

SECTION 8.05. May Hold Securities. Except as provided in the definition of the term "Outstanding" in Article I, any Trustee or any other agent of any Trustee or the Trust, in its individual or any other capacity, may become the owner or pledgee of Trust Securities and, subject to Sections 8.08 and 8.13, may otherwise deal with the Trust with the same rights it would if it were not a Trustee or such other agent.

SECTION 8.06. Compensation, Indemnity, Fees. Pursuant to Section 10.06 of the Indenture, the Depositor, as borrower, agrees:

(a) to pay to the Trustees from time to time such compensation as shall be agreed upon in writing between the Depositor and the Trustees for all services rendered by them hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise expressly provided herein, to reimburse the Trustees upon request for all

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

(c) to the fullest extent permitted by applicable law, to indemnify and hold harmless (i) each Trustee, (ii) any Affiliate of any Trustee, (iii) any officer, director, shareholder, employee, representative or agent of any Trustee, and (iv) any employee or agent of the Trust or its Affiliates, (referred to herein as an "Indemnified

Person") from and against any and all loss, damage, claim, liability, tax, penalty, expense or claim of any kind or nature whatsoever incurred by such Indemnified Person by reason of the creation, operation or termination of the Trust or any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust in connection with the acceptance and administration of the Trusts hereunder and in a manner such Indemnified Person reasonably believed to be within the scope of authority conferred on such Indemnified Person by this Declaration of Trust, except that no Indemnified Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Indemnified Person by reason of negligence or wilful misconduct with respect to such acts or omissions; and

(d) to the fullest extent permitted by applicable law, to advance expenses (including legal fees and expenses) incurred by an Indemnified Person in defending any claim, demand, action, suit or proceeding, from time to time, prior to the final disposition of such claim, demand action, suit or proceeding upon receipt by the Depositor of (i) a written affirmation by or on behalf of the Indemnified Person of its or his good faith belief that it or he has met the standard of conduct set forth in this Section 8.06 and (ii) an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall be determined by a court of competent jurisdiction that the Indemnified Person is not entitled to be indemnified as authorized in the preceding subsection.

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The provisions of this Section 8.06 shall survive the termination of this Declaration of Trust or the earlier resignation or removal of any Trustee.

No Trustee may claim any lien or charge on any Trust Property as a result of any amount due pursuant to this Section 8.06.

The Depositor and any Trustee (in the case of the Property Trustee, subject to Section 8.08 hereof) may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Trust, and none of the Trust, the Holders of Trust Securities, the Depositor or any such Trustee shall have any rights by virtue of this Declaration of Trust in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the business of the Trust, shall not be deemed wrongful or improper. Neither the Depositor, nor any Trustee, shall be obligated to present any particular investment or other opportunity to the Trust even if such opportunity is of a character that, if presented to the Trust, could be taken by the Trust, and the Depositor or any Trustee shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment or other opportunity. Any Trustee may engage or be interested in any financial or other transaction with the Depositor or any Affiliate of the Depositor, or may act as depository for, trustee or agent for, or act on any committee or body of holders of, securities or other obligations of the Depositor or its Affiliates.

SECTION 8.07. Corporate Property Trustee Required; Eligibility of Trustees. (a) There shall at all times be a Property Trustee hereunder with respect to the Trust Securities. The Property Trustee shall be a Person that is a national or state chartered bank and eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least \$50 million. If any such Person publishes reports of condition at least annually, pursuant to law or to the requirements of its supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as

set forth in its most recent report of condition so published. If at any time the Property Trustee with respect to the Trust Securities shall cease to be eligible

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in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article; provided, however, that the Property Trustee need not qualify under the Trust Indenture Act until such time as this Declaration of Trust is qualified under the Trust Indenture Act.

(b) There shall at all times be one or more Administrative Trustees hereunder. Each Administrative Trustee shall be either a natural person who is at least 21 years of age or a legal entity that shall act through one or more persons authorized to bind that entity.

(c) There shall at all times be a Delaware Trustee. The Delaware Trustee shall either be (i) a natural person who is at least 21 years of age and a resident of the State of Delaware or (ii) a legal entity with its principal place of business in the State of Delaware and that otherwise meets the requirements of applicable Delaware law that shall act through one or more persons authorized to bind such entity.

SECTION 8.08. Conflicting Interests. If the Property Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Property Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Declaration of Trust.

SECTION 8.09. Co-Trustees and Separate Property Trustee. Unless an Event of Default shall have occurred and be continuing, at any time or times, for the purpose of meeting the legal requirements of the Trust Indenture Act or of any jurisdiction in which any part of the Trust Property may at the time be located, the Depositor and the Administrative Trustees, by agreed action of the majority of such Trustees, shall have power to appoint, and upon the written request of the Administrative Trustees, the Depositor shall for such purpose join with the Administrative Trustees in the execution, delivery, and performance of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Property Trustee either to act as co-trustee, jointly with the Property Trustee, of all or any part of such Trust Property, or to the extent required by law to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of

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appointment, and to vest in such Person or Persons in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section. If the Depositor does not join in such appointment within 15 days after the receipt by it of a request so to do, or in case a Debenture Event of Default has occurred and is continuing, the Property Trustee alone shall have power to make such appointment. Any co-trustee or separate trustee appointed pursuant to this Section shall either be (i) a natural person who is at least 21 years of age and a resident of the United States or (ii) a legal entity with its principal place of business in the United States that shall act through one or more persons authorized to bind such entity.

Should any written instrument from the Depositor be required

by any co-trustee or separate trustee so appointed for more fully confirming to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the Depositor.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(a) The Trust Securities shall be executed and delivered and all rights, powers, duties, and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustees specified hereunder, shall be exercised, solely by such Trustees and not by such co-trustee or separate trustee.

(b) The rights, powers, duties, and obligations hereby conferred or imposed upon the Property Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Property Trustee or by the Property Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Property Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.

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(c) The Property Trustee at any time, by an instrument in writing executed by it, with the written concurrence of the Depositor, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, in case a Debenture Event of Default has occurred and is continuing, the Property Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Depositor. Upon the written request of the Property Trustee, the Depositor shall join with the Property Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section.

(d) No co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Property Trustee or any other trustee hereunder.

(e) The Property Trustee shall not be required to supervise any co-trustee or separate trustee nor shall it be liable by reason of any act of a co-trustee or separate trustee or any employees or agents of a co-trustee or separate trustee.

(f) Any Act of Holders delivered to the Property Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

SECTION 8.10. Resignation and Removal; Appointment of Successor. No resignation or removal of any Trustee (the "Relevant Trustee") and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 8.11.

Subject to the immediately preceding paragraph, a Relevant Trustee may resign at any time by giving written notice thereof to the Securityholders. If the instrument of acceptance by the successor Trustee required by Section 8.11 shall not have been delivered to the Relevant Trustee within 60 days after the giving of such notice of resignation, the Relevant Trustee may petition, at the expense of the Trust, any court of competent

jurisdiction for the appointment of a successor Relevant Trustee.

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Unless a Debenture Event of Default shall have occurred and be continuing, any Trustee may be removed at any time by Act of the Common Securityholder. If a Debenture Event of Default shall have occurred and be continuing, the Property Trustee or the Delaware Trustee, or both of them, may be removed at such time by Act of the Holders of a majority in Liquidation Amount of the Outstanding Capital Securities, delivered to the Relevant Trustee (in its individual capacity and on behalf of the Trust). An Administrative Trustee may be removed by Act of the Common Securityholder at any time.

If any Trustee shall resign, be removed or become incapable of acting as Trustee, or if a vacancy shall occur in the office of any Trustee for any cause, at a time when no Debenture Event of Default shall have occurred and be continuing, the Common Securityholder, by Act of the Common Securityholder delivered to the retiring Trustee, shall promptly appoint a successor Trustee or Trustees and the retiring Trustee shall comply with the applicable requirements of Section 8.11. If the Property Trustee or the Delaware Trustee shall resign, be removed or become incapable of continuing to act as the Property Trustee or the Delaware Trustee, as the case may be, at a time when a Debenture Event of Default shall have occurred and be continuing, the Capital Securityholders, by Act of the Capital Securityholders of a majority in Liquidation Amount of the Capital Securities then Outstanding delivered to the retiring Relevant Trustee, shall promptly appoint a successor Relevant Trustee or Trustees, and such successor Trustee shall comply with the applicable requirements of Section 8.11. If an Administrative Trustee shall resign, be removed or become incapable of acting as Administrative Trustee, at a time when a Debenture Event of Default shall have occurred and be continuing, the Common Securityholder, by Act of the Common Securityholder delivered to the Administrative Trustee, shall promptly appoint a successor Administrative Trustee or Administrative Trustees and such successor Administrative Trustee or Trustees shall comply with the applicable requirements of Section 8.11. If no successor Relevant Trustee shall have been so appointed by the Common Securityholder or the Capital Securityholders and accepted appointment in the manner required by Section 8.11, any Securityholder who has been a Securityholder of Trust Securities for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Relevant Trustee.

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If the instrument of acceptance by the successor Trustee required by Section 8.11 shall not have been delivered to the Relevant Trustee within 60 days after such removal, the Relevant Trustee may petition, at the expense of the Trust, any court of competent jurisdiction for the appointment of a successor Relevant Trustee.

The Property Trustee shall give notice of each resignation and each removal of a Trustee and each appointment of a successor Trustee to all Securityholders in the manner provided in Section 10.08 and shall give notice to the Depositor. Each notice shall include the name of the successor Relevant Trustee and the address of its Corporate Trust Office if it is the Property Trustee.

Notwithstanding the foregoing or any other provision of this Declaration of Trust, in the event any Administrative Trustee or a Delaware Trustee who is a natural person dies or becomes, in the opinion of the Depositor, incompetent or incapacitated, the vacancy created by such death, incompetence or incapacity may be filled by (a) the unanimous act of remaining

Administrative Trustees if there are at least two of them or (b) otherwise by the Depositor (with the successor in each case being a Person who satisfies the eligibility requirement for Administrative Trustees or Delaware Trustee, as the case may be, set forth in Section 8.07).

SECTION 8.11. Acceptance of Appointment by Successor. In the case of the appointment hereunder of a successor Trustee, such successor Trustee so appointed shall execute, acknowledge and deliver to the Trust and to the retiring Trustee any instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with the rights, powers, trusts and duties of the retiring Trustee, but, on the request of the Depositor or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and if the Property Trustee is the resigning Trustee the Property Trustee shall duly assign, transfer and deliver to the successor Property Trustee all Trust Property and money held by such retiring Property Trustee hereunder.

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In case of the appointment hereunder of a successor Relevant Trustee, the retiring Relevant Trustee and each successor Relevant Trustee with respect to the Trust Securities shall execute and deliver an amendment hereto wherein each successor Relevant Trustee shall accept such appointment and which (a) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Relevant Trustee all the rights, powers, trusts and duties of the retiring Relevant Trustee with respect to the Trust Securities and the Trust and (b) shall add to or change any of the provisions of this Declaration of Trust as shall be necessary to provide for or facilitate the administration of the Trust by more than one Relevant Trustee, it being understood that nothing herein or in such amendment shall constitute such Relevant Trustees co-trustees if the same trust and that each such Relevant Trustee shall be Trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Relevant Trustee; and upon the execution and delivery of such amendment the resignation or removal of the retiring Relevant Trustee shall become effective to the extent provided therein and each such successor Relevant Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Relevant Trustee; but, on request of the Trust or any successor Relevant Trustee such retiring Relevant Trustee shall duly assign, transfer and deliver to such successor Relevant Trustee all Trust Property, all proceeds thereof and money held by such retiring Relevant Trustee hereunder with respect to the Trust Securities and the Trust.

Upon request of any such successor Relevant Trustee, the Trust shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Relevant Trustee all such rights, powers and trusts referred to in the first or second preceding paragraph, as the case may be.

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

SECTION 8.12. Merger, Conversion, Consolidation or Succession to Business. Any Person into which the Property Trustee, the Delaware Trustee or any Administrative Trustee that is not a natural person may be merged or

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converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Relevant Trustee shall be a party, or any Person succeeding to all or substantially all the corporate trust business of such Relevant Trustee, shall be the successor of such Relevant Trustee hereunder, provided such Person shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

SECTION 8.13. Preferential Collection of Claims Against Depositor or Trust. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other similar judicial proceeding relative to the Trust or any other obligor upon the Trust Securities or the property of the Trust or of such other obligor or their creditors, the Property Trustee (irrespective of whether any Distributions on the Trust Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Property Trustee shall have made any demand on the Trust for the payment of any past due Distributions) shall be entitled and empowered, to the fullest extent permitted by law, by intervention in such proceeding or otherwise:

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

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

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Property Trustee and, in the event the Property Trustee shall consent to the making of such payments directly to the Holders, to pay to the Property Trustee any amount due it for the reasonable compensation,

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expenses, disbursements and advances of the Property Trustee, its agents and counsel, and any other amounts due the Property Trustee.

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

SECTION 8.14. Reports by Property Trustee. (a) The Property Trustee shall transmit to Holders such reports concerning the Property Trustee and its actions under this Declaration of Trust as may be required pursuant to the Trust Indenture Act, at the times and in the manner provided pursuant thereto.

(b) Reports so required to be transmitted at stated intervals of not more than 12 months shall be transmitted no later than July 15 in each calendar year, commencing with July 15, 1997.

(c) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Property Trustee with each securities

exchange upon which the Capital Securities are listed and also with the Commission. The Depositor will promptly notify the Property Trustee whenever the Capital Securities are listed on any securities exchange.

SECTION 8.15. Reports to the Property Trustee. Upon qualification of this Indenture under the Trust Indenture Act, the Depositor and the Administrative Trustees on behalf of the Trust shall provide to the Property Trustee such documents, reports and information as required by Section 314 of the Trust Indenture Act (if any) and the compliance certificate required by Section 314(a) of the Trust Indenture Act in the form, in the manner and at the times required by Section 314 of the Trust Indenture Act.

SECTION 8.16. Evidence of Compliance with Conditions Precedent. Upon qualification of this Indenture under the Trust Indenture Act, each of the Depositor and the Administrative Trustees on behalf of the Trust shall provide to the Property Trustee such evidence of compliance with any conditions precedent, if any, provided for in this

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Declaration of Trust that relate to any of the matters set forth in Section 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to Section 314(c)(1) of the Trust Indenture Act shall be given in the form of an Officers' Certificate.

SECTION 8.17. Number of Trustees. (a) The number of Trustees shall be four; provided that the Holder of all of the Common Securities by written instrument may increase or decrease the number of Administrative Trustees. The Property Trustee and the Delaware Trustee may be the same Person.

(b) If a Trustee ceases to hold office for any reason and the number of Administrative Trustees is not reduced pursuant to Section 8.17(a), or if the number of Trustees is increased pursuant to Section 8.17(a), a vacancy shall occur. The vacancy shall be filed with a Trustee appointed in accordance with Section 8.10.

(c) The death, resignation, retirement, removal, bankruptcy, incompetence or incapacity to perform the duties of a Trustee shall not operate to annul the Trust. Whenever a vacancy in the number of Administrative Trustee shall occur, until such vacancy is filled by the appointment of an Administrative Trustee in accordance with Section 8.10, the Administrative Trustees in office, regardless of their number (and notwithstanding any other Provision of this Agreement), shall have all the powers granted to the Administrative Trustees and shall discharge all the duties imposed upon the Administrative Trustees by this Declaration of Trust.

SECTION 8.18. Delegation of Power. (a) Any Administrative Trustee may, by power of attorney consistent with applicable law, delegate to any other natural person over the age of 21 his or her power for the purpose of executing any documents contemplated in Section 2.07(a), including any registration statement or amendment thereto filed with the Commission, or making any other governmental filing; and

(b) The Administrative Trustee shall have power to delegate from time to time to such of their number or to the Depositor the doing of such things and the execution of such instruments either in the name of the Trust or the names of the Administrative Trustees or otherwise as the Administrative Trustees may deem expedient, to the extent

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such delegation is not prohibited by applicable law or contrary to the provisions of this Declaration of Trust, as set forth herein.

ARTICLE IX

Termination, Liquidation and Merger

SECTION 9.01. Termination Upon Expiration Date; Termination Upon Tax Event or Capital Treatment Event. (a) Unless earlier terminated, the Trust shall automatically terminate on December 29, 2050 (the "Expiration Date"), following the distribution of the Trust Property in accordance with Section 9.04.

(b) If a Tax Event or a Capital Treatment Event in respect of the Trust shall occur and be continuing, the Depositor may, at its option and subject to receipt of prior approval of the Federal Reserve if then required under applicable capital guidelines or policies of the Federal Reserve, terminate the Trust and distribute the Junior Subordinated Debt Securities to the Holders of the Trust Securities at any time within 90 days of the occurrence of such Tax Event or a Capital Treatment Event, as the case may be, and, if such Tax Event or Capital Treatment Event, as the case may be, continues notwithstanding the taking of such actions, to prepay the Junior Subordinated Debt Securities in whole, but not in part, in the case of a redemption prior to December 15, 2006, at a redemption price (the "Event Prepayment Price") equal to the Make-Whole Amount plus accrued interest to but excluding the date fixed for redemption; provided, however, that following such distribution of the Junior Subordinated Debt Securities or pursuant to Section 9.02(b), the Depositor agrees to use its best efforts to maintain any ratings of such Junior Subordinated Debt Securities by any nationally recognized rating agency for so long as any such Junior Subordinated Debt Securities are outstanding. The "Make-Whole Amount" will be equal to the greater of (i) 100% of the principal amount of such Junior Subordinated Debt Securities and (ii) as determined by a Quotation Agent, the sum of the present values of the principal amount and premium payable as part of the Optional Prepayment Price (as defined in the Indenture) with respect to an optional redemption of such Junior Subordinated Debt Securities on December 15, 2006, together with the present values of scheduled payments of interest from the redemption date to December 15, 2006 (the

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"Remaining Life"), in each case discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate. In the case of a redemption on or after December 15, 2006 following a Tax Event or a Capital Treatment Event, the Event Prepayment Price shall equal the Optional Prepayment Price then applicable to a redemption as described in the Indenture.

SECTION 9.02. Early Termination. The first to occur of any of the following events is an "Early Termination Event":

(a) the occurrence of a Bankruptcy Event in respect of, or the dissolution or liquidation of, the Depositor or the Holder of the Common Securities;

(b) the written direction to the Property Trustee from the Holder of the Common Securities at any time (which direction is optional and wholly within the discretion of the Holder of the Common Securities (including upon the occurrence and continuation of a Tax Event or a Capital Treatment Event in respect of the Trust)) to terminate the Trust and, after satisfaction of liabilities to creditors of the Trust as provided by applicable law, distribute a Like Amount of the Junior Subordinated Debt Securities to Securityholders in

exchange for the Capital Securities;

(c) the redemption of all of the Trust Securities in connection with the redemption of all the Junior Subordinated Debt Securities (including upon the occurrence and continuation of a Tax Event or a Capital Treatment Event pursuant to Section 11.07(b) of the Indenture); and

(d) the entry of an order for dissolution of the Trust by a court of competent jurisdiction.

SECTION 9.03. Termination. The respective obligations and responsibilities of the Trustees and the Trust created and continued hereby shall terminate upon the latest to occur of the following: (a) the payment of any expenses owed by the Trust, (b) the distribution by the Property Trustee to Securityholders upon the liquidation of the Trust pursuant to Section 9.04, or upon the redemption of all of the Trust Securities pursuant to Section 4.02, of all amounts required to be distributed hereunder upon the final payment of the Trust Securities, and (c) the discharge of all administrative duties of the Administrative Trustees,

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including the performance of any tax reporting obligations with respect to the Trust or the Securityholders.

SECTION 9.04. Liquidation. (a) If an Early Termination Event specified in clause (a), (b) or (d) of Section 9.02 occurs or upon the Expiration Date, the Trust shall be liquidated by the Trustees as expeditiously as the Trustees determine to be possible by distributing, after satisfaction of liabilities to creditors of the Trust as provided by applicable law, to each Securityholder a Like Amount of Junior Subordinated Debt Securities, subject to Section 9.04(d). Notice of liquidation shall be given by the Property Trustee by first-class mail, postage prepaid, mailed not later than 30 nor more than 90 days prior to the Liquidation Date to each Holder of Trust Securities at such Holder's address appearing in the Securities Register. All notices of liquidation shall:

(i) state the Liquidation Date (which in the case of any liquidation following the occurrence of a Tax Event shall not be more than 90 days following such occurrence);

(ii) state that from and after the Liquidation Date, the Trust Securities will no longer be deemed to be Outstanding and any Trust Securities Certificates not surrendered for exchange will be deemed to represent a Like Amount of Junior Subordinated Debt Securities; and

(iii) provide such information with respect to the mechanics by which Holders may exchange Trust Securities Certificates for Junior Subordinated Debt Securities, or if Section 9.04(d) applies receive a Liquidation Distribution, as the Administrative Trustees or the Property Trustee shall deem appropriate.

(b) Except where Section 9.02(c) or 9.04(d) applies, in order to effect the liquidation of the Trust and distribution of the Junior Subordinated Debt Securities to Securityholders, the Property Trustee shall establish a record date for such distribution (which shall be not more than 45 days prior to the Liquidation Date) and, either itself acting as exchange agent or through the appointment of a separate exchange agent, shall establish such procedures as it shall deem appropriate to effect the

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distribution of Junior Subordinated Debt Securities in exchange for the Outstanding Trust Securities Certificate.

(c) Except where Section 9.02(c) or 9.04(d) applies, after the Liquidation Date, (i) the Trust Securities will no longer be deemed to be Outstanding, (ii) certificates representing a Like Amount of Junior Subordinated Debt Securities will be issued to holders of Trust Securities, upon surrender of such certificates to the Administrative Trustees or their agent for exchange, (iii) any Trust Securities Certificates not so surrendered for exchange will be deemed to represent a Like Amount of Junior Subordinated Debt Securities accruing interest at the rate provided for in the Junior Subordinated Debt Securities from the last Distribution Date on which a Distribution was made on such Trust Securities Certificates until such certificates are so surrendered (or until such certificates are so surrendered, no payments of interest or principal will be made to the Holders of Trust Securities Certificates with respect to such Junior Subordinated Debt Securities) and (iv) all rights Securityholders holding Trust Securities will cease, except the right of such securityholders to receive Junior Subordinated Debt Securities upon surrender of Trust Securities Certificates.

(d) In the event that, notwithstanding the other provisions of this Section 9.04, whether because of an order for dissolution entered by a court of competent jurisdiction or otherwise, distribution of the Junior Subordinated Debt Securities in the manner provided herein is determined by the Property Trustee not to be practical, the Trust Property shall be liquidated, and the Trust shall be dissolved, wound-up or terminated, by the Property Trustee in such manner as the Property Trustee determines. In such event, on the date of the dissolution, winding-up or other termination of the Trust, Securityholders will be entitled to receive out of the assets of the Trust available for distribution to Securityholders after satisfaction of liabilities to creditors of the Trust as provided by applicable law, an amount equal to the aggregate of Liquidation Amount per Trust Security plus accumulated and unpaid Distributions thereon to the date of payment (such amount being the "Liquidation Distribution"). If, upon any such dissolution, winding up or termination, the Liquidation Distribution can be paid only in part because the Trust has insufficient assets available to pay in full the aggregate Liquidation Distribution, then, subject to the next succeeding sentence, the amounts payable by the Trust on the

Trust Securities shall be paid on a pro rata basis (based upon Liquidation Amounts). The holder of the Common Securities will be entitled to receive Liquidation Distributions upon any such dissolution, winding-up or termination pro rata (determined as aforesaid) with Holders of Capital Securities, except that, if a Debenture Event of Default has occurred and is continuing, the Capital Securities shall have a priority over the Common Securities. Any such determination and liquidation by the Property Trustee shall be conclusive upon the Securityholders and the Property Trustee shall have no liability in connection therewith.

SECTION 9.05. Mergers, Consolidations, Amalgamations or Replacements of the Trust. The Trust may not merge with or into, consolidate, amalgamate, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to any corporation or other Person, except pursuant to this Section 9.05. At the request of the Depositor, with the consent of the Administrative Trustees and without the consent of the Holders of the Capital Securities, the Property Trustee or the Delaware Trustee, the Trust may merge with or into, consolidate, amalgamate, or be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to a trust organized as such under the laws of any State; provided, however, that (i) such successor entity either (a) expressly assumes all of the obligations of the

Trust with respect to the Capital Securities or (b) substitutes for the Capital Securities other securities having substantially the same terms as the Capital Securities (the "Successor Securities") so long as the Successor Securities rank the same as the Capital Securities rank in priority with respect to distributions and payments upon liquidation, redemption and otherwise, (ii) the Depositor expressly appoints a trustee of such successor entity possessing the same powers and duties as the Property Trustee as the holder of the Junior Subordinated Debt Securities, (iii) the Successor Securities are listed or traded, or any Successor Securities will be listed or traded upon notification of issuance, on any national securities exchange or other organization on which the Capital Securities are then listed or traded, if any, (iv) such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not cause the Capital Securities (including any Successor Securities) to be downgraded by any nationally recognized statistical rating organization, (v) such merger, consolidation, amalgamation,

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replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the holders of the Capital Securities (including any Successor Securities) in any material respect, (vi) such successor entity has a purpose identical to that of the Trust, (vii) prior to such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease, the Depositor has received an Opinion of Counsel to the effect that (a) such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the holders of the Capital Securities (including any Successor Securities) in any material respect, and (b) following such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease, neither the Trust nor such successor entity will be required to register as an investment company under the 1940 Act and (viii) the Depositor or any permitted successor or assign owns all of the Common Securities of such successor entity and guarantees the obligations of such successor entity under the Successor Securities at least to the extent provided by the Guarantee. Notwithstanding the foregoing, the Trust shall not, except with the consent of holders of 100% in Liquidation Amount of the Trust Securities, consolidate, amalgamate, merge with or into, or be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it if such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease would cause the Trust or the successor entity to be classified as other than a grantor trust for United States federal income tax purposes.

ARTICLE X

Miscellaneous Provisions

SECTION 10.01. Limitation of Rights of Securityholders. The death or incapacity of any person having an interest, beneficial or otherwise, in Trust Securities shall not operate to terminate this Declaration of Trust, nor entitle the legal representatives or heirs of such person or any Securityholder for such person, to claim an accounting, take any action or bring any proceeding in any court for a partition or winding-up of the arrangements contemplated hereby, nor otherwise affect the rights,

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obligations and liabilities of the parties hereto or any of them.

SECTION 10.02. Liability of the Common Securityholder. The Holder of the Common Securities shall be liable for all the debts and obligations of the Trust (other than with respect to the Capital Securities) to the extent not satisfied out of the Trust's assets.

SECTION 10.03. Amendment. (a) This Declaration of Trust may be amended from time to time by the Property Trustee, the Administrative Trustees and the Depositor, without the consent of any Securityholders (i) to cure any ambiguity, correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Declaration of Trust, which shall not be inconsistent with the other provisions of this Declaration of Trust; (ii) to modify, eliminate or add to any provisions of this Declaration of Trust to such extent as shall be necessary to ensure that the Trust will be classified for United States federal income tax purposes as a grantor trust at all times that any Trust Securities are Outstanding or to ensure that the Trust will not be required to register as an investment company under the 1940 Act; or (iii) to modify, correct or supplement in any respect the provisions relating to the exchange of the Trust Securities for identical securities pursuant to the Registration Rights Agreement; provided, however, that in the case of clauses (i) and (iii), such action shall not adversely affect in any material respect the interests of any Securityholder, and any amendments of this Declaration of Trust shall become effective when notice thereof is given to the Securityholders.

(b) Except as provided in Section 10.03(c) hereof, any provision of this Declaration of Trust may be amended by the Trustees and the Depositor with (i) the consent of Trust Securityholders representing not less than a majority (based upon Liquidation Amounts) of the Trust Securities then Outstanding and (ii) receipt by the Trustees of an Opinion of Counsel to the effect that such amendment or the exercise of any power granted to the Trustees in accordance with such amendment will not affect the Trust's status as a grantor trust for United States federal income tax purposes or the Trust's exemption from status of an investment company under the 1940 Act.

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(c) In addition to and notwithstanding any other provision in this Declaration of Trust, without the consent of each affected Securityholder (such consent being obtained in accordance with Section 6.03 or 6.08 hereof), this Declaration of Trust may not be amended to (i) change the amount or timing of any Distribution on the Trust Securities or otherwise adversely affect the amount of any Distribution required to be made in respect of the Trust Securities as of a specified date or (ii) restrict the right of a Securityholder to institute suit for the enforcement of any such payment on or after such date. Notwithstanding any other provision herein, without the unanimous consent of the Securityholders (such consent being obtained in accordance with Section 6.03 or 6.08 hereof), this paragraph (c) of this Section 10.02 may not be amended.

(d) Notwithstanding any other provisions of this Declaration of Trust, no Trustee shall enter into or consent to any amendment to this Declaration of Trust which would cause the Trust to fail or cease to qualify for the exemption from status of an investment company under the 1940 Act or fail or cease to be classified as a grantor trust for United States federal income tax purposes.

(e) Notwithstanding anything in this Declaration of Trust to the contrary, without the consent of the Depositor this Declaration of Trust may not be amended in a manner which imposes any additional obligation on the Depositor.

(f) Notwithstanding any other provision of this Declaration of Trust, no amendment to this Declaration of Trust may be made if, as a result of such amendment, it would cause the Trust to fail to be classified as a grantor

trust for United States federal income tax purposes.

(g) In the event that any amendment to this Declaration of Trust is made, the Administrative Trustees shall promptly provide to the Depositor a copy of such amendment.

(h) Neither the Property Trustee nor the Delaware Trustee shall be required to enter into any amendment to this Declaration of Trust which affects its own rights, duties or immunities under this Declaration of Trust or would otherwise expose the Property Trustee to any liability or be contrary to applicable law. The Property Trustee shall be entitled to receive an Opinion of Counsel and an

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Officers' Certificate stating that any amendment to this Declaration of Trust is in compliance with this Declaration of Trust.

SECTION 10.04. Separability. In case any provision in this Declaration of Trust or in the Trust Securities Certificates shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 10.05. Governing Law. This Declaration of Trust and the rights and obligations of each of the Securityholders, the Trust and the Trustees with respect to this Declaration of Trust and the Trust Securities shall be construed in accordance with and governed by the laws of the State of Delaware without regard to its conflict of laws principles. The provisions of Sections 3540 and 3561 of Title 12 of the Delaware Code shall not apply to this Trust.

SECTION 10.06. Payments Due on Non-Business Day. If the date fixed for any payment on any Trust Security shall be a day that is not a Business Day, then such payment need not be made on such date but may be made on the next succeeding day that is a Business Day (except as otherwise provided in Sections 4.01(a) and 4.02(d)), with the same force and effect as though made on the date fixed for such payment, and no interest shall accrue thereon for the period after such date.

SECTION 10.07. Successors. This Declaration of Trust shall be binding upon and shall inure to the benefit of any successor to the Depositor, the Trust or the Relevant Trustee, including any successor by operation of law. Except in connection with a consolidation, merger or sale involving the Depositor that is permitted under Article VI of the Indenture and pursuant to which the assignee agrees in writing to perform the Depositor's obligations hereunder, the Depositor shall not assign its obligations hereunder.

SECTION 10.08. Headings. The Article and Section headings are for convenience only and shall not affect the construction of this Declaration of Trust.

SECTION 10.09. Reports, Notices and Demands. Any report, notice, demand or other communication which by any provision of this Declaration of Trust is required or permitted to be given or served to or upon any

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Securityholder or the Depositor may be given or served in writing by deposit thereof, first class postage prepaid, in the United States mail, hand delivery or facsimile transmission, in each case, addressed, (a) in the case of a Capital

Securityholder, to such Capital Securityholder as such Securityholder's name and address may appear on the Securities Register, and (b) in the case of the Common Securityholder or the Depositor, to Bancorp Hawaii, Inc., 130 Merchant Street, Honolulu, HI 96813, Attention: Office of the Secretary, facsimile no.: (808) 538-4007. Any notice to Capital Securityholders may also be given to such owners as have, within two years preceding the giving of such notice, filed their names and addresses with the Property Trustee for that purpose. Such notice, demand or other communication to or upon a Securityholder shall be deemed to have been sufficiently given or made, for all purposes, upon hand delivery, mailing or transmission.

Any notice, demand or other communication which by any provision of this Declaration of Trust is required or permitted to be given or served to or upon the Trust, the Property Trustee, the Delaware Trustee or the Administrative Trustees shall be given in writing addressed (until another address is published by the Trust) as follows: (a) with respect to the Property Trustee to The Bank of New York, 101 Barclay Street, 21st Floor West, New York, NY 10286, Attention: Corporate Trust Trustee Administration; (b) with respect to the Delaware Trustee to The Bank of New York (Delaware), White Clay Center, Route 273, Newark, Delaware 19711, Attention: Corporate Trust Department; and (c) with respect to the Administrative Trustees, to them at the address above for notices to the Depositor, marked "Attention: Office of the Secretary". Such notice, demand or other communication to or upon the Trust or the Property Trustee shall be deemed to have been sufficiently given or made only upon actual receipt of the writing by the Trust or the Property Trustee.

SECTION 10.10. Agreement Not to Petition. Each of the Trustees and the Depositor agree for the benefit of the Securityholders that, until at least one year and one day after the Trust has been terminated in accordance with Article IX, they shall not file, or join in the filing of, a petition against the Trust under any bankruptcy, insolvency, reorganization or other similar law (including, without limitation, the United States Bankruptcy Code) (collectively, "Bankruptcy Laws") or otherwise join in the commencement of any proceeding against the Trust under any

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Bankruptcy Laws. In the event the Depositor takes action in violation of this Section 10.10, the Property Trustee agrees, for the benefit of Securityholders, that at the expense of the Depositor, it shall file an answer with the bankruptcy court or otherwise properly contest the filing of such petition by the Depositor against the Trust or the commencement of such action and raise the defense that the Depositor has agreed in writing not to take such action and should be estopped and precluded therefrom and such other defenses, if any, as counsel for the Trustee or the Trust may assert. The provisions of this Section 10.09 shall survive the termination of this Declaration of Trust.

SECTION 10.11. Trust Indenture Act; Conflict with Trust Indenture Act. This Declaration of Trust will not be qualified under the Trust Indenture Act except upon the effectiveness of a registration statement and the consummation of an exchange offer pursuant to the Registration Rights Agreement. By its terms, however, this Declaration of Trust incorporates certain provisions of the Trust Indenture Act. Upon the consummation of an exchange offer pursuant to the Registration Rights Agreement, clauses (a), (b), (c) and (d), below, shall apply to this Declaration of Trust.

(a) This Declaration of Trust is subject to the provisions of the Trust Indenture Act that are required to be part of this Declaration of Trust and shall, to the extent applicable, be governed by such provisions.

(b) The Property Trustee shall be the only Trustee which is a trustee for the purposes of the Trust Indenture Act.

(c) If any provision hereof limits, qualifies or conflicts

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

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Declaration of Trust modifies or excludes any provision of the Trust Indenture Act which may be so modified or excluded, the latter provision shall be deemed to apply to this Declaration of Trust as so modified or excluded, as the case may be.

(d) The application of the Trust Indenture Act to this Declaration of Trust shall not affect the nature of the Securities as equity securities representing undivided beneficial interests in the assets of the Trust.

SECTION 10.12. Acceptance of Terms of Declaration of Trust, Guarantee and Indenture. THE RECEIPT AND ACCEPTANCE OF A TRUST SECURITY OR ANY INTEREST THEREIN BY OR ON BEHALF OF A SECURITYHOLDER OR ANY BENEFICIAL OWNER, WITHOUT ANY SIGNATURE OR FURTHER MANIFESTATION OF ASSENT, SHALL CONSTITUTE THE UNCONDITIONAL ACCEPTANCE BY THE SECURITYHOLDER AND ALL OTHERS HAVING A BENEFICIAL INTEREST IN SUCH TRUST SECURITY OF ALL THE TERMS AND PROVISIONS OF THIS DECLARATION OF TRUST AND AGREEMENT TO THE SUBORDINATION PROVISIONS AND OTHER TERMS OF THE GUARANTEE AND THE INDENTURE, AND SHALL CONSTITUTE THE AGREEMENT OF THE TRUST, SUCH SECURITYHOLDER AND SUCH OTHERS THAT THE TERMS AND PROVISIONS OF THIS DECLARATION OF TRUST SHALL BE BINDING, OPERATIVE AND EFFECTIVE AS BETWEEN THE TRUST AND SUCH SECURITYHOLDER AND SUCH OTHERS.

BANCORP HAWAII, INC., as Depositor

by _____
Name:
Title:

THE BANK OF NEW YORK, as Property Trustee

by _____
Name:
Title:

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THE BANK OF NEW YORK (DELAWARE), as Delaware Trustee and not in its individual capacity

by _____
Name:
Title:

by _____
Name:
Title: Administrative Trustee

by _____
Name:
Title: Administrative Trustee

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CERTIFICATE OF TRUST OF
BANCORP HAWAII CAPITAL TRUST I

The undersigned, the trustees of Bancorp Hawaii Capital Trust I, desiring to form a business trust pursuant to Delaware Business Trust Act, 12 Del. C. Section 3801 hereby certify as follows:

1. Name. The name of the business trust formed hereby is Bancorp Hawaii Capital Trust I.

2. Delaware Trustee. The name and business address of the trustee of the Trust which has its principal place of business in the State of Delaware are as follows: The Bank of New York (Delaware), White Clay Center, Route 273, Newark, Delaware 19711.

3. Effective Date. This Certificate of Trust shall be effective upon filing with the Secretary of State.

[4. Duration. The Trust created hereby shall terminate on December __, 2050.]

Dated: December __, 1996

THE BANK OF NEW YORK (DELAWARE), not in its individual capacity but solely as trustee

by

Name:

Title:

[], not in his individual capacity but solely as trustee

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[], not in his individual capacity but solely as trustee

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EXHIBIT B

[IF TRANSFER OF THE CAPITAL SECURITY WILL BE RESTRICTED, INSERT--

THE CAPITAL SECURITIES EVIDENCED HEREBY AND ANY JUNIOR SUBORDINATED DEBT SECURITIES ISSUABLE IN CONNECTION THEREWITH HAVE NOT BEEN

REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT, (1) TO A PERSON WHOM THE TRANSFEROR REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, OR (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), AND, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF THE STATES AND OTHER JURISDICTIONS OF THE UNITED STATES. THE HOLDER OF THIS SECURITY AGREES THAT IT WILL COMPLY WITH THE FOREGOING RESTRICTIONS. SECURITIES OWNED BY AN INITIAL INVESTOR THAT IS NOT A QUALIFIED INSTITUTIONAL BUYER MAY NOT BE HELD IN BOOK-ENTRY FORM AND MAY NOT BE TRANSFERRED WITHOUT CERTIFICATION THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS, AS PROVIDED IN THE DECLARATION OF TRUST REFERRED TO BELOW. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR REALES OF THE CAPITAL SECURITIES OR ANY JUNIOR SUBORDINATED DEBT SECURITIES DISTRIBUTABLE TO HOLDERS OF THE CAPITAL SECURITIES.]

[IF THE CAPITAL SECURITIES CERTIFICATE IS TO BE A GLOBAL SECURITIES CERTIFICATE, INSERT--This Capital Securities Certificate is a Global Capital Securities Certificate within the meaning of the Declaration of Trust hereinafter referred to and is registered in the name of a Depository or a nominee of the Depository. This Capital Securities Certificate is exchangeable for Capital Securities Certificates registered in the name of a person other than the Depository or its nominee only in the limited circumstances described in the Declaration of Trust and no transfer of this Capital Securities Certificate (other than a transfer of this Capital Securities Certificate as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository) may be registered except in the limited circumstances described in the Declaration of Trust.

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Unless this Capital Securities Certificate is presented by an authorized representative of The Depository Trust Company ("DTC") (55 Water Street, New York) to Bancorp Hawaii Capital Trust I or its agent for registration of transfer, exchange or payment, and any Capital Securities Certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC (and any payment hereon is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

The Capital Securities are issued, any may be transferred, only in blocks having a Liquidation Amount of not less than \$100,000. Any transfer, sale or other disposition of Capital Securities in a block having a Liquidation Amount of less than \$100,000 shall be deemed to be void and of no legal effect whatsoever. Any such transferee shall be deemed not to be the Holder of such Capital Securities for any purpose, including but not limited to the receipt of Distributions on such Capital Securities, and such transferee shall be deemed to have no interest whatsoever in such Capital Securities.

NO EMPLOYEE BENEFIT OR OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") (EACH, A "PLAN"), NO ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY PLAN'S INVESTMENT IN THE ENTITY (A "PLAN ASSET ENTITY"), AND NO PERSON INVESTING "PLAN ASSETS" OF ANY PLAN, MAY ACQUIRE OR HOLD THIS CAPITAL SECURITIES CERTIFICATE OR ANY INTEREST HEREIN, UNLESS SUCH PURCHASE OR HOLDING IS COVERED BY THE EXEMPTIVE RELIEF AVAILABLE

UNDER U.S. DEPARTMENT OF LABOR PROHIBITED TRANSACTION CLASS EXEMPTION ("PTCE") 96-23, 95-60, 91-38, 90-1 OR 84-14. ANY PURCHASER OR HOLDER OF THIS CAPITAL SECURITIES CERTIFICATE OR ANY INTEREST HEREIN WILL BE DEEMED TO HAVE REPRESENTED BY ITS PURCHASE AND HOLDING HEREOF THAT EITHER (A) THE PURCHASER AND HOLDER ARE NOT A PLAN OR A PLAN ASSET ENTITY AND IS NOT PURCHASING SUCH SECURITIES ON BEHALF OF OR WITH "PLAN ASSETS" OF ANY PLAN, OR (B) THE PURCHASE AND HOLDING OF THE CAPITAL SECURITIES IS COVERED BY THE EXEMPTIVE RELIEF PROVIDED BY PTCE 96-23, 95-60, 91-38, 90-1 OR 84-14.

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CERTIFICATE NUMBER

NUMBER OF CAPITAL SECURITIES

CUSIP NO. []
CERTIFICATE EVIDENCING CAPITAL SECURITIES
OF
BANCORP HAWAII CAPITAL TRUST I
8.25% CAPITAL SECURITIES, SERIES A
(LIQUIDATION AMOUNT \$1,000 PER CAPITAL SECURITY)

Bancorp Hawaii Capital Trust I, a statutory business trust formed under the laws of the State of Delaware (the "Trust"), hereby certifies that _____ (the "Holder") is the registered owner of _____ () capital securities of the Trust representing an undivided beneficial interest in the assets of Trust and has designated the Bancorp Hawaii Capital Trust I 8.25% Capital Securities, Series A (Liquidation Amount \$1,000 per Capital Security) (the "Capital Securities"). The Capital Securities are transferable on the books and records of the Trust, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer as provided in Section 5.05 of the Declaration of Trust (as defined below). The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Capital Securities are set forth in, and this certificate and the Capital Securities presented hereby are issued and shall in all respects be subject to the terms and provisions of, the Amended and Restated Declaration of Trust of the Trust dated as of December 30, 1996, as the same may be amended from time to time (the "Declaration of Trust") including the designation of the terms of Capital Securities as set forth therein. The Holder is entitled to the benefits of the Guarantee Agreement entered into by Bancorp Hawaii, Inc., a Hawaii corporation, and The Bank of New York, as Guarantee Trustee, dated as of December 30, 1996, (the "Guarantee Agreement"), to the extent provided therein. The Trust will furnish a copy of the Declaration of Trust and the Guarantee Agreement to the Holder without charge upon written request to the Trust at its principal place of business or registered office.

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Upon receipt of this certificate, the Holder is bound by the Declaration of Trust and is entitled to benefits thereunder.

IN WITNESS WHEREOF, one of the Administrative Trustees of the Trust has executed this Certificate this 30th day of December, 1996.

BANCORP HAWAII CAPITAL TRUST I

by

Name:

Title: Administrative Trustee

COUNTERSIGNED AND REGISTERED:

THE BANK OF NEW YORK, as Transfer Agent
and Registrar

by _____
Authorized Signatory

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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers this
Capital Security to:

(Insert assignee's social security or tax identification number)

(Insert address and zip code of assignee)

and irrevocably appoints _____

agent to transfer this Capital Security Certificate on the books of the Trust.
The agent may substitute another to act for him or her.

Date: _____

Signature _____
(Sign exactly as your name appears on the other side of this Capital
Security Certificate)

The signature(s) should be guaranteed by an eligible guarantor institution
(banks, stockbrokers, savings and loan associations and credit unions with
membership in an approved signature guarantee medallion program), pursuant to
SEC Rule 17Ad-15.

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EXHIBIT C

THIS CERTIFICATE IS NOT TRANSFERABLE

CERTIFICATE NUMBER

NUMBER OF COMMON SECURITIES

CERTIFICATE EVIDENCING COMMON SECURITIES
OF
BANCORP HAWAII CAPITAL TRUST I

8.25% COMMON SECURITIES, SERIES A
(LIQUIDATION AMOUNT \$1,000 PER COMMON SECURITY)

Bancorp Hawaii Capital Trust I, a statutory business trust formed under the laws of the State of Delaware (the "Trust"), hereby certifies that Bancorp Hawaii, Inc. (the "Holder") is the registered owner of 3,093 () common securities of the Trust representing beneficial interests of the Trust and designated the 8.25% Common Securities, Series A (Liquidation Amount \$1,000 per Common Security) (the "Common Securities"). In accordance with Section 5.11 of the Declaration of Trust (as defined below) the Common Securities are not transferable and any attempted transfer hereof shall be void. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Common Securities are set forth in, and this certificate and the Common Securities represented hereby are issued and shall in all respects be subject to the terms and provisions of, the Amended and Restated Declaration of Trust of the Trust dated as of December 30, 1996, as the same may be amended from time to time (the "Declaration of Trust") among Bancorp Hawaii, Inc., as Depositor, The Bank of New York, as Property Trustee, The Bank of New York (Delaware), as Delaware Trustee, David A. Houle and Joseph T. Kiefer, each as an Administrative Trustee, and the holders of such Securities, including the designation of the terms of the Common Securities as set forth therein. The Trust will furnish a copy of the Declaration of Trust to the Holder without charge upon written request to the Trust at its principal place of business or registered office.

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Upon receipt of this certificate, the Holder is bound by the Declaration of Trust and is entitled to the benefits thereunder.

Terms used but not defined herein have the meanings set forth in the Declaration of Trust.

IN WITNESS WHEREOF, one of the Administrative Trustees of the Trust has executed this certificate this 30th day of December, 1996.

BANCORP HAWAII CAPITAL TRUST I

by

Name:

Title: Administrative Trustee

COUNTERSIGNED AND REGISTERED:

THE BANK OF NEW YORK, as Transfer Agent
and Registrar

by

Authorized Signatory

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EXHIBIT D

[Form of Restricted Securities Certificate]

RESTRICTED SECURITIES CERTIFICATE

(For transfers pursuant to Section 5.05(b))

of the Declaration of Trust)

[_____] ,
as Security Registrar
[address]

Re: 8.25% Capital Securities, Series A of Bancorp Hawaii Capital Trust I (the "Trust") (the "Capital Securities")

Reference is made to the Amended and Restated Trust Agreement, dated as of December 30, 1996 (the "Declaration of Trust"), among Bancorp Hawaii, Inc., as Depositor, The Bank of New York, as Property Trustee and The Bank of New York (Delaware), as Delaware Trustee, and the Holders (as defined therein) from time to time. Terms used herein and defined in the Declaration of Trust or in Regulation D, Rule 144A or Rule 144 under the U.S. Securities Act of 1933 (the "Securities Act") are used herein as so defined.

This certificate relates to \$ _____ aggregate Liquidation Amount of Capital Securities, which are evidenced by the following certificate(s) (the "Specified Securities"):

CUSIP No(s) . _____

CERTIFICATE No(s) . _____

CURRENTLY IN BOOK-ENTRY FORM: __Yes __No (check one)

The person in whose name this certificate is executed below (the "Undersigned") hereby certifies that either (i) it is the sole beneficial owner of the Specified Securities or (ii) it is acting on behalf of all the beneficial owners of the Specified Securities and is duly authorized by them to do so. Such beneficial owner or owners are referred to herein collectively as the "Owner". If the Specified Securities are represented by a Global Capital Securities Certificate, they are held through the Clearing Agency or a Clearing Agency Participant in the name of the Undersigned,

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as or on behalf of the Owner. If the Specified Securities are not represented by a Global Capital Securities Certificate, they are registered in the name of the Undersigned, as or on behalf of the Owner.

The Owner has requested that the Specified Securities be transferred to a person (the "Transferee") who will take delivery in the form of a Restricted Capital Security. In connection with such transfer, the Owner hereby certifies that, unless such transfer is being effected pursuant to an effective registration statement under the Securities Act, it is being effected in accordance with Rule 144A or Rule 144 under the Securities Act and all applicable securities laws of the states of the United States and other jurisdictions. Accordingly, the Owner hereby further certifies as:

(1) Rule 144A Transfers. If the transfer is being effected in accordance with Rule 144A:

(A) the specified Securities are being transferred to a person that the Owner and any person acting on its behalf reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A, acquiring for its own account or for the account of a qualified institutional buyer; and

(B) the Owner and any person acting on its behalf have taken reasonable steps to ensure that the Transferee is aware that the Owner may be relying on Rule 144A in connection

with the transfer; and

(2) Rule 144 Transfers. If the transfer is being effected pursuant to Rule 144:

(A) the transfer is occurring after a holding period of at least two years (computed in accordance with paragraph (d) of Rule 144 or such shorter time as may be provided therein) has elapsed since the date the Specified Securities were acquired from the Depositor or the Trust or from an affiliate (as such term is defined in Rule 144) of the Depositor or the Trust, whichever is later, and is being effected in accordance with the applicable amount, manner of sale and notice

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requirements of paragraphs (e), (f) and (h) of Rule 144;

(B) the transfer is occurring after a holding period of at least three years (or such shorter time as may be provided in Rule 144(k) has elapsed since the date the Specified Securities were acquired from the Depositor or the Trust or from an affiliate (as such term is defined in Rule 144) of the Depositor or the Trust, whichever is later, and the Owner is not, and during the preceding three months has not been, an affiliate of the Depositor or the Trust; or

(C) the owner is a "qualified institutional buyer" within the meaning of Rule 144A, and is transferring the Securities to an institution that is an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act in a transaction exempt from the registration requirements of the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Depositor, the Trust and the Initial Purchasers.

Dated:

(Print the name of the Undersigned, as such term is defined in the second paragraph of this certificate.)

By:

Name:
Title:

(If the Undersigned is a corporation, partnership or fiduciary, the title of the person signing on behalf of the Undersigned must be stated.)

EXECUTION COPY

GUARANTEE AGREEMENT

Between

BANCORP HAWAII, INC.
(as Guarantor)

and

THE BANK OF NEW YORK
(as Trustee)

Dated as of

December 30, 1996

CROSS-REFERENCE TABLE*

Section of
Trust Indenture Act
of 1939, as amended

Section of
Guarantee Agreement

310 (a)	.....	4.01 (a)
310 (b)	.....	4.01 (c), 2.08
310 (c)	.....	Inapplicable
311 (a)	.....	2.02 (b)
311 (b)	.....	2.02 (b)
311 (c)	.....	Inapplicable
312 (a)	.....	2.02 (a)
312 (b)	.....	2.02 (b)
313 (a)	.....	2.03 (a), 2.03 (b)
313 (b)	.....	2.03 (a)
313 (c)	.....	2.03 (a), 2.03 (b)
313 (d)	.....	2.03 (c)
314 (a)	.....	2.04
314 (b)	.....	Inapplicable
314 (c)	.....	2.05
314 (d)	.....	Inapplicable
314 (e)	.....	1.01, 2.05, 3.02
314 (f)	.....	2.01, 3.02
315 (a)	.....	3.01 (d)
315 (b)	.....	2.07
315 (c)	.....	3.01 (c)
315 (d)	.....	3.01 (d)
316 (a)	.....	1.01, 2.06, 5.04
316 (b)	.....	5.03, 5.04
316 (c)	.....	8.02
317 (a)	.....	Inapplicable
317 (b)	.....	Inapplicable
318 (a)	.....	2.01 (b)

- - - - -

*This Cross-Reference Table does not constitute part of the Guarantee Agreement and shall not affect the interpretation of any of its terms or provisions.

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GUARANTEE AGREEMENT, dated as of December 30, 1996, executed and delivered by BANCORP HAWAII, INC., a bank holding company (the "Guarantor") having its principal office at 130 Merchant Street, Honolulu, Hawaii 96813, and THE BANK OF NEW YORK, a New York banking corporation, as trustee (the "Guarantee Trustee"), for the benefit of the Holders (as defined herein) from time to time of the Trust Securities (as defined herein) of BANCORP HAWAII CAPITAL TRUST I, a Delaware statutory business trust (the "Issuer").

WHEREAS pursuant to an Amended and Restated Declaration of Trust (the "Declaration of Trust"), dated as of December 30, 1996, among the Trustees named therein, the Guarantor, as Depositor, and the Holders from time to time of undivided beneficial ownership interests in the assets of the Issuer, the Issuer is issuing \$100,000,000 aggregate Liquidation Amount of its 8.25% Capital Securities Series A, Liquidation Amount \$1,000 per Security (the "Capital Securities") and \$3,093,000 of aggregate liquidation preference of Common Securities, liquidation preference \$1,000 per security (the "Common Securities" and collectively with the Capital Securities, the "Trust Securities") representing undivided beneficial ownership interests in the assets of the Issuer and having the terms set forth in the Declaration of Trust;

WHEREAS the Trust Securities will be issued by the Issuer and the proceeds thereof will be used to purchase the Junior Subordinated Debt Securities due December 15, 2026 (as defined in the Declaration of Trust) (the "Junior Subordinated Debt Securities") of the Guarantor which will be deposited with The Bank of New York, as Property Trustee under the Declaration of Trust, as trust assets; and

WHEREAS as incentive for the Holders to purchase Trust Securities the Guarantor desires irrevocably and unconditionally to agree, to the extent set forth herein, to pay to the Holders of the Trust Securities the Guarantee

Payments (as defined herein) and to make certain other payments on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the purchase by each Holder of Trust Securities, which purchase the Guarantor hereby agrees shall benefit the Guarantor, the Guarantor executes and delivers this Guarantee Agreement for the benefit of the Holders from time to time of the Trust Securities.

ARTICLE I

Definitions

SECTION 1.01. Definitions. As used in this Guarantee Agreement, the terms set forth below shall, unless the context otherwise requires, have the following meanings. Capitalized or otherwise defined terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Declaration of Trust as in effect on the date hereof.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person; provided, however, that an Affiliate of the Guarantor shall not be deemed to include the Issuer. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Capital Securities" shall have the meaning specified in the first recital of this Guarantee Agreement, and shall include any Exchange Capital Securities as defined in the Indenture.

"Common Securities" shall have the meaning specified in the first recital of this Guarantee Agreement.

"Debt" means, with respect to any Person, whether recourse is to all or a portion of the assets of such Person whether or not contingent, (i) the principal of and premium,

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if any, and unpaid interest on indebtedness for money borrowed, (ii) purchase money and similar obligations, (iii) obligations under capital leases, (iv) guarantees, assumptions or purchase commitments relating to, or other transactions as a result of which the Company is responsible for the payment of, such indebtedness of others, (v) renewals, extensions and refunding of any such indebtedness, (vi) interest or obligations in respect of any such indebtedness accruing after the commencement of any insolvency or bankruptcy proceedings and (vii) obligations associated with derivative products such as interest rate and currency exchange contracts, foreign exchange contracts, commodity contracts and similar arrangements.

"Declaration of Trust" means the Amended and Restated Declaration of Trust, dated December 30, 1996, executed by the Company, as Depositor, The Bank of New York (Delaware), as Delaware Trustee, The Bank of New York, as Property Trustee, and the Administrative Trustees named therein.

"Event of Default" means a default by the Guarantor on any of its payment or other obligations under this Guarantee Agreement; provided, however, that, except with respect to a default in payment of any Guarantee Payments, the Guarantor shall have received notice of default and shall not have cured such default within 60 days after receipt of such notice.

"Guarantee Payments" means the following payments or distributions, without duplication, with respect to the Trust Securities, to the extent not paid or made by or on behalf of the Issuer: (i) any accrued and unpaid Distributions (as defined in the Declaration of Trust) required to be paid on the Trust Securities, to the extent the Issuer shall have funds on hand available therefor at such time, (ii) the redemption price, including all accrued and unpaid Distributions to the date of redemption (the "Redemption Price"), with respect to the Trust Securities called for redemption by the Issuer to the extent the Issuer shall have funds on hand available therefor at such time, and (iii) upon a voluntary or involuntary termination, winding-up or liquidation of the Issuer, unless Junior Subordinated Debt Securities are distributed to the Holders, the lesser of (a) the aggregate of the liquidation preference of \$1,000 per Trust Security Plus accrued and unpaid Distributions on the Trust Securities to the date of payment to the extent the Issuer shall have funds on hand

available to make such payment at such time and (b) the amount of assets of the Issuer remaining available for distribution to Holders in liquidation of the Issuer (in either case, the "Liquidation Distribution").

"Guarantee Trustee" means The Bank of New York, until a Successor Guarantee Trustee has been appointed and has accepted such appointment pursuant to the terms of this Guarantee Agreement and thereafter means each such Successor Guarantee Trustee.

"Guarantor" shall have the meaning specified in the first recital of this Guarantee Agreement.

"Holder" means any holder, as registered on the books and records of the Issuer, of any Trust Securities; provided, however, that in determining whether the holders of the requisite percentage of Trust Securities have given any request, notice, consent or waiver hereunder, "Holder" shall not include the Guarantor, the Guarantee Trustee, or any Affiliate of the Guarantor or the Guarantee Trustee.

"Indenture" means the Junior Subordinated Indenture dated as of December 30, 1996, as supplemented and amended between the Guarantor and The Bank of New York, as trustee.

"Issuer" shall have the meaning specified in the first recital of this Guarantee Agreement.

"List of Holders" has the meaning specified in Section 2.02(a).

"Majority in Liquidation Amount of the Securities" means, except as provided by the Trust Indenture Act, a vote by the Holder(s), voting separately as a class, of more than 50% of the aggregate Liquidation Amount of all then outstanding Trust Securities issued by the Issuer.

"Officers' Certificate" means, with respect to any Person, a certificate signed by the Chairman and Chief Executive Officer, President or a Vice President, and by the Treasurer, an Associate Treasurer, an Assistant Treasurer, the Controller, the Secretary or an Assistant Secretary of such Person, and delivered to the Guarantee Trustee. Any Officers' Certificate delivered with respect to compliance

with a condition or covenant provided for in this Guarantee Agreement shall include:

(a) a statement that each officer signing the Officers' Certificate has read the covenant or condition and the definitions relating thereto;

(b) a brief statement of the nature and scope of the examination or investigation undertaken by each officer in rendering the Officers' Certificate;

(c) statement that each officer has made such examination or investigation as, in such officer's opinion, is necessary to enable such officer to express an informed opinion as to whether or not such covenant or condition has been complied with; and

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

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature.

"Responsible Officer" when used with respect to the Trustee means any officer assigned to the Corporate Trust Office, including any vice president, assistant vice president, assistant treasurer, assistant secretary or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and having direct responsibility for the administration of this Indenture, and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Senior Debt" means the principal of (and premium, if any) and interest, if any (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company whether or not such claim for post-petition interest is allowed in such proceeding), on Debt, whether incurred on or prior to the date of this Indenture or thereafter incurred, unless, in the instrument creating or evidencing the same or pursuant

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to which the same is outstanding, it is provided that such obligations are not superior in right of payment to the Securities or to other Debt which is pari passu with, or subordinated to, the Securities; provided, however, that Senior Debt shall not be deemed to include (a) any Debt of the Company which, when incurred and without respect to any election under Section 1111(b) of the United States Bankruptcy Code of 1978, as amended, was without recourse to the Company, (b) any Debt of the Company to any of its Subsidiaries, (c) any Debt to any employee of the Company, (d) any Debt which by its terms is subordinated to trade accounts payable or accrued liabilities arising in the ordinary course of business to the extent that payments made to the holders of such Debt by the holders of the Securities as a result of the subordination provisions of this Indenture would be greater than such payments otherwise would have been as a result of any obligation of such holders of such Debt to pay amounts over to the obligees on such trade accounts payable or accrued liabilities arising in the ordinary course of business as a result of the subordination provisions to which such Debt is subject, (e) any other debt securities issued pursuant to this Indenture and (f) this Guarantee.

"Successor Guarantee Trustee" means a successor Guarantee Trustee possessing the qualifications to act as Guarantee Trustee under Section 4.01.

"Trust Indenture Act" means the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbbb), as amended.

"Trust Securities" shall have the meaning specified in the first recital of this Guarantee Agreement.

ARTICLE II

Trust Indenture Act

SECTION 2.01. Trust Indenture Act; Application. (a) This Guarantee Agreement will not be qualified under the Trust Indenture Act except upon the effectiveness of a registration statement and the consummation of an exchange

offer pursuant to a registration rights agreement as contemplated in Article XII of the Indenture.

(b) Upon qualification under the Trust Indenture Act as contemplated in clause (a) above, if and to the

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extent that any provision of this Guarantee Agreement limits, qualifies or conflicts with the duties imposed by Sections 310 to 317, inclusive, of the Trust Indenture Act, such imposed duties shall control.

SECTION 2.02. List of Holders. (a) The Guarantor shall furnish or cause to be furnished to the Guarantee Trustee (i) semiannually, on or before December 4 and June 4 of each year, a list, in such form as the Guarantee Trustee may reasonably require, of the names and addresses of the Holders ("List of Holders") as of a date not more than 15 days prior to the delivery thereof, and (ii) at such other times as the Guarantee Trustee may request in writing, within 30 days after the receipt by the Guarantor of any such request, a List of Holders as of a date not more than 15 days prior to the time such list is furnished, in each case to the extent such information is in the possession or control of the Guarantor and is not identical to a previously supplied list of Holders or has not otherwise been received by the Guarantee Trustee in its capacity as such. The Guarantee Trustee may destroy any List of Holders previously given to it on receipt of a new List of Holders.

(b) The Guarantee Trustee shall comply with its obligations under Section 311(a), Section 311(b) and Section 312(b) of the Trust Indenture Act.

SECTION 2.03. Reports by the Guarantee Trustee.

(a) The Guarantee Trustee shall transmit to Holders such reports concerning the Guarantee Trustee and its actions under this Guarantee as may be required pursuant to the Trust Indenture Act, at the times and in the manner provided pursuant thereto.

(b) Reports so required to be transmitted at stated intervals of not more than 12 months shall be transmitted no later than July 15 in each calendar year, commencing with July 15, 1997.

(c) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Guarantee Trustee with each securities exchange upon which the Capital Securities are listed and also with the Commission. The Guarantor will promptly notify the Guarantee Trustee whenever the Capital Securities are listed on any securities exchange.

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SECTION 2.04. Periodic Reports to the Guarantee Trustee. The Guarantor shall provide to the Guarantee Trustee, the Securities and Exchange Commission and the Holders such documents, reports and information, if any, as required by Section 314 of the Trust Indenture Act and the compliance certificate required by Section 314 of the Trust Indenture Act, in the form, in the manner and at the times required by Section 314 of the Trust Indenture Act. Delivery of such reports, information and documents to the Guarantee Trustee is for informational purposes only and the Guarantee Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Guarantor's compliance with any of its covenants hereunder (as to which the Guarantee

Trustee is entitled to rely exclusively on Officers' Certificates).

SECTION 2.05. Evidence of Compliance with Conditions Precedent. The Guarantor shall provide to the Guarantee Trustee such evidence of compliance with such conditions precedent, if any, provided for in this Guarantee Agreement that relate to any of the matters set forth in Section 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by any officer pursuant to Section 314(c)(1) may be given in the form of an Officers' Certificate.

SECTION 2.06. Events of Default; Waiver. The Holders of a Majority in Liquidation Amount of the Trust Securities may, by vote, on behalf of the Holders, waive any past Event of Default and its consequences. Upon such waiver, any such Event of Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Guarantee Agreement, but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent therefrom.

SECTION 2.07. Event of Default; Notice. (a) The Guarantee Trustee shall, within 90 days after the occurrence of an Event of Default, transmit by mail, first class postage prepaid, to the Holders, notices of all Events of Default actually known to the Guarantee Trustee, unless such Events of Default have been cured before the giving of such notice; provided, that, except in the case of a default in the payment of a Guarantee Payment, the Guarantee Trustee shall be protected in withholding such notice if and so long as the Board of Directors, the executive committee or a

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trust committee of directors and/or Responsible Officers of the Guarantee Trustee in good faith determines that the withholding of such notice is in the interests of the Holders.

(b) The Guarantee Trustee shall not be deemed to have knowledge of any Event of Default unless a Responsible Officer charged with the administration of the Declaration of Trust shall have received written notice of such Event of Default.

SECTION 2.08. Conflicting Interests. The Declaration of Trust shall be deemed to be specifically described in this Guarantee Agreement for the purposes of clause (i) of the first proviso contained in Section 310(b) of the Trust Indenture Act.

ARTICLE III

Powers, Duties and Rights of the Guarantee Trustee

SECTION 3.01. Powers and Duties of the Guarantee Trustee. (a) This Guarantee Agreement shall be held by the Guarantee Trustee for the benefit of the Holders, and the Guarantee Trustee shall not transfer this Guarantee Agreement to any Person except a Holder exercising his or her rights pursuant to Section 5.04(iv) or to a Successor Guarantee Trustee on acceptance by such Successor Guarantee Trustee of its appointment to act as Successor Guarantee Trustee. The right, title and interest of the Guarantee Trustee shall automatically vest in any Successor Guarantee Trustee, upon acceptance by such Successor Guarantee Trustee of its appointment hereunder, and such vesting and cessation of title shall be effective whether or not conveyancing documents have been executed and delivered pursuant to the appointment of such Successor Guarantee Trustee.

(b) If an Event of Default has occurred and is continuing, the Guarantee Trustee shall enforce this Guarantee Agreement for the benefit of the

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(c) The Guarantee Trustee, before the occurrence of any Event of Default and after the curing of all Events of Default that may have occurred, shall undertake to perform only such duties as are specifically set forth in this Guarantee Agreement, and no implied covenants shall be

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read into this Guarantee Agreement against the Guarantee Trustee. In case an Event of Default has occurred (that has not been cured or waived pursuant to Section 2.06), the Guarantee Trustee shall exercise such of the rights and powers vested in it by this Guarantee Agreement, and use the same degree of care and skill in its exercise thereof, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(d) No provision of this Guarantee Agreement shall be construed to relieve the Guarantee Trustee from liability for its own negligent action, its own negligent failure to act or its own wilful misconduct, except that:

(i) prior to the occurrence of any Event of Default and after the curing or waiving of all such Events of Default that may have occurred:

(A) the duties and obligations of the Guarantee Trustee shall be determined solely by the express provisions of this Guarantee Agreement, and the Guarantee Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Guarantee Agreement; and

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

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

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(iii) the Guarantee Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a Majority in Liquidation Amount of the Trust Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee, or exercising any trust or power conferred upon the Guarantee Trustee under this Guarantee Agreement; and

(iv) no provision of this Guarantee Agreement shall require the Guarantee Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if the Guarantee Trustee shall

have reasonable grounds for believing that the repayment of such funds or liability is not assured to it under the terms of this Guarantee Agreement or indemnity satisfactory to it against such risk or liability is not reasonably assured to it.

SECTION 3.02. Certain Rights of Guarantee Trustee. (a) Subject to the provisions of Section 3.01:

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

(ii) Any direction or act of the Guarantor contemplated by this Guarantee Agreement shall be sufficiently evidenced by all Officers' Certificate unless otherwise prescribed herein.

(iii) Whenever, in the administration of this Guarantee Agreement, the Guarantee Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting to take any action hereunder, the Guarantee Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, request and conclusively rely upon an Officers' Certificate which, upon receipt of

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such request from the Guarantee Trustee, shall be promptly delivered by the Guarantor.

(iv) The Guarantee Trustee may consult with legal counsel of its selection, and the advice or written opinion of such legal counsel with respect to legal matters shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in accordance with such advice or opinion. Such legal counsel may be legal counsel to the Guarantor or any of its Affiliates and may be one of its employees. The Guarantee Trustee shall have the right at any time to seek instructions concerning the administration of this Guarantee Agreement from any court of competent jurisdiction.

(v) The Guarantee Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Guarantee Agreement at the request or direction of any Holder, unless such Holder shall have provided to the Guarantee Trustee such security and indemnity reasonably satisfactory to it, against the costs, expenses (including attorneys' fees and expenses) and liabilities that might be incurred by it in complying with such request or direction, including such reasonable advances as may be requested by the Guarantee Trustee; provided, that nothing contained in this Section 3.02(a)(v) shall be taken to relieve the Guarantee Trustee, upon the occurrence of an Event of Default, of its obligation to exercise the rights and powers vested in it by this Guarantee Agreement.

(vi) The Guarantee Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Guarantee Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(vii) The Guarantee Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through its agents or attorneys, and the Guarantee Trustee shall not be responsible for any misconduct or negligence on the

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part of any such agent or attorney appointed with due care by it hereunder.

(viii) Whenever in the administration of this Guarantee Agreement the Guarantee Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action hereunder, the Guarantee Trustee (A) may request instructions from the Holders, (B) may refrain from enforcing such remedy or right or taking such other action until such instructions are received and (C) shall be fully protected in acting in accordance with such instructions.

(b) No provision of this Guarantee Agreement shall be deemed to impose any duty or obligation on the Guarantee Trustee to perform any act or acts or exercise any right, power, duty or obligation conferred or imposed on it in any jurisdiction in which it shall be illegal, or in which the Guarantee Trustee shall be unqualified or incompetent in accordance with applicable law, to perform any such act or acts or to exercise any such right, power, duty or obligation. No permissive power or authority available to the Guarantee Trustee shall be construed to be a duty to act in accordance with such power and authority.

SECTION 3.03. Indemnity. The Guarantor agrees to indemnify the Guarantee Trustee and its directors, officers, agents and employees for, and to hold them harmless against, any and all loss, damage, claim, liability or expense incurred without negligence or bad faith on the part of the Guarantee Trustee, arising out of or in connection with the acceptance or administration of this Guarantee Agreement, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The Guarantee Trustee will not claim or exact any lien or charge on any Guarantee Payments as a result of any amount due to it under this Guarantee Agreement. This indemnity shall survive the termination of this Guarantee Agreement or the resignation or removal of the Guarantee Trustee.

SECTION 3.04. Expenses. The Guarantor shall from time to time reimburse the Guarantee Trustee for its expenses and costs incurred in connection with the performance of its duties hereunder. This reimbursement obligation shall survive the termination of this Guarantee

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Agreement or the resignation or removal of the Guarantee Trustee.

ARTICLE IV

Guarantee Trustee

SECTION 4.01. Guarantee Trustee; Eligibility.

(a) There shall at all times be a Guarantee Trustee which shall:

(i) not be an Affiliate of the Guarantor; and

(ii) be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least \$50,000,000, and shall be a corporation meeting the requirements of Section 310(c) of the Trust Indenture Act. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the supervising or examining authority, then, for the purposes of this Section and to the extent permitted by the Trust Indenture Act, the combined capital and surplus of such corporation shall be deemed to be its combined capital and Surplus as set forth in its most recent report of condition so published.

(b) If at any time the Guarantee Trustee shall cease to be eligible to so act under Section 4.10(a), the Guarantee Trustee shall immediately resign in the manner and with the effect set out in Section 4.02(c).

(c) If the Guarantee Trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, the Guarantee Trustee and Guarantor shall in all respects comply with the provisions of Section 310(b) of the Trust Indenture Act.

SECTION 4.02. Appointment, Removal and Resignation of the Guarantee Trustee. (a) Subject to Section 4.02(b), in the absence of the existence of an Event of Default, the Guarantee Trustee may be appointed or removed without cause at any time by the Guarantor.

(b) The Guarantee Trustee shall not be removed until a Successor Guarantee Trustee has been appointed and

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has accepted such appointment by written instrument executed by such Successor Guarantee Trustee and delivered to the Guarantor.

(c) The Guarantee Trustee appointed hereunder shall hold office until a Successor Guarantee Trustee shall have been appointed or until its removal or resignation. The Guarantee Trustee may resign from office (without need for prior or subsequent accounting) by an instrument in writing executed by the Guarantee Trustee and delivered to the Guarantor, which resignation shall not take effect until a Successor Guarantee Trustee has been appointed and has accepted such appointment by instrument in writing executed by such Successor Guarantee Trustee and delivered to the Guarantor and the resigning Guarantee Trustee.

(d) If no Successor Guarantee Trustee shall have been appointed and accepted appointment as provided in this Section 4.02 within 60 days after delivery to the Guarantor of an instrument of resignation or removal, the Guarantee Trustee resigning or being removed may petition, at the expense of the Guarantor, any court of competent jurisdiction for appointment of a Successor Guarantee Trustee. Such court may thereupon, after prescribing such notice, if any, as it may deem proper, appoint a Successor Guarantee Trustee.

ARTICLE V

Guarantee

SECTION 5.01. Guarantee. The Guarantor irrevocably and unconditionally agrees to pay in full to the Holders the Guarantee Payments (without duplication of amounts theretofore paid by or on behalf of the Issuer), as and when due, regardless of any defense, right of set-off or counterclaim which the Issuer may have or assert. The Guarantor's obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by the Guarantor to the Holders or by causing the Issuer to pay such amounts to the

Holders. The Guarantor shall give prompt written notice to the Guarantee Trustee in the event it makes any direct payment hereunder.

SECTION 5.02. Waiver of Notice and Demand. The Guarantor hereby waives notice of acceptance of the Guarantee Agreement and of any liability to which it applies

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or may apply, presentment, demand for payment, any right to require a proceeding first against the Guarantee Trustee, Issuer or any other Person before proceeding against the Guarantor, protest, notice of nonpayment, notice of dishonor, notice of redemption and all other notices and demands.

SECTION 5.03. Obligations Not Affected. The obligations, covenants, agreements and duties of the Guarantor under this Guarantee Agreement shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

(a) the release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of any express or implied agreement, covenant, term or condition relating to the Trust Securities to be performed or observed by the Issuer;

(b) the extension of time for the payment by the Issuer of all or any portion of the Distributions (other than any extension of time for payment of Distributions that results from the extension of any interest payment period on the Junior Subordinated Debt Securities as so provided in the Indenture), Redemption Price, Liquidation Distribution or any other sums payable under the terms of the Trust Securities or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the Trust Securities;

(c) any failure, omission, delay or lack of diligence on the part of the Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Holders pursuant to the terms of the Trust Securities, or any action on the part of the Issuer granting indulgence or extension of any kind;

(d) the voluntary or involuntary liquidation, dissolution, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, the Issuer or any of the assets of the Issuer;

(e) any invalidity of, or defect or deficiency in, the Trust Securities;

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(f) the settlement or compromise of any obligation guaranteed hereby or hereby incurred; or

(g) any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a guarantor, it being the intent of this Section 5.03 that the obligations of the Guarantor hereunder shall be absolute and unconditional under any and all circumstances.

There shall be no obligation of the Holders to give notice to, or obtain the consent of, the Guarantor with respect to the happening of any of the

foregoing.

SECTION 5.04. Rights of Holders. The Guarantor expressly acknowledges that: (i) this Guarantee Agreement will be deposited with the Guarantee Trustee to be held for the benefit of the Holders; (ii) the Guarantee Trustee has the right to enforce this Guarantee Agreement on behalf of the Holders; (iii) the Holders of a Majority in Liquidation Amount of the Trust Securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee in respect of this Guarantee Agreement or exercising any trust or power conferred upon the Guarantee Trustee under this Guarantee Agreement; and (iv) any Holder may institute a legal proceeding directly against the Guarantor to enforce its rights under this Guarantee Agreement, without first instituting a legal proceeding against the Issuer or any other Person.

SECTION 5.05. Guarantee of Payment. This Guarantee Agreement creates a guarantee of payment and not of collection. This Guarantee Agreement will not be discharged except by payment of the Guarantee Payments in full (without duplication of amounts theretofore paid by the Issuer) or upon distribution of Junior Subordinated Debt Securities to Holders as provided in the Declaration of Trust.

SECTION 5.06. Subrogation. The Guarantor shall be subrogated to all (if any) rights of the Holders against the Issuer in respect of any amounts paid to the Holders by the Guarantor under this Guarantee Agreement and shall have the right to waive payment by the Issuer pursuant to Section 5.01; provided, however, that the Guarantor shall not (except to the extent required by mandatory provisions of law) be entitled to enforce or exercise any rights which it

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may acquire by way of subrogation or any indemnity, reimbursement or other agreement, in all cases as a result of payment under this Guarantee Agreement, at the time of any such payment, any amounts are due and unpaid under this Guarantee Agreement. If any amount shall be paid to the Guarantor in violation of the preceding sentence, the Guarantor agrees to hold such amount in trust for the Holders and to pay over such amount to the Holders.

SECTION 5.07. Independent Obligations. The Guarantor acknowledges that its obligations hereunder are independent of the obligations of the Issuer with respect to the Trust Securities and that the Guarantor shall be liable as principal and as debtor hereunder to make Guarantee Payments pursuant to the terms of this Guarantee Agreement notwithstanding the occurrence of any event referred to in subsections (a) through (g), inclusive, of Section 5.03 hereof.

ARTICLE VI

Covenants and Subordination

SECTION 6.01. Subordination. This Guarantee Agreement will constitute an unsecured obligation of the Guarantor and will rank subordinate and junior in right of payment to all Senior Debt of the Guarantor.

SECTION 6.02. Pari Passu Guarantees. This Guarantee Agreement shall rank pari passu with any similar Guarantee Agreements issued by the Guarantor on behalf of the holders of Trust Securities issued by BANCORP HAWAII CAPITAL TRUST I.

ARTICLE VII

Termination

SECTION 7.01. Termination. This Guarantee Agreement shall terminate and be of no further force and effect upon (i) full payment of the Redemption Price of all Trust Securities, (ii) the distribution of Junior Subordinated Debt Securities to the Holders in exchange for all of the Trust Securities or (iii) full payment of the amounts payable in accordance with the Declaration of Trust upon liquidation of the Issuer. Notwithstanding the

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foregoing, this Guarantee Agreement will continue to be effective or will be reinstated, as the case may be, if at any time any Holder must repay any sums paid with respect to Trust Securities or this Guarantee Agreement.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Successors and Assigns. All guarantees and agreements contained in this Guarantee Agreement shall bind the successors, assigns, receivers, trustees and representatives of the Guarantor and shall inure to the benefit of the Holders of the Trust Securities then outstanding. Except in connection with a consolidation, merger or sale involving the Guarantor that is permitted under Article VIII of the Indenture and pursuant to which the assignee agrees in writing to perform the Guarantor's obligations hereunder, the Guarantor shall not assign its obligations hereunder.

SECTION 8.02. Amendments. Except with respect to any changes which do not adversely affect the rights of the Holders in any material respect (in which case no consent of the Holders will be required), this Guarantee Agreement may only be amended with the prior approval of the Holders of not less than a Majority in Liquidation Amount of all the outstanding Trust Securities. The provisions of Article VI of the Declaration of Trust concerning meetings of the Holders shall apply to the giving of such approval.

SECTION 8.03. Notices. Any notice, request or other communication required or permitted to be given hereunder shall be in writing, duly signed by the party giving such notice, and delivered, telecopied (confirmed by delivery of the original) or mailed by first class mail as follows:

(a) if given to the Guarantor, to the address set forth below or such other address, facsimile number or

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to the attention of such other Person as the Guarantor may give notice to the Holders:

BANCORP HAWAII, INC.
130 Merchant Street
Honolulu, Hawaii 96813
Facsimile No.: (808) 538-4007
Attention: Office of the Secretary

(b) if given to the Issuer, in care of the Guarantee Trustee, at the Issuer's (and the Guarantee Trustee's) address set forth below or such other address as the Guarantee Trustee on behalf of the Issuer may give notice to the Holders:

BANCORP HAWAII CAPITAL TRUST I

c/o Bancorp Hawaii, Inc.
130 Merchant Street,
Honolulu, Hawaii 96813
Facsimile No.: (808) 538-4007
Attention: Office of the Secretary

with a copy to:

The Bank of New York
101 Barclay Street
21st Floor West
New York, NY 10286
Facsimile No.: (212) 815-5915
Attention: Corporate Trust Trustee
Administration

(c) if given to the Guarantee Trustee:

The Bank of New York
101 Barclay Street
21st Floor West
New York, NY 10286
Facsimile No.: (212) 815-5915
Attention: Corporate Trust Trustee
Administration

(d) if given to any Holder, at the address set forth on the books and records of the Issuer.

All notices hereunder shall be deemed to have been given when received in person, telecopied with receipt confirmed, or mailed by first class mail, postage prepaid,

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except that if a notice or other document is refused delivery or cannot be delivered because of a changed address of which no notice was given, such notice or other document shall be deemed to have been delivered on the date of such refusal or inability to deliver.

SECTION 8.04. Benefit. This Guarantee Agreement is solely for the benefit of the Holders and is not separately transferable from the Trust Securities.

SECTION 8.05. Interpretation. In this Guarantee Agreement, unless the context otherwise requires:

(a) capitalized terms used in this Guarantee Agreement but not defined in the preamble hereto have the respective meanings assigned to them in Section 1.01;

(b) a term defined anywhere in this Guarantee Agreement has the same meaning throughout;

(c) all references to "the Guarantee Agreement" or "this Guarantee Agreement" are to this Guarantee Agreement as modified, supplemented or amended from time to time;

(d) all references in this Guarantee Agreement to Articles and Sections are to Articles and Sections of this Guarantee Agreement unless otherwise specified;

(e) a term defined in the Trust Indenture Act has the same meaning when used in this Guarantee Agreement unless otherwise defined in this Guarantee Agreement or unless the context otherwise requires;

(f) a reference to the singular includes the plural and vice versa;
and

(g) the masculine, feminine or neuter genders used herein shall include the masculine, feminine and neuter genders.

SECTION 8.06 Governing Law. THIS GUARANTEE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICT OF LAW PRINCIPLES THEREOF.

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

THIS GUARANTEE AGREEMENT is executed as of the day and year first above written.

BANCORP HAWAII, INC.,

by

Name:

Title:

THE BANK OF NEW YORK, as
Guarantee Trustee,

by

Name:

Title:

BANCORP HAWAII CAPITAL TRUST I

\$100,000,000

8.25% Capital Securities, Series A

(Liquidation Amount \$1,000 per Capital Security)
Fully and Unconditionally Guaranteed

by

BANCORP HAWAII, INC.

REGISTRATION AGREEMENT

December 23, 1996

UBS Securities LLC
Credit Suisse First Boston Corporation
Salomon Brothers Inc
c/o UBS Securities LLC
299 Park Avenue
New York, New York 10171

Dear Sirs:

Bancorp Hawaii Capital Trust I, a Delaware statutory business trust (the "Trust"), and Bancorp Hawaii, Inc., a Hawaii corporation (the "Company"), as guarantor, propose to issue and sell to UBS Securities LLC, Credit Suisse First Boston Corporation and Salomon Brothers Inc (collectively, the "Purchasers"), upon the terms set forth in a purchase agreement of even date herewith (the "Purchase Agreement"), 100,000 of the Trust's 8.25% Capital Securities, Series A, liquidation amount \$1,000 per Capital Security (the "Capital Securities" and together with the guarantee by the Company of the payment of the Capital Securities to the extent set forth in the Guarantee, the "Pass-through Securities") (the "Initial Placement"). The proceeds of the sale by the Trust of the Pass-through Securities and its 8.25% Common Securities, liquidation amount \$1,000 per Common Security (the "Common Securities"), are to be invested in the 8.25% Junior Subordinated Debt Securities of the Company having an aggregate principal amount equal to the aggregate liquidation amount of the Capital Securities and the Common Securities (the "Junior

Subordinated Debt Securities"). As an inducement to the Purchasers to enter into the Purchase Agreement and in satisfaction of a condition to your obligations thereunder, the Trust and the Company agree with you, (i) for your benefit and (ii) for the benefit of the holders from time to time (each of the foregoing a "Holder" and together the "Holders") of the Securities (as defined herein) or the Exchange Securities (as defined herein), as follows:

1. Definitions. Capitalized terms used herein without definition shall have their respective meanings set forth in the Purchase Agreement. As used in this Agreement, the following capitalized defined terms shall have the following meanings:

"Act" means the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Additional Distributions" has the meaning given such term in Section 7(a) hereof.

"Additional Interest" has the meaning given such term in Section 7(a) hereof.

"Affiliate" of any specified person means any other person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such specified person.

"Capital Securities" has the meaning set forth in the preamble hereto.

"Closing Date" has the meaning given such term in the Purchase Agreement.

"Commission" means the Securities and Exchange Commission.

"Common Securities" has the meaning set forth in the preamble hereto.

"Declaration" means the Amended and Restated Declaration of Trust relating to the Capital Securities and the Exchange Capital Securities dated as of December 30, 1996, among the Company, as Depositor, David A. Houle and Joseph T. Kiefer, as Administrative Trustees, the Property Trustee and The Bank of New York (Delaware), a Delaware

corporation, as Delaware Trustee, as the same may be amended from time to time in accordance with the terms thereof.

"Distribution Event" shall mean the distribution of Junior Subordinated Debt Securities or Exchange Junior Subordinated Debt Securities, as the case may be, to the holders of Capital Securities or Exchange Capital Securities, as the case may be, as provided in the Declaration.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Exchange Capital Securities" means securities of the Trust to be issued under the Declaration and which are identical in all material respects to the Capital Securities (except that the distribution rate step-up provisions and the transfer restrictions will be modified or eliminated, as appropriate).

"Exchange Guarantee" means the guarantee by the Company of the Exchange Capital Securities, identical in all material respects to the Guarantee.

"Exchange Junior Subordinated Debt Securities" means debt securities of the Company to be issued under the Junior Subordinated Indenture and which are identical in all material respects to the Junior Subordinated Debt Securities (except that the interest rate step-up provisions and the transfer restrictions will be modified or eliminated, as appropriate).

"Exchange Offer Registration Period" means the 180-day period following the consummation of the Registered Exchange Offer, exclusive of any period during which any stop order shall be in effect suspending the effectiveness of the Exchange Offer Registration Statement.

"Exchange Offer Registration Statement" means a registration statement of the Trust and the Company on an appropriate form under the Act with respect to the Registered Exchange Offer (and, if a Distribution Event shall not have occurred prior to the effectiveness of such Exchange Offer Registration Statement and the Company shall not have elected to include the Junior Subordinated Debt Securities held by the Trust in the Registered Exchange Offer pursuant to Section 2(g) hereof, with respect to the

Distribution Event), and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"Exchange Pass-through Securities" means the Exchange Capital Securities together with the Exchange Guarantee.

"Exchange Securities" means (i) if a Distribution Event shall not have occurred prior to the Registered Exchange Offer, (a) the Exchange Pass-through Securities and (b) if the Company shall elect to include the Junior Subordinated Debt Securities held by the Trust in the Registered Exchange Offer pursuant to Section 2(g) hereof, the Exchange Junior Subordinated Debt Securities or (ii) if a Distribution Event shall have occurred prior to the Registered Exchange Offer, the Exchange Junior Subordinated Debt Securities.

"Exchanging Dealer" means any Holder (which may include any Purchaser) which is a broker-dealer electing to exchange Securities acquired for its own account as a result of market-making activities or other trading activities for Exchange Securities.

"Final Memorandum" has the meaning set forth in the Purchase Agreement.

"Guarantee" means the guarantee by the Company of the Capital Securities and the Common Securities pursuant to the Guarantee Agreement dated as of December 30, 1996 between the Company and the Guarantee Trustee.

"Guarantee Trustee", "Indenture Trustee" and "Property Trustee" each means The Bank of New York, a New York banking corporation.

"Holder" has the meaning set forth in the preamble hereto.

"Initial Placement" has the meaning set forth in the preamble hereto.

"Junior Subordinated Debt Securities" has the meaning set forth in the preamble hereto.

"Junior Subordinated Indenture" means the Junior Subordinated Indenture relating to the Junior Subordinated Debt Securities and the Exchange Junior Subordinated Debt Securities dated as of December 30, 1996 between the Company and the Indenture Trustee.

"Majority Holders" means (i) if no Distribution Event has occurred, the Holders of a majority of the aggregate liquidation amount of

securities registered under a Registration Statement and (ii) if a Distribution Event has occurred, the Holders of a majority of the aggregate principal amount of securities registered under the Registration Statement.

"Managing Underwriters" means the investment banker or investment bankers and manager or managers that shall administer an underwritten offering.

"Pass-through Securities" has the meaning set forth in the preamble hereto.

"Prospectus" means the prospectus included in any Registration Statement (including a prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A under the Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Securities or the Exchange Securities, covered by such Registration Statement, and all amendments and supplements to the Prospectus, including post-effective amendments.

"Purchase Agreement" has the meaning set forth in the preamble hereto.

"Purchasers" has the meaning set forth in the preamble hereto.

"Registered Exchange Offer" means the proposed offer to the Holders to issue and deliver to such Holders a like liquidation amount or principal amount, as the case may be, of the Exchange Securities, in exchange for (i) if a Distribution Event shall not have occurred, (a) the Pass-Through Securities and (b) if the Company shall elect to include the Junior Subordinated Debt Securities held by the Trust in the Registered Exchange Offer pursuant to Section 2(g) hereof, the Junior Subordinated Debt Securities

or (ii) if a Distribution Event shall have occurred, the Junior Subordinated Debt Securities.

"Registration Default" has the meaning given such term in Section 7(a) hereof.

"Registration Statement" means any Exchange Offer Registration Statement or Shelf Registration Statement that covers any of the Securities or the Exchange Securities pursuant to the provisions of this Agreement, and amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"Securities" means (i) if a Distribution Event shall not have occurred, the Pass-through Securities and the Junior Subordinated Debt Securities or (ii) if a Distribution Event shall have occurred, the Junior Subordinated Debt Securities.

"Shelf Registration" means a registration effected pursuant to Section 3 hereof.

"Shelf Registration Period" has the meaning given such term in Section 3(b) hereof.

"Shelf Registration Statement" means a "shelf" registration statement of the Trust and the Company pursuant to the provisions of Section 3 hereof which covers some or all of the Securities or the Exchange Securities, as applicable, on an appropriate form under Rule 415 under the Act, or any similar rule that may be adopted by the Commission, and amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"Tax Contingency" has the meaning given such term in Section 2(b) hereof.

"Tax Contingency Extension" has the meaning given such term in Section 7(a) hereof.

"Trust" has the meaning set forth in the preamble hereto.

"Trustee" means the Guarantee Trustee, the Indenture Trustee or the Property Trustee, as applicable.

"underwriter" means any underwriter of Securities in connection with an offering thereof under a Shelf Registration Statement.

2. Registered Exchange Offer; Resales of Exchange Securities by Exchanging Dealers. (a) The Trust and the Company shall prepare and, not later than 60 days following the Closing Date, shall file with the Commission the Exchange Offer Registration Statement. The Trust and the Company shall use their best efforts to cause the Exchange Offer Registration Statement to become effective under the Act within 150 days of the Closing Date.

(b) Upon the effectiveness of the Exchange Offer Registration Statement, the Trust and the Company shall promptly commence the Registered Exchange Offer, it being the objective of such Registered Exchange Offer to enable each Holder electing to exchange Securities for Exchange Securities

(assuming that such Holder is not an affiliate of the Trust or the Company within the meaning of the Act, acquires the Exchange Securities in the ordinary course of such Holder's business and has no arrangements with any person to participate in the distribution (within the meaning of the Act) of the Exchange Securities) to transfer such Exchange Securities from and after their receipt without any limitations or restrictions under the Act and without material restrictions under the securities laws of a substantial proportion of the several states of the United States. Notwithstanding the foregoing (but subject to the provisions of clause (ii) of Section 3 and clause (a)(iii) of Section 7), in the event that the Company shall determine in good faith that (i) there is a reasonable likelihood that, or (ii) a material uncertainty exists as to whether, consummation of the Registered Exchange Offer would result in an adverse tax consequence to the Company (a "Tax Contingency"), the Trust and the Company may elect to delay commencement or consummation of the Registered Exchange Offer until such Tax Contingency shall no longer exist or, if the Company shall determine in good faith that such Tax Contingency is in existence on the 240th day following the Closing Date, to terminate the Registered Exchange Offer.

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(c) In connection with the Registered Exchange Offer, the Trust and the Company shall:

(i) mail to each Holder a copy of the Prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(ii) keep the Registered Exchange Offer open for not less than 30 days after the date notice thereof is mailed to the Holders (or longer if required by applicable law);

(iii) utilize the services of a depository for the Registered Exchange Offer with an address in the Borough of Manhattan, the City of New York; and

(iv) comply in all respects with all applicable laws.

(d) As soon as practicable after the close of the Registered Exchange Offer, the Trust and the Company shall:

(i) accept for exchange all Securities tendered and not validly withdrawn pursuant to the Registered Exchange Offer;

(ii) deliver to the Trustee for cancellation all Securities so accepted for exchange; and

(iii) cause the Trustee promptly to authenticate and deliver to each Holder of tendered Securities, Exchange Securities equal in

liquidation amount or principal amount, as the case may be, to the Securities of such Holder so accepted for exchange therefor.

(e) The Purchasers and the Trust and the Company acknowledge that, pursuant to interpretations by the Commission's staff of Section 5 of the Act, and in the absence of an applicable exemption therefrom, each Exchanging Dealer is required to deliver a Prospectus in connection with a sale of any Exchange Securities received by such Exchanging Dealer pursuant to the Registered Exchange Offer in exchange for Securities acquired for its own account as a result of market-making activities or other trading activities. Accordingly, the Trust and the Company shall:

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(i) include the information set forth in Annex A hereto on the cover of the Exchange Offer Registration Statement, in Annex B hereto in the forepart of the Exchange Offer Registration Statement in a section setting forth details of the Registered Exchange Offer, and in Annex C hereto in the underwriting or plan of distribution section of the Prospectus forming a part of the Exchange Offer Registration Statement, and include the information set forth in Annex D hereto in the Letter of Transmittal delivered pursuant to the Registered Exchange Offer; and

(ii) use their best efforts to keep the Exchange Offer Registration Statement continuously effective under the Act during the Exchange Offer Registration Period for delivery of the Prospectus forming a part thereof by Exchanging Dealers in connection with sales of Exchange Securities received pursuant to the Registered Exchange Offer, as contemplated by Section 4(h) below.

(f) In the event that the Purchasers determine that they are not eligible to participate in the Registered Exchange Offer with respect to the exchange of Securities constituting any portion of their initial unsold allotment of Securities, at the request of the Purchasers, the Company shall issue and deliver to the Purchasers, in exchange for such Securities, a like principal amount of Exchange Securities (provided that such Exchange Securities shall include legends with respect to restrictions on transfer). The Trust and the Company shall seek to cause the CUSIP Service Bureau to issue the same CUSIP number for such Exchange Securities as for Exchange Securities issued pursuant to the Registered Exchange Offer. The Purchasers agree to promptly notify the Company in writing following the resale of their initial allotment of Securities.

(g) Notwithstanding anything in this Agreement to the contrary, if a Distribution Event shall not have occurred prior to the Registered Exchange Offer, the Company may offer to, and the Trust shall agree to, exchange the Junior Subordinated Debt Securities held by the Trust for an

identical principal amount of Exchange Junior Subordinated Debt Securities as part of the Registered Exchange Offer; provided, however, that, until a Distribution Event shall have occurred, such Exchange Junior Subordinated Debt Securities shall include appropriate legends with respect to transfer restrictions.

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3. Shelf Registration. If (i) because of any change in law or applicable interpretations thereof by the Commission's staff, the Trust and the Company determine upon advice of their outside counsel that they are not permitted to effect the Registered Exchange Offer as contemplated by Section 2 hereof or (ii) for any other reason the Registered Exchange Offer is not consummated within 180 days (or, if the Company shall determine in good faith that a Tax Contingency exists on such 180th day, within 240 days) of the Closing Date, or (iii) the Purchasers so request with respect to Securities held by them following consummation of the Registered Exchange Offer, or (iv) any Holder at the time of the Registered Exchange Offer (other than a Purchaser) is not eligible to participate in the Registered Exchange Offer or (v) in the event that the Purchasers participate in the Registered Exchange Offer or acquire Exchange Securities pursuant to Section 2(f) hereof and the Purchasers do not receive freely tradeable Exchange Securities in exchange for Securities constituting any portion of an unsold allotment (it being understood that, for purposes of this Section 3, (x) the requirement that the Purchasers deliver a Prospectus containing the information required by Items 507 and/or 508 of Regulation S-K under the Act in connection with sales of Exchange Securities acquired in exchange for such Securities shall result in such Exchange Securities being not "freely tradeable" but (y) the requirement that an Exchanging Dealer deliver a Prospectus in connection with sales of Exchange Securities acquired in the Registered Exchange Offer in exchange for Securities acquired as a result of market-making activities or other trading activities shall not result in such Exchange Securities being not "freely tradeable"), the following provisions shall apply:

(a) The Trust and the Company shall, as promptly as practicable (but in no event more than 60 days after so required or requested pursuant to this Section 3), file with the Commission and thereafter use their best efforts to cause to be declared effective under the Act a Shelf Registration Statement relating to the offer and sale of the Securities or the Exchange Securities, as applicable, by the applicable Holders from time to time in accordance with the methods of distribution elected by such Holders and set forth in such Shelf Registration Statement; provided, however, that with respect to Exchange Securities received by the Purchasers in exchange for Securities constituting any portion of an unsold allotment, the Trust and the Company may, if permitted by current interpretations by the

Commission's staff, file a post-effective amendment to the Exchange Offer Registration Statement containing the information required by Regulation S-K Items 507 and/or 508, as applicable, in satisfaction of their obligations under this paragraph (a) with respect thereto, and any such Exchange Offer Registration Statement, as so amended, shall be referred to herein as, and governed by the provisions herein applicable to, a Shelf Registration Statement.

(b) The Trust and the Company shall use their best efforts to keep the Shelf Registration Statement continuously effective in order to permit the Prospectus forming part thereof to be usable by the applicable Holders for a period of three years (or, if Rule 144(k) is amended to provide a shorter restrictive period, such shorter period) from the Closing Date or such shorter period that will terminate when all the Securities or Exchange Securities, as applicable, covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement (in any such case, such period being called the "Shelf Registration Period").

4. Registration Procedures. In connection with any Shelf Registration Statement and, to the extent specified, any Exchange Offer Registration Statement, the following provisions shall apply:

(a) The Trust and the Company shall furnish to each Purchaser, prior to the filing thereof with the Commission, a copy of any Shelf Registration Statement and any Exchange Offer Registration Statement, and each amendment thereof and each amendment or supplement, if any, to the Prospectus included therein and shall use their best efforts to reflect in each such document, when so filed with the Commission, such comments as you reasonably may propose.

(b) The Trust and the Company shall ensure that (i) any Registration Statement and any amendment thereto and any Prospectus forming part thereof and any amendment or supplement thereto complies in all material respects with the Act and the rules and regulations thereunder, (ii) any Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any Prospectus forming

part of any Registration Statement, and any amendment or supplement to such Prospectus, does not, during the period when delivery thereof is required, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements, in light of the circumstances under which they were made, not misleading.

(c) (1) The Trust and the Company shall advise the Purchasers and, in the case of a Shelf Registration Statement, the Holders of securities covered thereby, and, if requested by you or any such Holder, confirm such advice in writing:

(i) when a Registration Statement and any amendment thereto has been filed with the Commission and when the Registration Statement or any post-effective amendment thereto has become effective; and

(ii) of any request by the Commission for amendments or supplements to the Registration Statement or the Prospectus included therein or for additional information.

(2) The Trust and the Company shall advise the Purchasers and, in the case of a Shelf Registration Statement, the Holders of securities covered thereby, and, in the case of an Exchange Offer Registration Statement, any Exchanging Dealer which has provided in writing to the Trust and the Company a telephone or facsimile number and address for notices, and, if requested by you or any such Holder or Exchanging Dealer, confirm such advice in writing:

(i) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose;

(ii) of the receipt by the Company or the Trust of any notification with respect to the suspension of the qualification of the securities included therein for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(iii) of the happening, during the period when delivery of a Prospectus is required, of any event that requires the making of any changes in the Registration Statement or the Prospectus so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in light of the circumstances under which they were made) not misleading (which advice shall be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made).

(d) The Trust and the Company shall use their best efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement at the earliest possible time.

(e) The Trust and the Company shall furnish to each Holder of securities included within the coverage of any Shelf Registration Statement, without charge, at least one copy of such Shelf Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if the Holder so requests in writing, all exhibits (including those incorporated by reference).

(f) The Trust and the Company shall, during the Shelf Registration Period, deliver to each Holder of securities included within the coverage of any Shelf Registration Statement, without charge, as many copies of the Prospectus (including each preliminary Prospectus) included in such Shelf Registration Statement and any amendment or supplement thereto as such Holder may reasonably request; and the Trust and the Company consent to the use of the Prospectus or any amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the securities covered by the Prospectus or any amendment or supplement thereto.

(g) The Trust and the Company shall furnish to each Exchanging Dealer which so requests, without charge, at least one copy of the Exchange Offer Registration Statement and any post-effective amendment thereto, including financial statements and schedules, any documents incorporated by reference therein, and,

if the Exchanging Dealer so requests in writing, all exhibits thereto (including those incorporated by reference).

(h) The Trust and the Company shall, during the Exchange Offer Registration Period, promptly deliver to each Exchanging Dealer, without charge, as many copies of the Prospectus included in such Exchange Offer Registration Statement and any amendment or supplement thereto as such Exchanging Dealer may reasonably request for delivery by such Exchanging Dealer in connection with a sale of Exchange Securities received by it pursuant to the Registered Exchange Offer; and the Trust and the Company consent to the use of the Prospectus or any amendment or supplement thereto by any such Exchanging Dealer, as aforesaid.

(i) Prior to the Registered Exchange Offer or any other offering of securities pursuant to any Registration Statement, the Trust and the Company shall, if required by applicable law, register or qualify or cooperate with the Holders of securities included therein and their respective counsel in connection with the registration or qualification of such securities for offer and sale under the securities or blue sky laws of such jurisdictions as any such Holder reasonably requests in writing and do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the securities covered by such Registration Statement; provided, however, that neither the Trust nor the Company will be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process or to taxation in any such jurisdiction where it is not then so subject.

(j) Unless the applicable securities shall be in book-entry only form, the Trust and the Company shall cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing the securities to be sold pursuant to any Registration Statement free of any restrictive legends and in such denominations and registered in such names as Holders may request prior to sales of securities pursuant to such Registration Statement.

(k) Upon the occurrence of any event contemplated by paragraphs c(1)(ii) or (c)(2)(iii) above, the Trust and the Company shall promptly prepare a post-effective amendment to any Registration Statement or an amendment or supplement to the related Prospectus or file any other required document so that, as thereafter delivered to purchasers of the securities included therein, the Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(l) The Trust and the Company shall use their best efforts to

cause The Depository Trust Company ("DTC") on the first business day following the effective date of any Shelf Registration Statement hereunder or as soon as possible thereafter to remove (i) from any existing CUSIP number assigned to the Pass-through Securities and/or Junior Subordinated Debt Securities, as the case may be, any designation indicating that such securities are "restricted securities", which efforts shall include delivery to DTC of a letter executed by the Trust and the Company substantially in the form of Annex E hereto and (ii) any other stop or restriction on DTC's system with respect to such securities. In the event the Trust and the Company are unable to cause DTC to take the actions described in the immediately preceding sentence, the Company shall take such actions as UBS Securities LLC may reasonably request to provide, as soon as practicable, a CUSIP number for the Pass-through Securities and/or Junior Subordinated Debt Securities, as the case may be, registered under such Registration Statement and to cause such CUSIP number to be assigned to such securities (or to the maximum aggregate principal amount of such securities to which such number may be assigned). Upon compliance with the foregoing requirements of this Section 4(l), the Trust and the Company shall provide the Trustee with printed certificates for such securities, in a form eligible for deposit with DTC.

(m) The Trust and the Company shall use their best efforts to comply with all applicable rules and regulations of the Commission and shall make generally available to its security holders as soon as practicable after the effective date of the applicable

Registration Statement an earnings statement satisfying the provisions of Section 11(a) of the Act.

(n) The Trust and the Company shall cause the Junior Subordinated Indenture, the Declaration and the Guarantee to be qualified under the Trust Indenture Act in a timely manner.

(o) The Trust and the Company may require each Holder of securities to be sold pursuant to any Shelf Registration Statement to furnish to the Trust and the Company such information regarding such Holder and the distribution of such securities by such Holder as the Trust and the Company may from time to time reasonably require for inclusion in such Registration Statement.

(p) The Trust and the Company shall, if requested, promptly incorporate in a Prospectus supplement or post-effective amendment to a Shelf Registration Statement, such information as the Managing Underwriters and Majority Holders reasonably agree should be included

therein and shall make all required filings of such Prospectus supplement or post-effective amendment as soon as notified of the matters to be incorporated in such Prospectus supplement or post-effective amendment.

(q) In the case of any Shelf Registration Statement, the Trust and the Company shall enter into such agreements (including underwriting agreements) and take all other appropriate actions in order to expedite or facilitate the registration or the disposition of the Securities or the Exchange Securities, as the case may be, and in connection therewith, if an underwriting agreement is entered into, cause the same to contain indemnification provisions and procedures no less favorable than those set forth in Section 6 (or such other provisions and procedures acceptable to the Majority Holders and the Managing Underwriters, if any) with respect to all parties to be indemnified pursuant to Section 6.

(r) In the case of any Shelf Registration Statement, the Trust and the Company shall (i) make reasonably available for inspection by the Holders of securities to be registered thereunder, any underwriter participating in any distribution pursuant to such Registration Statement, and any attorney, accountant or

other agent retained by such Holders or any such underwriter all relevant financial and other records, pertinent corporate documents and properties of the Trust or the Company and its subsidiaries as shall reasonably be required in connection with the discharge of their due diligence obligations; (ii) cause the Company's officers, directors and employees and any relevant Trustee to supply at the Company's expense all relevant information reasonably requested by such Holders or any such underwriter, attorney, accountant or agent in connection with any such Registration Statement as is customary for similar due diligence examinations; provided, however, that, in the case of clause (i) and (ii) above, any information that is designated in writing by the Trust or the Company, in good faith, as confidential at the time of delivery of such information shall be kept confidential by such Holders and any such underwriter, attorney, accountant or agent, unless such disclosure is made in connection with a court proceeding or required by law, or such information becomes available to the public generally or through a third party without an accompanying obligation of confidentiality; and provided further, however, that the foregoing inspection and information gathering shall be coordinated on behalf of the Holders and the other parties entitled thereto by one counsel designated by and on behalf of such Holders and other parties; (iii) make such representations and warranties to the Holders of securities registered thereunder and the underwriters, if any, in form, substance and scope as are customarily made by issuers to underwriters in primary

underwritten offerings and covering such matters as are customarily covered in representations and warranties requested in primary underwritten offerings; (iv) obtain opinions of counsel to the Trust and the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the Managing Underwriters, if any) addressed to each selling Holder and the underwriters, if any, covering such matters and with such exceptions as are customarily covered or taken in opinions requested in underwritten offerings and such other matters as may be reasonably requested by such Holders and underwriters (it being agreed that the matters to be covered by such counsel shall include, without limitation, as of the date of the opinions and as of the effective date of the Registration Statement or most recent post-effective amendment thereto, as the

case may be, a statement by such counsel regarding the absence from such Registration Statement and the Prospectus included therein, as then amended or supplemented, including the documents incorporated by reference therein, of an untrue statement of a material fact or the omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading); (v) obtain "cold comfort" letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement), addressed to each selling Holder of securities registered thereunder and the underwriters, if any, in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with primary underwritten offerings; and (vi) deliver such documents and certificates as may be reasonably requested by the Majority Holders and the Managing Underwriters, if any, including those to evidence compliance with Section 4(k) and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Trust and the Company. The foregoing actions set forth in clauses (iii), (iv), (v) and (vi) of this Section 4(r) shall be performed at (A) the effectiveness of such Registration Statement and each post-effective amendment thereto and (B) each closing under any underwriting or similar agreement as and to the extent required thereunder.

(s) In the case of any Exchange Offer Registration Statement, if requested by the Purchasers, the Trust and the Company shall (i) make reasonably available for inspection by the Purchasers, and any attorney, accountant or other agent retained by the Purchasers, all relevant financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries or the Trust as shall reasonably be required in connection with the discharge of their due

diligence obligations; (ii) cause the Company's officers, directors and employees and any relevant Trustee to supply at the Company's expense all relevant information reasonably requested by the Purchasers or any such attorney, accountant or agent in

connection with any such Registration Statement as is customary for similar due diligence examinations; provided, however, that, in the case of clause (i) and (ii) above, any information that is designated in writing by the Company or the Trust, in good faith, as confidential at the time of delivery of such information shall be kept confidential by the Purchasers and any such attorney, accountant or agent, unless such disclosure is made in connection with a court proceeding or required by law, or such information becomes available to the public generally or through a third party without an accompanying obligation of confidentiality; (iii) make such representations and warranties to the Purchasers, in form, substance and scope as are customarily made by issuers to underwriters in primary underwritten offerings and covering such matters as are customarily covered in representations and warranties requested in primary underwritten offerings; (iv) obtain opinions of counsel to the Trust and the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the Purchasers and their counsel) addressed to the Purchasers, covering such matters as are customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by the Purchasers or their counsel (it being agreed that the matters to be covered by such counsel shall include, without limitation, as of the date of the opinions and as of the effective date of the Registration Statement or most recent post-effective amendment thereto, as the case may be, a statement by such counsel regarding the absence from such Registration Statement and the Prospectus included therein, as then amended or supplemented, including the documents incorporated by reference therein, of an untrue statement of a material fact or the omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading); (v) obtain "cold comfort" letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement), addressed to the Purchasers, in customary form and covering matters of

the type customarily covered in "cold comfort" letters in connection with primary underwritten offerings, or if requested by the Purchasers or their counsel in lieu of a "cold comfort" letter, an agreed-upon procedures letter under Statement on Auditing Standards No. 35, covering matters requested by the Purchasers or their counsel; and (vi) deliver such documents and certificates as may be reasonably requested by the Purchasers or their counsel, including those to evidence compliance with Section 4(k) and with conditions customarily contained in underwriting agreements. The foregoing actions set forth in clauses (iii), (iv), (v) and (vi) of this Section 4(s) shall be performed, if requested by the Purchasers, at the closing of the Registered Exchange Offer and the effective date of any post-effective amendment to the Exchange Offer Registration Statement.

5. Registration Expenses. The Trust and the Company shall bear all expenses incurred in connection with the performance of their obligations under Sections 2, 3 and 4 hereof and, in the event of any Shelf Registration Statement, will reimburse the Holders of securities registered thereunder for the reasonable fees and disbursements of one firm or counsel designated by the Majority Holders to act as counsel for such Holders in connection therewith, and, in the case of any Exchange Offer Registration Statement, will reimburse the Purchasers for the reasonable fees and disbursements of counsel acting in connection therewith.

6. Indemnification and Contribution. (a) In connection with any Registration Statement, the Company agrees to indemnify and hold harmless each Holder of securities covered thereby (including any Purchaser and, with respect to any Prospectus delivery as contemplated in Section 4(h) hereof, each Exchanging Dealer), the directors, officers, employees and agents of each such Holder and each person who controls any such Holder within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement as originally filed

or in any amendment thereof, or in any preliminary Prospectus or Prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that (i) the Company will not be liable in any case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Trust and the Company by or on behalf of any such Holder specifically for inclusion therein and (ii) such indemnity with respect to any untrue statement or omission in any preliminary Prospectus relating to a Shelf Registration Statement shall not inure to the benefit of any Holder from whom the person asserting any such loss, claim, damage or liability purchased the securities that are the subject thereof, to the extent that any such loss, claim, damage or liability of such Holder occurs under the circumstances where it shall have been determined by a court of competent jurisdiction by final and nonappealable judgment that (w) the Trust and the Company had previously furnished copies of the final Prospectus to such Holder, (x) delivery of the final Prospectus was required by the Act to be made to such person, (y) the untrue statement or omission of a material fact contained in the preliminary Prospectus was completely corrected in the final Prospectus and (z) there was not sent or given to such person, at or prior to the written confirmation of the sale of such securities to such person, a copy of the final Prospectus. This indemnity agreement will be in addition to any liability which the Trust and the Company may otherwise have.

The Company also agrees to indemnify or contribute to Losses (as defined below) of, as provided in Section 6(d), any underwriters of securities registered under a Shelf Registration Statement, their officers and directors and each person who controls such underwriters on substantially the same basis as that of the indemnification of the Purchasers and the selling Holders provided in this Section 6(a) and shall, if requested by any underwriter,

enter into an underwriting agreement reflecting such agreement, as provided in Section 4(q) hereof.

(b) Each Holder of securities covered by a Registration Statement (including the Purchasers and, with respect to any Prospectus delivery as contemplated in Section 4(h) hereof, each Exchanging Dealer) severally agrees to indemnify and hold harmless (i) the Trust and the Company, (ii) each of the Company's directors, (iii) each of the Company's officers or any Trustee who signs such Registration Statement and (iv) each person who controls the Company or the Trust within the meaning of either the Act or the Exchange Act to the same extent as the foregoing indemnity from the Company to each such Holder, but only with reference to written information relating to such Holder furnished to the Trust or the Company by or on behalf of such Holder specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which any such Holder may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 6 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 6, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above or paragraph (d) below unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than obligations provided under this Section 6. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel) (it being understood that

the indemnifying party shall not be liable for the fees, costs and expenses of more than one separate counsel (and, to the extent necessary, one local counsel in each jurisdiction)), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel (and local counsel) if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those

available to the indemnifying party, (iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding.

(d) In the event that the indemnity provided in paragraph (a) or (b) of this Section 6 is unavailable to or insufficient to hold harmless an indemnified party for any reason, then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall have a joint and several obligation to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending the same) (collectively "Losses") to which such indemnified party may be subject in such proportion as is appropriate to reflect the relative benefits received by such indemnifying party, on the one hand, and such indemnified party, on the other hand, from the Initial Placement and the Registration Statement which resulted in such Losses; provided, however, that in no case shall the Purchasers be responsible, in the aggregate, for

any amount in excess of the purchase discount, commission or compensation applicable to such Security, or in the case of an Exchange Security, applicable to the Security which was exchangeable into such Exchange Security, as set forth on the cover page of the Final Memorandum, nor shall any underwriter be responsible for any amount in excess of the underwriting discount or commission applicable to the securities purchased by such underwriter under the Registration Statement which resulted in such Losses. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the indemnifying party and the indemnified party shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of such indemnifying party, on the one hand, and such indemnified party, on the other hand, in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Benefits received by the Trust and the Company shall be deemed to be equal to the total net proceeds from the Initial Placement (before deducting expenses) as set forth on the cover page of the Final Memorandum. Benefits received by the Purchasers shall be deemed to be equal to the total purchase discounts, commissions or compensation as set forth on the cover page of the Final Memorandum, and benefits received by any other Holders shall be deemed to be equal to the excess, if any, of the value to such Holder of receiving Securities

or Exchange Securities, as applicable, registered under the Act over the value to such Holder of holding Securities not registered under the Act. Benefits received by any underwriter shall be deemed to be equal to the total underwriting discounts and commissions, as set forth on the cover page of the Prospectus forming a part of the Registration Statement which resulted in such Losses. Relative fault shall be determined by reference to whether any alleged untrue statement or omission relates to information provided by the indemnifying party, on the one hand, or by the indemnified party, on the other hand. The parties agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 6, each person who controls a Holder within the

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meaning of either the Act or the Exchange Act and each director, officer, employee and agent of such Holder shall have the same rights to contribution as such Holder, and each person who controls the Company or the Trust within the meaning of either the Act or the Exchange Act, each officer of the Company and each trustee of the Trust who shall have signed the Registration Statement and each director of the Company and each trustee of the Trust shall have the same rights to contribution as the Company, subject in each case to the applicable terms and conditions of this paragraph (d).

(e) The provisions of this Section 6 will remain in full force and effect, regardless of any investigation made by or on behalf of any Holder, the Company or the Trust or any of the officers, directors, trustees or controlling persons referred to in Section 6 hereof, and will survive the sale by a Holder of securities covered by a Registration Statement.

7. Additional Interest and Additional Distributions Under Certain Circumstances. (a) Additional interest (the "Additional Interest") shall become payable in respect of the Junior Subordinated Debt Securities (including in respect of amounts accruing during any Extension Period (as defined in the Junior Subordinated Indenture)), and corresponding additional distributions (the "Additional Distributions") shall become payable on the Capital Securities as follows if any of the following events occur (each such event in clauses (i) through (iv) below, a "Registration Default"):

(i) if the Exchange Offer Registration Statement is not filed with the Commission on or prior to the 60th day following the Closing Date;

(ii) if the Exchange Offer Registration Statement is not declared effective on or prior to the 150th day following the Closing Date;

(iii) if the Registered Exchange Offer is not consummated or the Shelf Registration Statement is not declared effective on or prior to the 180th day (or, if the Company shall determine in good faith that a Tax Contingency exists on such 180th day, the 240th day (a "Tax Contingency Extension")) following the Closing Date; or

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(iv) if, after the 180th day (or in the case of a Tax Contingency Extension, the 240th day) following the Closing Date, and after the Shelf Registration Statement is declared effective, (A) such Shelf Registration Statement ceases to be effective prior to the end of the Shelf Registration Period (except as permitted in paragraph (b) of this Section 7); or (B) such Shelf Registration Statement or the related Prospectus ceases to be useable in connection with resales of Securities or Exchange Securities, as the case may be, covered by such Shelf Registration Statement prior to the end of the Shelf Registration Period (except as permitted in paragraph (b) of this Section 7) because either (1) any event occurs as a result of which the related Prospectus forming part of such Shelf Registration Statement would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading or (2) it shall be necessary to amend such Shelf Registration Statement, or supplement the related Prospectus, to comply with the Securities Act or the Exchange Act or the respective rules thereunder.

Additional Interest and Additional Distributions shall accrue on the Junior Subordinated Debt Securities and the Capital Securities, respectively, over and above the interest rate or distribution rate, as the case may be, set forth in the title to the Junior Subordinated Debt Securities and the Capital Securities following the occurrence of each Registration Default set forth in clauses (i), (ii), (iii) and (iv) above from and including the next day following each such Registration Default, in each case at a rate equal to 0.25% per annum; provided, however, that the aggregate amount of Additional Interest and Additional Distributions, respectively, payable pursuant this Section 7(a) will in no event exceed 0.75% per annum. The Additional Interest and the Additional Distributions attributable to each Registration Default shall cease to accrue from the date such Registration Default is cured.

(b) A Registration Default referred to in Section 7(a)(iv) shall be deemed not to have occurred and be continuing in relation to the Shelf Registration Statement or the related Prospectus if (i) such Registration Default has occurred solely as a result of (x) the filing of a post-effective amendment to such Shelf Registration Statement to incorporate annual audited financial information with respect to the Company where such post-effective amendment is not yet effective and needs to be declared effective to

permit Holders to use the related Prospectus or (y) the occurrence of other material events or developments with respect to the Trust or the Company that would need to be described in such Registration Statement or the related Prospectus and (ii) in the case of clause (y), the Trust and the Company are proceeding promptly and in good faith to amend or supplement such Registration Statement and related Prospectus to describe such events; provided, however, that in any case, if such Registration Default occurs for a continuous period in excess of 45 days, Additional Interest and Additional Distributions shall be payable in accordance with the above paragraph from the first day of such 45-day period until the date on which such Registration Default is cured.

(c) Any amounts of Additional Interest and Additional Distributions due pursuant to the foregoing paragraphs will be payable in cash on June 15 and December 15 each year to the holders of record on the preceding May 30 and November 30, respectively.

8. Miscellaneous.

(a) No Inconsistent Agreements. Each of the Trust and the Company has not, as of the date hereof, entered into, nor shall it, on or after the date hereof, enter into, any agreement with respect to the Securities that is inconsistent with the rights granted to the Holders herein or otherwise conflicts with the provisions hereof.

(b) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, qualified, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Trust and the Company have obtained the written consent of the Holders of at least a majority of the then outstanding aggregate liquidation amount or principal amount, as the case may be, of Securities (or, after the consummation of any Exchange Offer in accordance with Section 2 hereof, of Exchange Securities); provided, however, that, with respect to any matter that affects the rights of any Purchaser hereunder, the Trust and the Company shall obtain the written consent of the Purchasers. Notwithstanding the foregoing (except the foregoing proviso), a waiver or consent to departure from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders whose securities are being sold pursuant to a Registration

Statement and that does not directly or indirectly affect the rights of other Holders may be given by the Majority Holders, determined on the basis of securities being sold rather than registered under such Registration Statement.

(c) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail, telex, telecopier, or air courier guaranteeing overnight delivery:

(1) if to a Holder, at the most current address given by such holder to the Company in accordance with the provisions of this Section 8(c), which address initially is, with respect to each Holder, the address of such Holder maintained by the Registrar under the Indenture, with a copy in like manner to UBS Securities LLC;

(2) if to you, initially at the address set forth in the Purchase Agreement; and

(3) if to the Company or the Trust, initially at the address set forth in the Purchase Agreement.

All such notices and communications shall be deemed to have been duly given when received.

The Purchasers, the Trust or the Company by notice to the other may designate additional or different addresses for subsequent notices or communications.

(d) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including, without the need for an express assignment or any consent by the Company or the Trust thereto, subsequent Holders of Securities and/or Exchange Securities. The Trust and the Company hereby agree to extend the benefits of this Agreement to any Holder of Securities and/or Exchange Securities and any such Holder may specifically enforce the provisions of this Agreement as if an original party hereto.

(e) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(f) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed in said State.

(h) Severability. In the event that any one of more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or affected thereby, it being intended that all of the rights and privileges of the parties shall be enforceable to the fullest extent permitted by law.

(i) Securities Held by the Trust or the Company, etc. Whenever the consent or approval of Holders of a specified percentage of liquidation amount or principal amount, as the case may be, of Securities or Exchange Securities is required hereunder, Securities or Exchange Securities, as applicable, held by the Trust or the Company or their respective Affiliates (other than subsequent Holders of Securities or Exchange Securities if such subsequent Holders are deemed to be Affiliates solely by reason of their holdings of such Securities or Exchange Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

Please confirm that the foregoing correctly sets forth the agreement among the Trust, the Company and you.

Very truly yours,

BANCORP HAWAII CAPITAL
TRUST I,

by: _____

Name:
Title:

by:

Name:
Title:

BANCORP HAWAII, INC.,

by:

Name:
Title:

Accepted as of the date hereof

UBS SECURITIES LLC
CREDIT SUISSE FIRST BOSTON CORPORATION
SALOMON BROTHERS INC

by UBS SECURITIES LLC,

by:

Name:
Title:

Annex A

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Securities acquired by such broker-dealer as a result of market-making activities or other trading activities. The Trust and the Company have agreed that, ending on the close of business on the 180th day following the Expiration Date (as defined herein), it will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of

Distribution".

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ANNEX B

Annex B

Each broker-dealer that receives Exchange Securities for its own account in exchange for Securities, where such Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. See "Plan of Distribution".

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ANNEX C

Plan of Distribution

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Securities where such Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Trust and the Company have agreed that, starting on the Expiration Date and ending on the close of business on the 180th day following the Expiration Date, it will make this Prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until

, 199 , all dealers effecting transactions in the Exchange Securities may be required to deliver a prospectus.

The Trust and the Company will not receive any proceeds from any sale of Exchange Securities by broker-dealers. Exchange Securities received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or at negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer and/or the purchasers of any such Exchange Securities. Any broker-dealer that resells Exchange Securities that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such Exchange Securities may be deemed to be an "underwriter" within the meaning

of the Securities Act and any profit of any such resale of Exchange Securities and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

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2 For a period of 180 days after the Expiration Date, the Trust and the Company will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. The Trust and the Company have agreed to pay all expenses incident to the Exchange Offer (including the expenses of one counsel for the holders of the Securities) other than commissions or concessions of any brokers or dealers and will indemnify the holders of the Securities (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

[If applicable, add information required by Regulation S-K Items 507 and/or 508.]

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ANNEX D

Rider A

CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name: -----

Address: -----

Rider B

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Exchange Securities. If the undersigned is a broker-dealer that will receive Exchange Securities for its own account in exchange for Securities, it represents that the Securities to be exchanged for Exchange Securities were acquired by it as a result of market-making activities or other trading activities and acknowledges that it will deliver a prospectus in connection with any resale of such Exchange Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

FORM OF LETTER TO BE PROVIDED BY ISSUER TO
THE DEPOSITORY TRUST COMPANY

Bancorp Hawaii Capital Trust I
Bancorp Hawaii, Inc.
130 Merchant Street
Honolulu, HI 96813

The Depository Trust Company
7 Hanover Square, 23rd Floor
New York, NY 10004

Re: 8.25% Capital Securities (the "Securities")
of Bancorp Hawaii Capital Trust I, fully and
unconditionally guaranteed by Bancorp Hawaii,
Inc.

Ladies and Gentlemen:

Please be advised that the Securities and Exchange Commission has declared effective a Registration Statement on Form S-3 under the Securities Act of 1933 with regard to all of the Securities referenced above. Accordingly, there is no longer any restriction as to whom such Securities may be sold and any restrictions on the CUSIP designation are no longer appropriate and may be removed. We understand that upon receipt of this letter, DTC will remove any stop or restriction on its system with respect to this issue.

As always, please do not hesitate to call if we can be of further assistance.

BANCORP HAWAII CAPITAL
TRUST I,

by: _____
Authorized Officer

BANCORP HAWAII, INC.

by: _____
Authorized Officer

[LETTERHEAD OF CRAVATH, SWAINE & MOORE]

February 27, 1997

Bancorp Hawaii, Inc.
Bancorp Hawaii Capital Trust I
8.25% Capital Securities

Dear Sirs:

We have acted as special Federal tax counsel to Bancorp Hawaii, Inc., a Hawaii corporation and Bancorp Hawaii Capital Trust I, a Delaware trust (collectively, the "Registrants"), in connection with the filing by the Registrants with the Securities and Exchange Commission of a Registration statement on Form S-3 (the "Registration Statement") registering Debt Securities and Guarantees of Bancorp Hawaii, Inc. and Capital Securities of Bancorp Hawaii Capital Trust I (the "Securities").

We hereby confirm that the statements set forth in the prospectus (the "Prospectus") forming a part of the Registration Statement under the heading "Certain United States Federal Income Tax Consequences", accurately describe the material Federal income tax consequences to holders of the Capital Securities issued pursuant to the Prospectus.

We know that we are referred to under the heading "Certain United States Federal Income Tax Consequences" in the Prospectus forming a part of the Registration Statement, and we hereby consent to such use of our name therein and to the use of this opinion for filing with the Registration Statement as Exhibits 8 and 23.4 thereto.

Very truly yours,

/s/ Cravath, Swaine & Moore

Bancorp Hawaii, Inc.
Bancorp Hawaii Capital Trust I
130 Merchant Street
Honolulu, HI 96813

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-4) and related Prospectus of Bancorp Hawaii, Inc. for the registration of Junior Subordinated Debt Securities of Bancorp Hawaii, Inc. and Capital Securities of the Issuer Trust and to the incorporation by reference therein of our report dated January 22, 1997, with respect to the consolidated financial statements of Bancorp Hawaii, Inc. incorporated by reference in its Annual Report on Form 10-K for the year ended December 31, 1996, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Honolulu, Hawaii
February 27, 1997

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that BANCORP HAWAII, INC. (the "Company") and the undersigned, in the capacities indicated below, hereby constitute and appoint LAWRENCE M. JOHNSON, RICHARD J. DAHL, DAVID A. HOULE, DENIS K. ISONO, JOSEPH T. KIEFER, of Honolulu, Hawaii, and each of them (with full power to each of them to act alone), their true and lawful attorneys and agents to do any and all alone), their true and lawful attorneys and agents to do any and all acts and things and to execute any and all instruments that said attorneys and agents, or any of them, may deem necessary or advisable or may require to enable the Company to comply with the Securities Act of 1933, as amended, and any rules, regulations, or requirements of the Securities and Exchange Commission in respect thereof, in connection with the registration under the Securities Act of 1933 of \$100,000,000 aggregate liquidation amount of the 8.25% Capital Securities, Series A of Bancorp Hawaii Capital Trust I (the "Trust"), 8.25% Junior Subordinated Debt Securities of the Company, and the Company Guarantee with respect to Capital Securities and Common Securities that may be issued in connection with the exchange offer to be effected by the Company and the Trust, including specifically, but without limiting the generality of the foregoing, power and authority to sign the names of the Company and the undersigned in the capacities indicated below to any registration statement and any and all amendments and supplements to any registration statement and to any instruments or documents filed as a part of or in connection with said amendments or supplements to any registration statement, and the undersigned hereby ratify and confirm all that said attorneys and agents, or any of them, shall do or cause to be done by virtue thereof.

IN WITNESS WHEREOF, Bancorp Hawaii, Inc. and the undersigned have hereunto set their hands as of the 27th day of February, 1997. This Power of Attorney may be executed in any number of counterparts by one or more of the undersigned.

BANCORP HAWAII, INC.

By /s/ Lawrence M. Johnson

 Lawrence M. Johnson
 Its Chairman of the Board and
 Chief Executive Officer

By /s/ Richard J. Dahl

 Richard J. Dahl
 Its President

/s/ LAWRENCE M. JOHNSON

 LAWRENCE M. JOHNSON
 Chairman of the Board, Chief
 Executive Officer and Director

/s/ RICHARD J. DAHL

RICHARD J. DAHL
President and Director

/s/ DAVID A. HOULE

DAVID A. HOULE
Senior Vice President, Treasurer
and Chief Financial Officer

/s/ DENIS K. ISONO

DENIS K. ISONO
Vice President and Controller
(principal accounting officer)

/s/ PETER D. BALDWIN

PETER D. BALDWIN, Director

/s/ MARY G.F. BITTERMAN

MARY G.F. BITTERMAN, Director

/s/ DAVID A. HEENAN

DAVID A. HEENAN, Director

/s/ STUART T.K. HO

STUART T.K. HO, Director

/s/ HERBERT M. RICHARDS, JR.

HERBERT M. RICHARDS, JR., Director

/s/ H. HOWARD STEPHENSON

H. HOWARD STEPHENSON, Director

/s/ FRED E. TROTTER

FRED E. TROTTER, Director

/s/ STANLEY S. TAKAHASHI

STANLEY S. TAKAHASHI, Director

/s/ TIM YEE

TIM YEE, Director