

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Initial Filing)

National Gypsum Company
(Name of Issuer)

Common Stock, \$.01 par value
(Title of Class of Securities)

636317109
(CUSIP Number)

Paul J. Polking, NationsBank Corporation,
NationsBank Corporate Center, Charlotte, NC 28255 (704) 386-2400
(Name, Address and Telephone Number of Person Authorized to Receive
Notices and Communications)

November 15, 1994
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G
to report the acquisition which is the subject of this Schedule 13D,
and is filing this schedule because of Rule 13d-1(b) (3) or (4), check
the following box [] .

Check the following box if a fee is being paid with the statement [X].
(A fee is not required only if the reporting person: (1) has a previous
statement on file reporting beneficial ownership of more than five
percent of the class of securities described in Item 1; and (2) has
filed no amendment subsequent thereto reporting beneficial ownership of
five percent or less of such class.) (See Rule 13d-7.)

This document contains 71 pages.
The exhibit index begins on page 9.

<TABLE>
<CAPTION>

SCHEDULE 13D

CUSIP NO. 636317109

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<S> <C>

<C>

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

NATIONSBANK CORPORATION

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) [X]

3 SEC USE ONLY

(b) []

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

NC

</TABLE>

7 SOLE VOTING POWER

NUMBER OF SHARES BENEFICIALLY OWNED BY REPORTING EACH PERSON WITH	8	SHARED VOTING POWER
	0	
	9	SOLE DISPOSITIVE POWER
	6,646	
	10	SHARED DISPOSITIVE POWER
	0	

<TABLE>
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<S> <C>

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

8,799

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

[X]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

less than 0.1%

14 TYPE OF REPORTING PERSON

CO</TABLE>

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Item 1. Security and Issuer.

This Statement on Schedule 13D (this "Statement") relates to the Common Stock, \$.01 par value per share ("Common Stock"), of National Gypsum Company, a Delaware corporation (the "Issuer"). The principal executive offices of the Issuer are located at 2001 Rexford Road, Charlotte, North Carolina 28211.

Item 2. Identity and Background.

This Statement is filed by NationsBank Corporation, a North Carolina corporation (the "Reporting Person"). The Reporting Person is a registered bank holding company, and the address of its principal business and principal office is NationsBank Corporate Center, Charlotte, North Carolina 28255.

Certain information regarding the Reporting Person's directors and executive officers is set forth in Exhibit 1 hereto, which is incorporated by reference herein. All of the individuals listed in Exhibit 1 are citizens of the United States.

During the last five years, neither the Reporting Person nor any of the individuals listed in Exhibit 1 has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which any of them was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

All of the 8,799 shares of Common Stock reported as beneficially owned by the Reporting Person (which includes 103 shares purchaseable under warrants) are held in fiduciary capacities by banking affiliates of the Reporting Person. The Reporting Person expressly disclaims beneficial ownership of all such shares of Common Stock.

The information set forth in Item 4 hereof is incorporated by reference herein.

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Item 4. Purpose of Transaction.

On November 15, 1994, the Reporting Person and its banking affiliate, NationsBank of North Carolina, N.A., issued a commitment letter to Delcor, Inc., a Delaware corporation ("Delcor"), to provide equity and debt financing to partially fund Delcor's proposal to acquire all of the outstanding shares of Common Stock and warrants to purchase shares of Common Stock held by other security holders in a negotiated merger transaction at a price per share of \$43.50. A copy of such commitment letter (the "Financing Commitment") is filed as Exhibit 2 hereto.

The terms of Delcor's proposal are set forth in a letter from Delcor addressed to the Board of Directors of the Issuer, a copy of which is attached hereto as Exhibit 3 (the "Proposal"). The Proposal provides that such acquisition (the "Acquisition") would be effected by means of a merger of the Issuer with a corporation formed by Delcor for that purpose ("Newco") or with a wholly owned subsidiary of Newco. In addition, the Proposal provides that the Acquisition would be effected pursuant to a definitive merger agreement to be negotiated with the Issuer. The Proposal provides that the merger agreement will contain what Delcor regards as customary or expected conditions, such as the obtaining of necessary regulatory approvals and third-party consents, if any; absence of certain changes; and approval by the Issuer's board of directors and adoption by the Issuer's stockholders of the merger agreement pursuant to Sections 203(a) and 251 of the Delaware General Corporation Law. The Proposal also provides that the merger agreement will contain a condition that matters relating to the possible financial impact, if any, of the motions of the NGC Settlement Trust dated October 5, 1994 in In re National Gypsum Company pending in United States Bankruptcy Court for the Northern District of Texas (Dallas Division) be resolved to Delcor's satisfaction and that certain other environmental and bankruptcy matters be resolved to Delcor's satisfaction.

Under the Financing Commitment, the Reporting Person has committed to purchase \$100 million of non-voting preferred stock (with detachable warrants) of Newco. In addition, the Reporting Person has committed to purchase shares of non-voting common stock of Newco at a total price of approximately \$34.1 million. Under the Financing Commitment, NationsBank of North Carolina, N.A. has committed to provide to Newco up to \$187.5 million of a \$375 million senior term loan and revolving credit financing. The Financing Commitment is subject to certain conditions, including satisfaction of the Reporting Person as to the financial impact on the Issuer of certain asbestos, bankruptcy and environmental matters. The terms of the Financing Commitments are incorporated by reference herein. The Reporting Person intends to use working capital to provide funds under the Financing Commitment.

The Reporting Person may make additional purchases of Common Stock either in the open market or in private transactions.

On November 15, 1994, First Union Corporation and First Union National Bank of North Carolina also issued a commitment letter (the "First Union Commitment") to Delcor to provide an equal amount of equity and debt financing to fund the Proposal. A copy of the First Union Commitment is filed as Exhibit 4 hereto. Under the First Union Commitment, First Union Corporation has committed to purchase \$100

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million of non-voting preferred stock (with detachable warrants) of Newco. In addition, under the First Union Commitment, First Union Corporation has committed to contribute the 784,999 shares of Common Stock held by it to Newco in exchange (on a share-for-share basis) for non-voting common stock. Under the First Union Commitment, First Union National Bank of North Carolina has committed to provide to Newco up to \$187.5 million of a \$375 million senior term debt and revolving credit financing. The First Union Commitment indicates that it is subject to certain conditions, including satisfaction as to the financial impact on the Issuer of certain asbestos, bankruptcy and environmental matters. The information set forth in the First Union Commitment is incorporated by reference herein.

On November 15, 1994, Delcor accepted the Financing Commitment and the First Union Commitment.

Item 5. Interest in Securities of the Issuer.

(a) The Reporting Person may be deemed to beneficially own 8,799 shares of Common Stock, or less than 0.1 percent of the outstanding shares of Common Stock of the Issuer on the basis of 20,362,413 shares outstanding as reported in the Issuer's Quarterly Report on Form 10-Q for the period ended September 30, 1994. All of such shares are held in

fiduciary capacities by banking affiliates of the Reporting Person, and the Reporting Person expressly disclaims beneficial ownership of such shares. An additional 15,800 shares of Common Stock are held in fiduciary capacities by banking affiliates of the Reporting Person, and such banking affiliate does not have or share the power to vote or direct the disposition of such shares. The Reporting Person expressly disclaims beneficial ownership of such 15,800 shares. To the best of the Reporting Person's knowledge, none of the individuals listed in Exhibit 1 beneficially owns any shares of Common stock, except as follows: (i) Meredith R. Spangler, a director of the Reporting Person, is a director of Golden Eagle Industries, Inc. which has reported beneficial ownership, individually and through its wholly owned subsidiary, Delcor, of 5,960,193 shares of Common Stock, and Mrs. Spangler's spouse holds an option to acquire 5,000 shares of Common Stock, and (ii) the spouse of Charles W. Coker, a director of the Reporting Person, holds 1,000 shares of Common Stock. Mrs. Spangler and Mr Coker, respectively, disclaim beneficial ownership of such shares.

As a result of the Financing Commitment and the First Union Commitment, the Reporting Person, Delcor and First Union Corporation may be deemed members of a group (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) that beneficially owns all of the shares of Common Stock beneficially owned by each member of such group. The Reporting Person expressly disclaims beneficial ownership of any shares of Common Stock beneficially owned by Delcor (including those shares beneficially owned by Lafarge Coppee S.A. and its affiliates, as described in Exhibit 5 hereto) and First Union Corporation. Delcor may be deemed to beneficially own 5,960,193 shares of Common Stock (or 29.3 percent of the outstanding shares of Common Stock on the basis of 20,362,413 shares outstanding). First Union Corporation may be deemed to beneficially own 820,735 shares of Common Stock (or 4.0 percent of the outstanding shares of Common Stock on the basis of 20,362,413 shares

outstanding). The information contained herein with respect to the beneficial ownership of Common Stock by First Union Corporation and Delcor was obtained from public filings under the Securities Exchange Act of 1934, as amended, or was provided to the Reporting Person by the relevant party. The Reporting Person has not independently verified and assumes no responsibility for the accuracy or completeness of such information.

(b) The following table sets forth, with respect to each of the Reporting Person, Delcor and First Union Corporation the number of shares of Common Stock as to which such person has sole power to vote or to direct the vote, shared power to vote or to direct the vote, sole power to dispose or direct the disposition, or shared power to dispose or direct the disposition. (An additional 15,800 shares of Common Stock are held in fiduciary capacities by banking affiliates of the Reporting Person, and such banking affiliates do not have or share the power to vote or direct the disposition of such shares. The Reporting Person expressly disclaims beneficial ownership of such 15,800 shares.)

<TABLE>
<CAPTION>

Person	Sole Voting Power	Shared Voting Power	Sole Power to Dispose	Shared Power to Dispose
<S>	<C>	<C>	<C>	
Reporting Person	8,799	0	6,646	0
Delcor	0	5,960,193	0	3,872,235
First Union Corporation	820,735	0	813,735	5,500

</TABLE>

The information contained herein with respect to the beneficial ownership of Common Stock by First Union Corporation and Delcor and the information set forth in Exhibits 5 and 6 were obtained from public filings under the Securities Exchange Act of 1934, as amended, or were provided to the Reporting Person by the relevant party. The Reporting Person has not independently verified and assumes no responsibility for the accuracy or completeness of such information. The information set forth in Exhibits 5 and 6 hereto is incorporated herein by reference.

(c) None.

(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

The information set forth in Item 4 of this Amendment is incorporated herein by reference.

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Item 7. Material to be Filed as Exhibits.

Information regarding the directors and executive officers of the Reporting Person is filed as Exhibit 1 hereto. The Financing Commitment is filed as Exhibit 2 hereto. The Proposal is filed as Exhibit 3 hereto. The First Union Commitment is filed as Exhibit 4 hereto. Certain information regarding Delcor is filed as Exhibit 5 hereto. Certain information regarding First Union Corporation is filed as Exhibit 6 hereto.

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Signatures.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Amendment is true, complete and correct.

Dated: November 23, 1994

NATIONSBANK CORPORATION

By: /s/ Paul J. Polking

Paul J. Polking, Executive Vice
President and General Counsel

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EXHIBIT INDEX

EXHIBIT	TITLE	SEQUENTIALLY NUMBERED PAGE
1	Certain information regarding the directors and executive officers of NationsBank Corporation	
2	Commitment letter of NationsBank Corporation and NationsBank of North Carolina dated November 15, 1994 addressed to Delcor, Inc.	
3	Letter dated November 15, 1994 from Delcor, Inc. to the Board of Directors of National Gypsum Company setting forth the terms of a proposed merger between a company to be formed by Delcor, Inc. and National Gypsum Company	
4	Commitment letter of First Union Corporation and First Union National Bank of North Carolina dated November 15, 1994 addressed to Delcor, Inc.	
5	Certain information regarding Delcor, Inc.	
6	Certain information regarding First Union Corporation	

On page 1 of Exhibit 2 the NationsBank logo appears where indicated.

On page 1 of Exhibit 4 the First Union logo appears where indicated.

EXHIBIT 1

CERTAIN INFORMATION REGARDING NATIONSBANK CORPORATION

NationsBank Corporation is a registered bank holding company incorporated under the laws of the State of North Carolina. The address of its principal executive office is NationsBank Corporation Center, Charlotte, North Carolina 28255. The following table sets forth the name, residence or business address, present occupation or employment of each director and executive officer of NationsBank Corporation, along with the name, principal business and address of any corporation or other organization in which such employment is conducted:

<TABLE>
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NAME	BUSINESS (B) OR RESIDENCE (R) ADDRESS	OCCUPATION OR EMPLOYMENT NAME OF EMPLOYER, BUSINESS OF EMPLOYER, ADDRESS OF EMPLOYER
DIRECTORS		
<S>	<C>	<C>
Ronald W. Allen	(B) Hartsfield Atlanta Int. Airport, Atlanta, GA 30320	Chairman of the Board, President and Chief Executive Officer, Delta Air Lines, Inc., an air transportation company, Hartsfield Atlanta Int. Airport, Atlanta, GA 30320
William M. Barnhardt	(B) 6100 Fairview Road Suite 970 Charlotte, NC 28210	Chairman of the Board, Southern Webbing Mills, Inc., a textile manufacturing firm, 6100 Fairview Road, Suite 970, Charlotte, NC 28210
Thomas M. Belk	(B) 2801 West Tyvola Road Charlotte, NC 28217-4500	President, Belk Stores Services, Inc., a service company for Belk Department Stores, 2801 West Tyvola Road, Charlotte, NC 28217-4500
Thomas E. Capps	(B) Post Office Box 26532 Richmond, VA 23261	Chairman of the Board and Chief Executive Officer, Dominion Resources, Inc., an electric utility holding company, Post Office Box 26532, Richmond, VA 23261
R. Eugene Cartledge	(B) 6 Skidway Village Walk Suite 203B Savannah, GA 31411	Retired Chairman of the Board and Chief Executive Officer, Union Camp Corporation, a manufacturer of paper products, 6 Skidway Village Walk, Suite 203B, Savannah, GA 31411
Charles W. Coker	(B) Post Office Box 160 Hartsville, SC 29550	Chairman and Chief Executive Officer, Sonoco Products Company, a manufacturer of paper and plastic products, Post Office Box 160, Hartsville, SC 29550
Thomas G. Cousins	(B) 2500 Windy Ridge Parkway Suite 1600 Marietta, GA 30067	Chairman and President, Cousins Properties, Inc., a real estate development

company, 2500 Windy Ridge
Parkway, Suite 1600,
Marietta, GA 30067

Alan T. Dickson (B) Suite 2000
Two First Union Center
Charlotte, NC 28282
Chairman, Ruddick
Corporation, a diversified
holding company,
Suite 2000, Two First Union
Center,
Charlotte, NC 28282

W. Frank Dowd, Jr. (B) Post Office Box 35430
Charlotte, NC 28235
Chairman of the Executive
Committee, Charlotte Pipe &
Foundry Company, a
manufacturer of cast iron
and plastic pipe and
fittings, Post Office Box
35430,
Charlotte, NC 28235

A. L. Ellis (B) Post Office Box 1225
Tarpon Springs, FL 33589
Senior Chairman,
NationsBank of Florida,
N.A., a national bank,
Post Office Box 1225,
Tarpon Springs, FL 33589

Paul Fulton (B) Campus Box 3490
Carroll Hall
Chapel Hill, NC 27599-3490
Dean, Kenan-Flagler
Business School, University
of North Carolina,
Campus Box 3490, Carroll Hall,
Chapel Hill, NC 27599-3490

L. L. Gellerstedt, Jr. (B) Post Office Box 1375
Atlanta, GA 30301
Chairman, Executive
Committee, Beers
Construction Company, a
general contractor, Post
Office Box 1375,
Atlanta, GA 30301

</TABLE>

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<TABLE>
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NAME	BUSINESS (B) OR RESIDENCE (R) ADDRESS	OCCUPATION OR EMPLOYMENT NAME OF EMPLOYER, BUSINESS OF EMPLOYER, ADDRESS OF EMPLOYER
<S> Timothy L. Guzzle	<C> (B) Post Office Box 111 Tampa, FL 33601	<C> Chairman of the Board and Chief Executive Officer, TECO Energy, Inc., an electric utility holding company, Post Office Box 111, Tampa, FL 33601
E. Bronson Ingram	(B) Post Office Box 23049 Nashville, TN 37202	Chairman and Chief Executive Officer, Ingram Industries Inc., a diversified holding company, Post Office Box 23049, Nashville, TN 37202
W. W. Johnson	*	Chairman of the Executive Committee, NationsBank Corporation *
Hugh L. McColl, Jr.	*	Chairman of the Board and Chief Executive Officer, NationsBank Corporation *
Buck Mickel	(B) 301 North Main Street Greenville, SC 29601	Chairman of the Board and Chief Executive Officer, R.S.I. Holdings Inc., a

holding company of corporations involved in distribution and textiles, 301 North Main Street, Greenville, SC 29601

John J. Murphy	(B) Post Office Box 718 Dallas, TX 75221	Chairman of the Board and Chief Executive Officer, Dresser Industries, Inc., a supplier of engineered products and services utilized by energy-related activities, Post Office Box 718, Dallas, TX 75221
John C. Slane	(B) Post Office Box 2486 High Point, NC 27261	President, Slane Hosiery Mills, Inc., a manufacturer of textile products, Post Office Box 2486, High Point, NC 27261
John W. Snow	(B) Post Office Box 85629 Richmond, VA 23285	Chairman of the Board, President and Chief Executive Officer, CSX Corporation, a transportation company, Post Office Box 85629, Richmond, VA 23285

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</TABLE>
<TABLE>
<CAPTION>

NAME	BUSINESS (B) OR RESIDENCE (R) ADDRESS	OCCUPATION OR EMPLOYMENT NAME OF EMPLOYER, BUSINESS OF EMPLOYER, ADDRESS OF EMPLOYER
<S> Meredith R. Spangler	<C> (R) 400 E. Franklin Street Chapel Hill, NC 27514 Chapel Hill, NC 27514	<C> Trustee and board member 400 E. Franklin Street
Robert H. Spilman	(B) Post Office Box 626 Bassett, VA 24055	Chairman of the Board and Chief Executive Officer, Bassett Furniture Industries, Inc., a furniture manufacturer, Post Office Box 626, Bassett, VA 24055
William W. Sprague, Jr.	(B) Post Office Box 339 Savannah, GA 31402	Chairman and Chief Executive Officer, Savannah Foods & Industries, Inc., a food products business, Post Office Box 339, Savannah, GA 31402
Ronald Townsend	(B) 1100 Wilson Boulevard Arlington, VA 22234	President/Gannett Television, Gannett Company, Inc., a communications company, 1100 Wilson Boulevard, Arlington, VA 22234
Jackie M. Ward	(B) Building G Fourth Floor 5775 Peachtree- Dunwoody Rd. Atlanta, GA 30342	President and Chief Executive Officer, Computer Generation Incorporated, a computer software company, Building G, Fourth Floor, 5775 Peachtree-Dunwoody Rd., Atlanta, GA 30342

Michael Weintraub	(B) 200 Southeast First Street Miami, FL 33131	Private investor
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<TABLE>
<CAPTION>

NAME	BUSINESS (B) OR RESIDENCE (R) ADDRESS	OCCUPATION OR EMPLOYMENT NAME OF EMPLOYER, BUSINESS OF EMPLOYER, ADDRESS OF EMPLOYER
EXECUTIVE OFFICERS (NOT OTHERWISE LISTED ABOVE)		
<S> Fredric J. Figge, II	<C> *	<C> Chairman, Corporate Risk Policy, NationsBank Corporation *
James H. Hance, Jr.	*	Vice Chairman and Chief Financial Officer, NationsBank Corporation*
Kenneth D. Lewis	*	President, NationsBank Corporation*
Marc D. Oken	*	Executive Vice President and Principal Accounting Officer, NationsBank Corporation*
James W. Thompson	*	Vice Chairman, NationsBank Corporation*

</TABLE>

* NationsBank Corporation is a registered bank holding company, and the address of its principal executive office is NationsBank Corporate Center, Charlotte, North Carolina 28255 (which is the business address of such director or executive officer).

Each of the directors and executive officers of NationsBank Corporation is a U.S. citizen. Neither NationsBank Corporation nor any of its directors and executive officers has been, during the last five years, convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or a party to a civil proceeding of a judicial or administrative body of competent jurisdiction, as a result of which any of them was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

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[NationsBank logo appears here]

CONFIDENTIAL

November 15, 1994

Delcor, Inc.
1110 East Morehead Street
Charlotte, NC 28204

Attention: Mr. W. D. Cornwell, Jr.
President

Gentlemen:

NationsBank of North Carolina, N.A., and NationsBank Corporation or an affiliate thereof (collectively, "NationsBank") are pleased to confirm to Delcor, Inc. ("Delcor"), their commitment to provide to Newco or its successor pursuant to the Merger described herein (the "Company"), a company to be formed by Delcor, on the terms, for the purposes and subject to the conditions set forth below and in the summary of certain terms attached hereto (the "Term Sheets") the following: (i) senior debt facilities (the "Senior Debt Facilities") in an aggregate amount of up to \$187,500,000, (ii) a subscription to purchase Cumulative Redeemable Payment-In-Kind Preferred Stock (the "Preferred Stock") in an aggregate amount of \$100,000,000 and related detachable warrants (the "Warrants") and (iii) the purchase of 784,999 shares of Non-Voting Common Stock of the Company for a cash purchase price per share equal to the Merger Price (as defined below), (the "Common Equity") of a company which has been described to us under a code name "Canoe" in connection with the Company's acquisition of Canoe. As NationsBank understands the proposed transaction (the "Transaction"), Delcor will organize the Company, a single purpose, wholly owned subsidiary that will enter into a merger agreement (the "Merger Agreement") with Canoe, pursuant to which the Company will merge with Canoe (the "Merger"), with Canoe being the surviving corporation. In the Merger, each of the issued and outstanding shares of Canoe's common stock, par value \$.01 per share, excluding any treasury shares, Common Equity shares or other contributed shares, will be converted into the right to receive an aggregate amount in cash consideration per share not to exceed the amount discussed between NationsBank and the Company (the "Merger Price"). The Senior Debt Facilities, the Preferred Stock and the Common Equity (collectively, the "NationsBank Financing") are being provided to enable the Company to (i) complete the Merger, (ii) provide for the ongoing working capital and capital spending needs of the Company, and (iii) pay certain fees and expenses related to the Merger. If the Transaction is structured as a merger of a wholly owned subsidiary of the Company into Canoe, this commitment letter and the Term Sheets shall be modified to reflect the revised structure.

Delcor, Inc.
November 15, 1994
Page 2

NationsBank's commitment is to provide 50% of \$375,000,000 of Senior Debt Facilities that will be co-agented by NationsBank and First Union National Bank of North Carolina, or an affiliate thereof (collectively, "First Union"). First Union will also (i) purchase \$100,000,000 of Preferred Stock and Warrants and (ii) contribute 784,999 shares of common stock of Canoe in exchange for 784,999 shares of Non-Voting Common Stock of the Company.

Our commitment to provide the NationsBank Financing will be funded upon the effectiveness of the Merger and is subject to the

conditions set forth herein and in the attached Term Sheets, including the right to assign or transfer all or part of this commitment for the NationsBank Financing to any of our affiliated corporations or banks and to any third parties.

Our commitment to provide the NationsBank Financing will terminate (i) on July 31, 1995 if the Merger shall not have closed on or prior to such date, or (ii) at any time prior to the Merger and the funding of the NationsBank Financing if (a) there shall have been any material adverse change in the business, assets, financial condition or results of operations of Canoe and its subsidiaries, taken as a whole, or (b) there shall exist any condition, event or occurrence which, individually or in the aggregate, could reasonably be expected to have a material adverse effect on the business, assets, financial condition or results of operations of Canoe and its subsidiaries, taken as a whole, in either case, since September 30, 1994, except as disclosed in documents filed prior to the date hereof with the Securities and Exchange Commission.

The business and financial terms set forth in the attached Term Sheets have been established as a result of a review of Canoe's publicly available information (including public filings with the Securities and Exchange Commission). NationsBank believes that the closing conditions and other terms contained in the attached Term Sheets are customary for comparable financings.

You agree that this Commitment Letter is for your confidential use only and will not be disclosed by you to any person other than your accountants, attorneys and other advisors and the Company and Canoe and such of their respective officers, directors, agents, accountants, attorneys and other advisors as need to be provided therewith, and only then in connection with the Transaction and on a confidential basis, except that you may make public disclosure of the existence and amount of NationsBank's commitment and undertaking hereunder, you may file a copy of the Commitment Letter in any public record in which it is required by law to be filed, and you may make such other public disclosure of the terms and conditions hereof as you are required by law, in the reasonable opinion of your counsel, to make.

Delcor agrees to indemnify each of NationsBank and its affiliates and their respective directors, officers, employees, agents and controlling persons (each, an "Indemnified Party") from and against any and all losses, claims (whether valid or not), damages and liabilities, joint or several, to which such Indemnified Party may become subject related to or arising out of the Transaction and will reimburse each Indemnified Party for all expenses (including reasonable attorneys' fees and expenses) as they are incurred in connection with the investigation of, preparation for or

Delcor, Inc.
November 15, 1994
Page 3

defense of any pending or threatened claim or any action or proceeding arising therefrom. Notwithstanding the foregoing, the obligation to indemnify any Indemnified Party hereunder shall not apply in respect of any loss, claim, damage or liability to the extent that a court of competent jurisdiction shall have determined by final judgment that such loss, claim, damage or liability resulted from such Indemnified Party's willful malfeasance, gross negligence or bad faith. In the event that the foregoing indemnity is unavailable or insufficient to hold an Indemnified Party harmless, then Delcor will contribute to amounts paid or payable by such Indemnified Party in respect of such Indemnified Party's losses, claims, damages or liabilities in such proportions as appropriately reflect the relative benefits received by and fault of Delcor and such Indemnified Party in connection with the matters as to which such losses, claims, damages or liabilities relate and other equitable considerations.

If any action, proceeding, or investigation is commenced, as to which any Indemnified Party proposes to demand such indemnification, it shall notify Delcor with reasonable promptness; provided, however, that any failure by such Indemnified Party to notify Delcor shall not relieve Delcor from its obligations hereunder except to the extent Delcor is

prejudiced thereby. Delcor shall be entitled to assume the defense of any such action, proceeding, or investigation, including the employment of counsel and the payment of all fees and expenses. The Indemnified Party shall have the right to employ separate counsel in connection with any such action, proceeding, or investigation and to participate in the defense thereof, but the fees and expenses of such counsel shall be paid by the Indemnified Party, unless (a) Delcor has failed to assume the defense and employ counsel as provided herein, (b) Delcor has agreed in writing to pay such fees and expenses of separate counsel, or (c) an action, proceeding, or investigation has been commenced against the Indemnified Party and Delcor and representation of both Delcor and the Indemnified Party by the same counsel would be inappropriate because of actual or potential conflicts of interest between the parties (in the case of NationsBank, the existence of any such actual or potential conflict of interest to be determined by NationsBank, taking into account, among other things, any relevant regulatory concerns). In the case of any circumstance described in clauses (a), (b), or (c) of the immediately preceding sentence, Delcor shall be responsible for the reasonable fees and expenses of such separate counsel; provided, however, that Delcor shall not in any event be required to pay the fees and expenses of more than one separate counsel for all Indemnified Parties. Delcor shall be liable only for settlement of any claim against an Indemnified Party made with Delcor's written consent.

Delcor agrees to pay to us the fees for the Senior Debt Facilities outlined in the fee letter and supplemental fee letter, each dated the date hereof (the "Fee Letters"). Delcor also agrees to reimburse us for all of our out-of-pocket expenses (including the reasonable fees and disbursements of our counsel) in connection with the Merger and the NationsBank Financing, described herein.

The provisions of the three immediately preceding paragraphs shall survive any termination of this letter.

Delcor, Inc.
November 15, 1994
Page 4

Delcor acknowledges that NationsBank has advised Delcor that the services to be provided hereunder and the amount of fees and the obligation to reimburse expenses are in no way conditioned upon Delcor's obtaining from NationsBank or any affiliate of NationsBank any other service or any loan or other financial product.

If you are in agreement with the foregoing, please sign and return the enclosed copy of this letter and the Fee Letters to NationsBank no later than 5:00 p.m. Eastern Standard Time, on or before November 15, 1994. This commitment shall terminate at such time unless a signed copy of this letter and the Fee Letters have been delivered to us.

Very Truly Yours,

NATIONSBANK CORPORATION

By: /s/ Edward J. Brown, III
Edward J. Brown, III
President, Corporate Bank

NATIONSBANK OF NORTH CAROLINA, N.A.

By: /s/ Edward J. Brown, III
Edward J. Brown, III
President, Corporate Bank

Agreed to and accepted this
15th day of November, 1994

By: /s/ W. D. Cornwell, Jr.
W. D. Cornwell, Jr.
President

Confidential
November 15, 1994

PROJECT CANOE
Summary of Certain Terms

Senior Debt Facilities

<TABLE>
<CAPTION>

<p>Borrower:</p> <p>Facilities:</p> <p>"Revolver") and "Senior Debt</p> <p>Amount:</p> <p>based on the percentages of the inventory (as subject to</p> <p>Maturity Dates:</p> <p>Agents:</p> <p>First Union (collectively, the</p> <p>Administrative Agent:</p> <p>Lenders:</p> <p>financial Company (the</p> <p>Letter, to pay provide for the requirements.</p> <p>function of ("Leverage</p> <p>equal the depreciation and option of higher of Month CD Rate</p>	<p><S></p> <p><C></p> <p>Newco and, following the Merger, Canoe (the "Company").</p> <p>Will include a six year Revolving Credit Facility (the a six year Term Loan (the "Term Loan") (together, the Facilities").</p> <p>Revolver: Up to \$75,000,000 Term Loan: \$300,000,000</p> <p>The aggregate amount available under the Revolver will be lesser of \$75,000,000 or the aggregate of certain Company's eligible accounts receivable and eligible defined in the Company's existing senior credit agreement), reasonable reserves.</p> <p>The later of June 30, 2001 or six years from the Closing Date.</p> <p>NationsBank of North Carolina, N.A. ("NationsBank") and National Bank of North Carolina ("First Union") "Agents").</p> <p>NationsBank</p> <p>NationsBank and First Union, and a group of other institutions reasonably acceptable to the Agents and the "Lenders").</p> <p>To consummate the Merger described in the Commitment certain fees and expenses related to the Merger and to Company's ongoing working capital and capital spending</p> <p>The interest rates on the Senior Debt Facilities will be a the Company's Total Funded Debt to Operating Cash Flow Ratio") as determined quarterly on a</p> <p>rolling four quarters basis. Operating Cash Flow will Company's earnings before interest, taxes, amortization ("EBITDA"). The Company will have the borrowing at a spread over the Base Rate (defined as the the Administrative Agent's Prime Rate, the Three plus .50%, and the Federal Funds Rate plus .50%) or</p>
---	--

the Adjusted rates will be

</TABLE>

<TABLE>
<CAPTION>

Term Loan

Spread Over LIBOR	Revolver			
	Leverage Ratio	Spread Over Base	Spread Over LIBOR	Spread Over Base
<C>	<S>	<C>	<C>	<C>
3.00%	> 2.0x	1.25%	2.75%	1.50%
2.50%	1.50x - 1.99x	0.75%	2.25%	1.00%
2.00%	1.00x - 1.49x	0.25%	1.75%	0.50%
1.50%	0.50x - .99x	0.00%	1.25%	0.00%
1.00%	< .50x	0.00%	1.00%	0.00%

</TABLE>

<TABLE>
<CAPTION>

<S>

<C>

increase by two during the

protective funding losses,

if earlier, and LIBOR

availability.

must obtain interest rate the Agents, of the Term period of at Interest Rate the Company's Debt

Interest Payments:

Interest Periods:

Interest Rate Protection:

The interest rates on the Senior Debt Facilities will (2) percentage points per annum upon the occurrence and continuance of any payment default under the Loan Agreement. The Loan Agreement shall include the Agents' standard provisions for such matters as increased costs, illegality and withholding taxes.

At the end of each applicable Interest Period or quarterly, calculated on an actual 360 day basis for both Base Rate Loans.

LIBOR interest period: 30, 60, or 90 days, subject to

Within 90 days following the closing, the Company reasonably acceptable interest rate protection through swaps, caps or other instruments reasonably satisfactory to against increases in interest rates for a minimum of 50% Loan or such lesser amount as the Agents may agree, for a least three years. In the event the Company obtains Protection from any Lender, then such Lender may secure obligations there under on a pari-passu basis with the Senior Facilities.

the Revolver Facility Fees: 1/2 of 1% per annum, on the unutilized portion of commitment, payable quarterly in arrears.

post-Merger Security: A perfected first priority security interest in all of the Company's assets, including the pledge of the stock of all the Company's subsidiaries.

30, 1995 in Mandatory Payments: Revolver: Payable in full at maturity.
Term Loan: Payable quarterly beginning September the following amounts:

</TABLE>
<TABLE>
<CAPTION>

Annual Amortization	Fiscal year Ended Dec. 31	Quarterly Amortization	Number of Payments	
	<S> 1995	<C> \$10,000,000	<C> 2	<C>
\$20,000,000	1996	10,000,000	4	
40,000,000	1997	10,000,000	4	
40,000,000	1998	12,500,000	4	
50,000,000	1999	15,000,000	4	
60,000,000	2000	15,000,000	4	
60,000,000	2001	15,000,000	2	
30,000,000				
\$300,000,000				

</TABLE>
<TABLE>
<CAPTION>

<S>
quarterly
30, 2001.

be required
an amount
net income
cash charges,
expenditures,
period, beginning

net cash
the Company's
the Company
any change
owning less

<C>
The principal amount of the Term Loan shall be repaid in installments beginning on September 30, 1995 and ending June

In addition to the required amortization, the Company will to make repayments on the Term Loan on an annual basis in equal to 75% of the Company's Excess Cash Flow (defined as plus depreciation, amortization and all other non-adjusted for changes in working capital, minus capital principal payments and permitted dividends) for such with the period ending December 31, 1995.

The Company will be required to make prepayments with the proceeds in excess of \$5,000,000 from the sale of any of assets outside the normal course of business. In addition, will be required to prepay the Senior Debt Facilities upon of control which results in Delcor, Inc. or its affiliates than 51% of the voting

required to make additional maturity.

Voluntary Prepayments: Revolver at any time, at its option, permanently (in principal integral multiple

notice to the Agents, of at least \$1,000,000 or, if greater, in whole, the date of those required to be applied in the manner

subject to the terms of the financings limited to

Debt Facilities of the Company and its Agents' and

a definitive agreement on terms of their discretion and the consummation of the Senior Debt

satisfaction and in connection with the financial impact on the Settlement Trust, and respect to the claims, will not affect the prospective business, operations of Canoe

Common Stock of the Company. The Company will also be required to make prepayments in an amount equal to the net proceeds of any issuance of equity.

Mandatory Prepayments shall be applied in inverse order of

The Company may reduce the amount outstanding under the Term Loan at any time and thereafter reborrow. In addition, the Company may, at its option, upon five business days' notice to the Agents, reduce the unutilized portion of the Revolver in part amounts of at least \$1,000,000 or, if greater, an integral multiple thereof) or in whole.

The Company may, at its option, upon five business days' notice to the Agents, prepay the Term Loan in part (in principal amounts of at least \$1,000,000 or, if greater, an integral multiple thereof) or without premium or penalty, with interest accrued through the date of prepayment. Any voluntary prepayments above and beyond those required under the Excess Cash Flow provision shall be applied in inverse order of maturity. All other prepayments shall be applied in inverse order of maturity.

The funding of the Senior Debt Facilities will be subject to the satisfaction of customary conditions precedent for similar financings and for this transaction in particular, including but not limited to each of the following:

- (i) All documentation relating to the Senior Debt Facilities shall have been completed and reviewed to the satisfaction of their counsels' (including with respect to bankruptcy, environmental and asbestos matters);
- (ii) The Company and Canoe shall have entered into a merger agreement (the "Merger Agreement"), acceptable to the Agents in their sole discretion. The Merger contemplated thereby shall be consummated simultaneously with the funding of the Senior Debt Facilities;

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- (iii) The Agents shall have determined to their satisfaction that the possible financial impact on the administration of the NGC Canoe of the actual or potential liabilities with respect to property damage and bodily injury asbestos claims, will not have a material adverse effect on the operations, financial condition or results of the Company and its subsidiaries, taken as a whole;

survey (or
Company (or an
the Agents)
and liability
regulations,
satisfaction
possible financial
not have a
business, assets,
Canoe and its

\$187,500,000
the same terms

\$300,000,000 in
Redeemable
terms and

cash proceeds
Delcor, Inc. on
Agents;

proceeds from the
NationsBank in an

the Agents;

3,872,235 shares
784,999 shares of
"contributed" equity

third party
effect the
obtained and

occurred in the
results of
as a whole,
occurrence

- (iv) The Agents shall have received an environmental audit if so requested) prepared by the environmental assessment firm acceptable to addressing the Company's compliance with, under, all related environmental laws, rules and and the Agents shall have determined to their and in their sole discretion that the impact on Canoe of environmental matters will material adverse effect on the prospective financial condition or results of operations of subsidiaries, taken as a whole;
- (v) The Company shall have received commitments for of Senior Debt Facilities from First Union on and conditions as outlined herein;
- (vi) The Company shall have received a minimum of cash proceeds from the issuance of Cumulative Payment-In-Kind Preferred Stock and Warrants on conditions reasonably acceptable to the Agents;
- (vii) The Company shall have received \$50,000,000 in from the issuance of voting Common Stock to terms and conditions reasonably acceptable to the
- (viii) The Company shall have received cash issuance of Non-Voting Common Stock to amount equal to the Merger Price

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November 15, 1994

multiplied by 784,999 shares
on terms and conditions reasonably acceptable to

- (ix) The Company shall have received a minimum of of Canoe Common Stock from Delcor, Inc. and Canoe Common Stock from First Union as to Newco;
- (x) All governmental, regulatory, shareholder and consents and approvals, if any, necessary to Merger and related financing shall have been remain in effect;
- (xi) No material adverse change shall have business, assets, financial condition or operations of Canoe and its subsidiaries, taken and there shall exist no condition, event or which, individually or in the aggregate, could

reasonably be
the business,
operations of Canoe
September 30,
prior to the
Commission;

indebtedness shall be

litigation,
Merger or the

in March 1993

Chapter 11
effect; Canoe

continuing

proceedings shall be

challenges such

expected to have a material adverse effect on
assets, financial condition or results of
and its subsidiaries, taken as a whole, since
1994, except as disclosed in documents filed
date hereof with the Securities and Exchange

(xii) All of the Company's existing senior
repaid in full at closing;

(xiii) There shall not be any material pending
injunction, order or claim with respect to the
NationsBank Financing;

(xiv) The final order of the bankruptcy court entered
in connection with Canoe's emergence from its
reorganization shall remain in full force and
shall be in compliance with each of its
obligations specified therein; and no
pending or threatened that in any manner
final bankruptcy court order;

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appraisals in
fixed assets
acceptable to the

documents,
connection with the
in form and
shall reasonably

(xv) If requested, the Agents shall have received
satisfactory form on certain of the Company's
prepared by an independent valuation firm
Agents; and

(xvi) The Agents shall have received such other
opinions, certificates and agreements in
Merger and the Senior Debt Facilities, all
substance satisfactory to the Agents as they
request.

Representations
and Warranties:
warranties
financings
appropriate in the
bankruptcy,

Covenants:
found in the
additional
Merger. Such

The Loan Agreement will include representations and
customarily found in the Agents' loan agreements for similar
and any additional representations and warranties
context of the proposed Merger (including with respect to
environmental and asbestos matters).

The Loan Agreement will include covenants customarily
Agents' loan agreements for similar financings and any
covenants appropriate in the context of the proposed
covenants shall in any event include:

(1) Limitations on Liens;

(2) Limitations on Cash Dividends, Distributions

and Stock

Affiliates;

Acquisitions;

covenants (such as tests, leverage acceptable to the

continuing, the

Permitted Dividends:

continuing, the

Repurchases;

(3) Limitations on Additional Indebtedness;

(4) Limitations on Transactions with Shareholders and

(5) Limitations on Capital Expenditures and Cash and

(6) Certain other covenants, including financial as fixed charge and interest coverage ratio tests, and minimum current ratio tests)

Agents.

So long as no Event of Default has occurred and is Company will be permitted to pay cash dividends on the

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November 15, 1994

75% of the the dividend time as (i) \$200,000,000 Operating Cash Permitted days after statements dividends shall the Company conditions

Preferred Stock and Common Stock in amounts of up to Company's net income calculated prior to giving effect to for such period (the "Permitted Dividends") after such the Senior Debt Facilities have been paid down below and (ii) the Company's ratio of Total Funded Debt to Flow on a trailing four quarters basis is less than 1.0x. Dividends may be paid on a quarterly basis no sooner than 15 receipt by the Lenders of the Company's quarterly financial confirming compliance with the above conditions. Cash not be permitted if after giving effect to such payment, would be in default of the Senior Debt Facilities or the outlined above.

for similar appropriate in the

Events of Default:

Those customarily found in the Agents' loan agreements financings and any additional events of default context of the proposed Merger.

between the assist the The initial both Agents such time as terminate the

Syndication:

Following the signing of a definitive Merger Agreement Company and Canoe, the Company shall use its best efforts to Agents in syndicating the Senior Debt Facilities. syndication shall be a coordinated process under which shall reduce their commitments on a pro-rata basis until they reach their desired hold level or mutually agree to joint syndication process.

Lender may Facilities in approval of the withheld. In part of its

Assignments and Participation:

After completion of the initial syndication process, any participate or assign its interest in the Senior Debt minimum amounts of at least \$5,000,000 subject to the Company and the Agents, which shall not be unreasonably addition, at any time, any Lender may transfer all or

commitment under the Senior Debt Facilities to an affiliate.

Miscellaneous:

Agreements to be their counsel. reasonable limited to, the counsel

- (1) North Carolina state law to govern;
- (2) All terms and conditions contained in the reasonably satisfactory to the Agents and to The Company shall reimburse the Agents for all out-of pocket expenses including, but not reasonable fees and disbursements of their

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November 15, 1994

execution of the expenses of any Agents in issues, in transactions herein Senior Debt

in connection with the preparation and Agreements and the reasonable fees and third party consultants retained to assist the analyzing any environmental or asbestos related each case whether or not the contemplated shall be consummated or the Facilities shall be executed or closed;

Agreements, waiver modifications of enforcements, accordance with requirements that approve certain to customary

- (3) Usual provisions regarding survival of and delay, extensions of maturity, agreements, severability, counterparts and headings, definition of accounting terms in GAAP, waiver of jury trial; and
- (4) The Loan Agreement shall contain voting shall allow 66 2/3% in principal amount to waivers, modifications and amendments subject unanimity requirements.

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Cumulative Pay-In-Kind (PIK) Preferred Stock

</TABLE>
<TABLE>
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<p><S> Issuer:</p>	<p><C> Newco and, following the Merger, Canoe (the "Company").</p>
<p>Facility:</p>	<p>Cumulative Redeemable Pay-In-Kind (PIK) Preferred Stock (the "Preferred Stock").</p>
<p>Amount:</p>	<p>\$100,000,000 (the "Purchase Price").</p>
<p>Shares Issued:</p>	<p>100,000.</p>

Price Per Share: \$1,000 (the "Purchase Price Per Share").

Purchaser: NationsBank Corporation or an affiliate thereof ("NationsBank").

Use of Proceeds: To facilitate the consummation of the Merger as described in the Commitment Letter.

Redemption Date: 8 years from closing.

Dividend Rate: 10.0%

Dividend Payments: Semi-annual; to be paid in cash or in-kind for the first three years at the option of the Company; thereafter, dividends will be payable in cash, subject to the terms of the Senior Debt Facilities.

Call Protection: None.

Warrants: The Preferred Stock will carry detachable warrants exercisable into Non-Voting Common Stock of the Company, which represents 5.1337% of all Common Stock on a fully-diluted basis.

Conditions Precedent: The purchase of the Preferred Stock will be subject to the execution of a satisfactory Preferred Stock and Warrant Purchase Agreement, and any necessary related documents; as well as the satisfaction of conditions precedent as outlined in the Senior Debt Facilities, which are hereby incorporated by reference, and any other conditions deemed appropriate by the Purchaser for similar financings and for this transaction in particular.

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Protective Provisions: The Company shall not, without first obtaining consent or approval of the holders of at least two-thirds of the Preferred Stock, do any of the following:

- (i) Create any senior stock having preference or priority over the Preferred Stock as to dividends or upon redemption, liquidation, winding up or dissolution;
- (ii) Adversely amend or alter any preferences, rights or powers of the Preferred Stock;
- (iii) Pay other than Permitted Dividends, provided, however, that once all dividends have been paid on the Preferred Stock in cash and the Company has redeemed all prior in-kind dividends, the Company may pay cash dividends on the Common Stock in an annual amount not to exceed (i) 2.5% multiplied by (ii) an amount equal to (x) the Merger Price Per Share multiplied by (y) the total Shares of voting and Non-Voting Common Stock outstanding and
- (iv) Except as contemplated by the Merger Agreement, redeem or repurchase any junior stock, warrants or other parity

stock.

Certain Events: The following shall constitute an Event:

- (i) Failure to declare and pay semi-annual dividends on the Preferred Stock in full;
- (ii) Failure to redeem or pay the Redemption Price in full when required;
- (iii) Certain events of bankruptcy, receivership or similar proceedings; and
- (iv) Failure to observe any Protective Provisions.

Rights Upon an Event:

Upon and during the continuance of an Event, the Purchaser may elect one representative to the Board of Directors of the Company.

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Change in Control/
Sale of Assets:

In the event there occurs a Change of Control (an event which results in Delcor, Inc. or its affiliates owning less than 51% of the voting Common Stock of the Company) or sale of substantially all of the Company's assets, any holder of Preferred Stock may require the Company to redeem all of the shares of Preferred Stock held by such holder at a price equal to the Purchase Price per share plus all Accrued Dividends thereon to the date of redemption.

Transfer Rights:

Beginning eighteen months after the consummation of the Merger, any holder of the Preferred Stock may sell or transfer in whole or in part, any shares of Preferred Stock held by such holder subject to (i) the Company's consent, which shall not be unreasonably withheld and (ii) the Company's first right of refusal.

Attendance Rights:

Following the Merger, the Company will permit a representative of the Purchaser to attend all meetings of the Company's Board of Directors or committees.

Reimbursement
of Expenses:

The Purchaser shall be reimbursed for reasonable out-of-pocket expenses (including fees and disbursements for counsel) incurred in connection with the issuance of the Preferred Stock and the Warrants.

Information
Requirements:

The Company will provide the Purchaser with: (i) annual financial statements audited by a nationally recognized "Big Six" independent accounting firm, (ii) monthly internal financial statements, (iii) an annual budget for the next fiscal year prior to the end of the previous fiscal year, and (iv) any other information as reasonably requested by such Purchaser.

Representations
and
Warranties:

Those customarily found in purchase agreements for similar financings and

any additional representations and warranties appropriate in the context of the proposed financing.

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Confidential
November 15, 1994

Warrants

Issuer: Newco and, following the Merger, Canoe (the "Company").

Facility: Warrants.

Purchaser: NationsBank Corporation or an affiliate thereof ("NationsBank").

Amount: In conjunction with the Cumulative Redeemable Payment-In-Kind (PIK) Preferred Stock (the "Preferred Stock"), detachable Warrants will be issued sufficient to provide the Purchaser with 5.1337% of the Common Stock of the Company on a fully-diluted basis (subject only to dilution by management options in an amount to be mutually agreed upon).

Exercise Price: Nominal.

Exercise Period: At any time.

Maturity: Ten years from the date of issuance.

Put Provisions: Subject to the terms of the Senior Debt Facilities and the Preferred Stock, the Purchaser shall have the right to sell all or part of the Warrants to the Company at a cash price (the "Put Price") as described below at any time after the earliest to occur of the following:

- (i) Six years after the closing date;
- (ii) An event which results in Delcor, Inc. or its affiliates owning less than 51% of the voting Common Stock of the Company;
- (iii) Any merger in which the Company is not the surviving corporation, or sale or other transfer of substantially all of the Company's assets;
- (iv) Acceleration of any outstanding credit facility of the Company; and
- (v) A qualified public equity offering by the Company;

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November 15, 1994

provided, however, that if not exercised upon the occurrence of the event described in Section (v), the put right of the Purchaser shall terminate.

The Put Price shall be the fair market value as mutually agreed upon by the Company and the Purchaser. For the purposes of this paragraph, fair market value will not include any discount for minority interest or lack of liquidity. If the parties are not able to agree on a fair market value, they will agree to engage a mutually acceptable investment banker to determine the fair market value of the Warrants.

Transfer Rights: Beginning eighteen months after consummation of the Merger, any holder of the Warrants may sell or transfer in whole or in part, any Warrant shares held by such holder subject to (i) the Company's consent, which shall not be unreasonably withheld and (ii) the Company's first right of refusal. If necessary to facilitate the sale of the Warrants, the Company will amend its charter provisions to make the Warrants exercisable into voting Common Stock of the Company. Any change in the Warrant shares from non-voting to voting will be subject to Federal Reserve guidelines.

Call Provisions: Subject to the terms of the Senior Debt Facilities and the Preferred Stock and beginning seven years after the closing date, the Company shall have the right to purchase for cash all or part of the Warrants, on a pro-rata basis with all other Warrant holders, at a price equal to 100% of the Put Price determined at that time.

Other Rights: In addition to the above rights, the Warrants will provide for:

- (i) Customary anti-dilution provisions;
- (ii) Piggyback rights for the Warrant shares on any public or private sale of the Company's equity securities;
- (iii) Two demand registration rights for the Warrant shares (taken together with Purchaser's demand registration rights for Non-Voting Common Stock) beginning January 1, 1999 or at any earlier time that the Put Provision is exercisable; and
- (iv) 30 days' prior notice of the record date of any cash dividend on the Common Stock.

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November 15, 1994

Non-Voting Common Stock

Issuer: Newco and, following the Merger, Canoe (the "Company").

Facility: Non-Voting Common Stock (the "Non-Voting Common Stock").

Purchase Price: \$34,147,456.50, assuming the Merger Price Per Share shown below.

Shares Issued: 784,999

Merger Price Per Share: \$43.50 (the "Merger Price Per Share").

Purchaser: NationsBank Corporation or an affiliate thereof ("NationsBank").

Use of Proceeds: To facilitate the consummation of the

Merger as described in the Commitment Letter.

Dividend Rights: To the extent cash dividends on Common Stock are permitted by the Senior Debt Facilities and the Preferred Stock, each holder of voting Common Stock and Non-Voting Common Stock shall share ratably in any such dividends.

Put Provisions: Subject to the terms of the Senior Debt Facilities and the Preferred Stock, the Purchaser shall have the right to sell all or part of the Non-Voting Common Stock to the Company at a cash price (the "Put Price") as described below at any time after the earliest to occur of the following:

- (i) Six years after the closing date;
- (ii) An event which results in Delcor, Inc. or its affiliates ("Delcor") owning less than 51% of the voting Common Stock of the Company;
- (iii) Any merger in which the Company is not the surviving corporation, or any sale or other transfer of substantially all of the Company's assets;
- (iv) Acceleration of any outstanding credit facility of the Company; and

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November 15, 1994

- (v) A qualified public equity offering by the Company;

provided, however, that if not exercised upon the occurrence of the event described in Section (v), the put right of the Purchaser shall terminate.

The Put Price shall be the fair market value as mutually agreed upon by the Company and the Purchaser. For the purposes of this paragraph, fair market value will not include any discount for minority interest, lack of liquidity or lack of voting rights. If the parties are not able to agree on a fair market value, they will agree to engage a mutually acceptable investment banker to determine the fair market value of the Non-Voting Common Stock.

Transfer Rights: Beginning eighteen months after consummation of the Merger, any holder of the Non-Voting Common Stock may sell or transfer, in whole or in part, any Non-Voting Common Stock held by such holder subject to (i) the Company's consent, which shall not be unreasonably withheld and (ii) the Company's first right of refusal. If necessary to facilitate the sale of the Non-Voting Common Stock, the Company will amend its charter provisions to make the Non-Voting Common Stock exchangeable into voting Common Stock of the Company. Any such right to have the Company's charter amended shall be subject to Federal Reserve guidelines.

Call Provisions: Subject to the terms of the Senior Debt Facilities and the Preferred Stock and beginning seven years after the closing date, the Company shall have the right to purchase for cash all or part of the

Non-Voting Common Stock, on a pro-rata basis with all other Non-Voting Common Stock holders, at a price equal to 100% of the Put Price determined at that time.

Conditions Precedent: The purchase of the Non-Voting Common Stock will be subject to the execution of a satisfactory Non-Voting Common Stock Purchase Agreement, and any necessary related documents; as well as the satisfaction of conditions precedent as outlined in the Senior Debt Facilities, which are hereby incorporated by reference, and any other conditions deemed appropriate by the Purchaser for similar financings and for this transaction in particular.

Attendance Rights: Following the Merger, and provided that the Preferred Stock has been redeemed in full, the Company will permit a representative

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November 15, 1994

of the Purchaser to attend all meetings of the Company's Board of Directors or committees.

Other Rights: In addition to the above rights, the Non-Voting Common Stock will provide for:

- (i) Customary anti-dilution provisions;
- (ii) Piggyback rights on any public or private sale of the Company's equity securities; and
- (iii) Two demand registration rights (taken together with Purchaser's demand registration rights for Warrant shares) beginning January 1, 1999 or at any earlier time that the Put Provision is exercisable.

Reimbursement of Expenses: The Purchaser shall be reimbursed for reasonable out-of-pocket expenses (including fees and disbursements for counsel) incurred in connection with the issuance of the Non-Voting Common Stock.

Information Requirements: The Company will provide the Purchaser with:
(i) annual financial statements audited by a nationally recognized "Big Six" independent accounting firm, (ii) monthly internal financial statements, (iii) an annual budget for the next fiscal year prior to the end of the previous fiscal year, and (iv) any other information as reasonably requested by such Purchaser.

Representations and Warranties: Those customarily found in purchase agreements for similar financings and any additional representations and warranties appropriate in the context of the proposed financing.

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DELCOR, INC.
Wilmington, Delaware

November 15, 1994

Board of Directors
National Gypsum Company
2001 Rexford Road
Charlotte, North Carolina 28211

Dear Directors:

We are writing to propose an acquisition transaction that we believe will provide excellent value for your stockholders. Delcor, Inc. ("Delcor") is a subsidiary of Golden Eagle Industries, Inc. ("Golden Eagle"), and, as you know, C.D. Spangler, Jr. serves as Chairman of Golden Eagle. Delcor holds 3,872,235 shares (approximately 19.0 percent) of the outstanding common stock of National Gypsum Company (the "Company"), which it acquired in three block purchases beginning in October 1993. Delcor acquired those shares because we believed, and we continue to believe, that the Company represents an attractive long-term investment opportunity that meets our objectives of investing in and supporting North Carolina-based businesses.

The Company's earnings have continued to increase throughout this year, confirming our strong belief in and support for the Company and its management team. In spite of this earnings performance, however, the price of the Company's stock has declined significantly during the past eight months. We have become convinced that it is in the best interests of the Company for its ownership to be in the hands of a supportive, long-term investor group and for its stockholders, many of whom we believe have shorter range horizons, to be provided an opportunity to receive premium value for their shares. Accordingly, we propose to acquire all outstanding shares of common stock and common stock equivalents held by other securityholders of the Company in a negotiated cash merger at a price per share of \$43.50.

The proposed price represents an approximate 32.8 percent premium over the Company's closing stock price of \$32.75 on Tuesday, November 15. The proposed price also represents a 166.6 percent premium over the book value per share of the common stock based on the financial statements included in the Company's most recent quarterly report.

The acquisition would be effected by means of a merger of the Company with a corporation formed by us for that purpose ("Newco") or with a wholly owned subsidiary of Newco. In either case the Company would be the surviving corporation.

Board of Directors
National Gypsum Company
November 15, 1994
Page 2

We are confident that our proposal is not only in the best interests of the Company's stockholders, but also in the best long-term interests of the Company, its management and employees. Our proposal does not depend on sales of any Company assets, plant closings, employee layoffs or any termination of or change in retirement benefits. Moreover, we hope the Company's management team will continue with us, and we are prepared to discuss incentive compensation plans with them at the appropriate time.

We think it is important for you to know that our proposal has been intentionally structured with a substantial equity base to support the continued stability and growth of the Company. Pursuant to the proposal, we will be contributing our 3,872,235 National Gypsum shares (with a merger value of \$168.4 million) to Newco and investing an additional \$150 million. In addition, we have received commitment letters from two major North Carolina-based financial institutions, First Union Corporation and

NationsBank Corporation, for each to subscribe for an additional \$134.1 million of non-voting preferred and common stock of Newco. Together, our proposal envisions a total economic equity base of more than \$585 million and an equity-to-capitalization ratio of approximately 65 percent. Under those commitment letters, bank affiliates of First Union Corporation and NationsBank Corporation also have committed to provide a total of up to \$375 million in senior term debt and revolving credit financing to support our proposal. The commitment letters are subject to certain conditions, including satisfaction as to the financial impact on the Company of certain asbestos, bankruptcy and environmental matters.

Details of our proposal will be contained in a definitive merger agreement, and we will deliver a draft of that agreement to you promptly. The proposed merger agreement will contain what we regard as customary or expected conditions, such as the obtaining of necessary regulatory approvals and third-party consents, if any; absence of certain changes; and approval by the Board of Directors and adoption by the Company's stockholders of the merger agreement pursuant to Sections 203(a) and 251 of the Delaware General Corporation Law. In addition, in the light of recent developments regarding the NGC Settlement Trust (the "Settlement Trust"), the merger agreement will contain a condition that matters relating to the possible financial impact, if any, of the Settlement Trust's recent motions in the bankruptcy court be resolved to our satisfaction. The merger agreement will also contain a condition that certain other environmental and bankruptcy matters be resolved to our satisfaction.

As a matter of corporate governance, we recognize that you must consider what alternatives, if any, may be available for the

Board of Directors
National Gypsum Company
November 15, 1994
Page 3

Company and its stockholders and understand that you may seek to solicit other acquisition proposals or to discuss with other potential bidders a possible acquisition of the Company. We support this process as a way to ensure the best value for the Company's stockholders; however, we believe our proposal will prove to be the most advantageous to the Company, its stockholders, management, employees, and others interested in its success. For these reasons, we believe it would be mutually desirable for all interested parties if you would afford us the opportunity to review all information available to management and negotiate with you a definitive merger agreement that embodies the terms of our proposal. We are prepared to enter into a definitive merger agreement promptly.

As you know, Golden Eagle is a party to a Memorandum of Understanding dated October 6, 1993, with Lafarge Coppee S.A. ("Lafarge") pursuant to which Golden Eagle and Lafarge have agreed to cooperate with each other in satisfying any desire by either party to acquire more shares of the Company and, for that purpose, to advise each other (to the extent reasonably permitted by the then existing circumstances) with respect to any plan to acquire any more shares of the Company's common stock. Accordingly, Lafarge is being offered the opportunity to participate with us in the acquisition.

As required by law, we will file tomorrow with the Securities and Exchange Commission an amendment to our current Schedule 13D to report our proposal made in this letter. A copy of this letter will be attached as an exhibit to that amendment.

We look forward to meeting with you or your representatives to discuss this proposal at the earliest practicable time.

Very truly yours,

DELCOR, INC.

/s/ W.D. Cornwell, Jr.

W.D. Cornwell, Jr.
President

FIRST UNION CORPORATION
Charlotte, North Carolina 28288
704 374-6565

(First Union Logo appears here)

Exhibit 4

CONFIDENTIAL

November 15, 1994

Delcor, Inc.
1110 East Morehead Street
Charlotte, NC 28204

Attention: Mr. W. D. Cornwell, Jr.
President

Gentlemen:

First Union National Bank of North Carolina and First Union Corporation or an affiliate thereof (collectively, "First Union") are pleased to confirm to Delcor, Inc. ("Delcor"), their commitment to provide to Newco or its successor pursuant to the Merger described herein (the "Company"), a company to be formed by Delcor, on the terms, for the purposes and subject to the conditions set forth below and in the summary of certain terms attached hereto (the "Term Sheets") the following: (i) senior debt facilities (the "Senior Debt Facilities") in an aggregate amount of up to \$187,500,000, (ii) a subscription to purchase Cumulative Redeemable Payment-In-Kind Preferred Stock (the "Preferred Stock") in an aggregate amount of \$100,000,000 and related detachable warrants (the "Warrants") and (iii) in exchange for 784,999 shares of Non-Voting Common Stock of the Company, 784,999 shares of Common Stock (the "Rollover Equity") of a company which has been described to us under a code name "Canoe" in connection with the Company's acquisition of Canoe. As First Union understands the proposed transaction (the "Transaction"), Delcor will organize the Company, a single purpose, wholly owned subsidiary that will enter into a merger agreement (the "Merger Agreement") with Canoe, pursuant to which the Company will merge with Canoe (the "Merger"), with Canoe being the surviving corporation. In the Merger, each of the issued and outstanding shares of Canoe's common stock, par value \$.01 per share, excluding any treasury shares, Rollover Equity shares or other contributed shares, will be converted into the right to receive an aggregate amount in cash consideration per share not to exceed the amount discussed between First Union and the Company (the "Merger Price"). The Senior Debt Facilities, the Preferred Stock and the Rollover Equity (collectively, the "First Union Financing") are being provided to enable the Company to (i) complete the Merger, (ii) provide for the ongoing working capital and capital spending needs of the Company, and (iii) pay certain fees and expenses related to the Merger. If the Transaction is structured as a merger of a wholly owned subsidiary of the Company into Canoe, this commitment letter and the Term Sheets shall be modified to reflect the revised structure.

Delcor, Inc.
November 15, 1994
Page 2

First Union's commitment is to provide 50% of \$375,000,000 of Senior Debt Facilities that will be co-agented by First Union and NationsBank of North Carolina, N.A., or an affiliate thereof (collectively, "NationsBank"). NationsBank will also purchase (i) \$100,000,000 of Preferred Stock and Warrants and (ii) 784,999 shares of Non-Voting Common Stock of the Company for an amount of cash equal to the Merger Price multiplied by 784,999 shares.

Our commitment to provide the First Union Financing will be funded upon the effectiveness of the Merger and is subject to the conditions set forth herein and in the attached Term Sheets,

including the right to assign or transfer all or part of this commitment for the First Union Financing to any of our affiliated corporations or banks and to any third parties.

Our commitment to provide the First Union Financing will terminate (i) on July 31, 1995 if the Merger shall not have closed on or prior to such date, or (ii) at any time prior to the Merger and the funding of the First Union Financing if (a) there shall have been any material adverse change in the business, assets, financial condition or results of operations of Canoe and its subsidiaries, taken as a whole, or (b) there shall exist any condition, event or occurrence which, individually or in the aggregate, could reasonably be expected to have a material adverse effect on the business, assets, financial condition or results of operations of Canoe and its subsidiaries, taken as a whole, in either case, since September 30, 1994, except as disclosed in documents filed prior to the date hereof with the Securities and Exchange Commission.

The business and financial terms set forth in the attached Term Sheets have been established as a result of a review of Canoe's publicly available information (including public filings with the Securities and Exchange Commission). First Union believes that the closing conditions and other terms contained in the attached Term Sheets are customary for comparable financings.

You agree that this Commitment Letter is for your confidential use only and will not be disclosed by you to any person other than your accountants, attorneys and other advisors and the Company and Canoe and such of their respective officers, directors, agents, accountants, attorneys and other advisors as need to be provided therewith, and only then in connection with the Transaction and on a confidential basis, except that you may make public disclosure of the existence and amount of First Union's commitment and undertaking hereunder, you may file a copy of the Commitment Letter in any public record in which it is required by law to be filed, and you may make such other public disclosure of the terms and conditions hereof as you are required by law, in the reasonable opinion of your counsel, to make.

Delcor agrees to indemnify each of First Union and its affiliates and their respective directors, officers, employees, agents and controlling persons (each, an "Indemnified Party") from and against any and all losses, claims (whether valid or not), damages and liabilities, joint or several, to which such Indemnified Party may become subject, related to or arising out of the Transaction and will reimburse each Indemnified Party for all expenses (including reasonable attorneys' fees and expenses) as they are incurred in connection with the investigation of, preparation for or defense of any pending or threatened claim or any action or proceeding arising therefrom.

Delcor, Inc.
November 15, 1994
Page 3

Notwithstanding the foregoing, the obligation to indemnify any Indemnified Party hereunder shall not apply in respect of any loss, claim, damage or liability to the extent that a court of competent jurisdiction shall have determined by final judgment that such loss, claim, damage or liability resulted from such Indemnified Party's willful malfeasance, gross negligence or bad faith. In the event that the foregoing indemnity is unavailable or insufficient to hold an Indemnified Party harmless, then Delcor will contribute to amounts paid or payable by such Indemnified Party in respect of such Indemnified Party's losses, claims, damages or liabilities in such proportions as appropriately reflect the relative benefits received by and fault of Delcor and such Indemnified Party in connection with the matters as to which such losses, claims, damages or liabilities relate and other equitable considerations.

If any action, proceeding, or investigation is commenced, as to which any Indemnified Party proposes to demand such indemnification, it shall notify Delcor with reasonable promptness; provided, however, that any failure by such Indemnified Party to notify Delcor shall not relieve Delcor from its obligations hereunder except to the extent Delcor is prejudiced thereby. Delcor shall be entitled to assume the defense of any such action, proceeding, or investigation, including the employment of counsel and the payment of all fees

and expenses. The Indemnified Party shall have the right to employ separate counsel in connection with any such action, proceeding, or investigation and to participate in the defense thereof, but the fees and expenses of such counsel shall be paid by the Indemnified Party, unless (a) Delcor has failed to assume the defense and employ counsel as provided herein, (b) Delcor has agreed in writing to pay such fees and expenses of separate counsel, or (c) an action, proceeding, or investigation has been commenced against the Indemnified Party and Delcor and representation of both Delcor and the Indemnified Party by the same counsel would be inappropriate because of actual or potential conflicts of interest between the parties (in the case of First Union, the existence of any such actual or potential conflict of interest to be determined by First Union, taking into account, among other things, any relevant regulatory concerns). In the case of any circumstance described in clauses (a), (b), or (c) of the immediately preceding sentence, Delcor shall be responsible for the reasonable fees and expenses of such separate counsel; provided, however, that Delcor shall not in any event be required to pay the fees and expenses of more than one separate counsel for all Indemnified Parties. Delcor shall be liable only for settlement of any claim against an Indemnified Party made with Delcor's written consent.

Delcor agrees to pay to us the fees for the Senior Debt Facilities outlined in the fee letter dated the date hereof (the "Fee Letter"). Delcor also agrees to reimburse us for all of our out-of-pocket expenses (including the reasonable fees and disbursements of our counsel) in connection with the Merger and the First Union Financing, described herein.

The provisions of the three immediately preceding paragraphs shall survive any termination of this letter.

Delcor acknowledges that First Union has advised Delcor that the services to be provided hereunder and the amount of fees and the obligation to reimburse expenses are in no way

Delcor, Inc.
November 15, 1994
Page 4

conditioned upon Delcor's obtaining from First Union or any affiliate of First Union any other service or any loan or other financial product.

If you are in agreement with the foregoing, please sign and return the enclosed copy of this letter and the Fee Letter to First Union no later than 5:00 p.m. Eastern Standard Time, on or before November 15, 1994. This commitment shall terminate at such time unless a signed copy of this letter and the Fee Letter have been delivered to us.

Very Truly Yours,

FIRST UNION CORPORATION

By: /s/ Daniel W. Mathis
Daniel W. Mathis
Executive Vice President

FIRST UNION NATIONAL BANK
OF NORTH CAROLINA

By: /s/ David M. Roberts
David M. Roberts
Senior Vice President

Agreed to and accepted this
15th day of November, 1994

DELCOR, INC.

By: /s/ W. D. Cornwell, Jr.
W. D. Cornwell, Jr.
President

Confidential
November 15, 1994

PROJECT CANOE

Summary of Certain Terms

Senior Debt Facilities

<TABLE>
<CAPTION>
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Borrower:	Newco and, following the Merger, Canoe (the "Company").
Facilities:	Will include a six year Revolving Credit Facility (the "Revolving") and a six year Term Loan (the "Term Loan") (together, the "Senior Debt Facilities").
Amount:	Revolver: Up to \$75,000,000 Term Loan: \$300,000,000
based on the percentages of the inventory (as subject to	The aggregate amount available under the Revolver will be lesser of \$75,000,000 or the aggregate of certain Company's eligible accounts receivable and eligible defined in the Company's existing senior credit agreement), reasonable reserves.
Maturity Dates:	The later of June 30, 2001 or six years from the Closing Date.
Agents:	First Union National Bank of North Carolina ("First Union") and NationsBank of North Carolina, N.A., ("NationsBank") (collectively, the "Agents").
Administrative Agent:	NationsBank
Lenders:	First Union and NationsBank, and a group of other financial institutions reasonably acceptable to the Agents and the Company (the "Lenders").
Use of Proceeds:	To consummate the Merger described in the Commitment Letter, to pay certain fees and expenses related to the Merger and to provide for the Company's ongoing working capital and capital spending requirements.
Interest Rates:	The interest rates on the Senior Debt Facilities will be a function of the Company's Total Funded Debt to Operating Cash Flow ("Leverage Ratio") as determined quarterly on a

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November 15, 1994

equal the amortization a spread over rolling four quarters basis. Operating Cash Flow will Company's earnings before interest, taxes, depreciation and ("EBITDA"). The Company will have the option of borrowing at the Base Rate (defined as the higher of the Administrative

Agent's Prime
Funds Rate plus
("LIBOR"). The

Rate, the Three Month CD Rate plus .50%, and the Federal
.50%) or the Adjusted London Interbank Offered Rate
applicable rates will be based on the following table

Loan Spread Over LIBOR	Leverage Ratio	Revolver		Term
		Spread Over Base	Spread Over LIBOR	Spread Over Base
3.00%	> 2.0x	1.25%	2.75%	1.50%
2.50%	1.50x - 1.99x	0.75%	2.25%	1.00%
2.00%	1.00x - 1.49x	0.25%	1.75%	0.50%
1.50%	0.50x - .99x	0.00%	1.25%	0.00%
1.00%	< .50x	0.00%	1.00%	0.00%

increase by two
during the
protective
funding losses,

The interest rates on the Senior Debt Facilities will
(2) percentage points per annum upon the occurrence and
continuance of any payment default under the Loan Agreement.
The Loan Agreement shall include the Agents' standard
provisions for such matters as increased costs,
illegality and withholding taxes.

if earlier,
and LIBOR
availability.

Interest Payments:

At the end of each applicable Interest Period or quarterly,
calculated on an actual 360 day basis for both Base Rate
Loans.

must obtain
interest rate
the Agents,
of the Term
period of at
Interest Rate
the Company's
Debt

Interest Periods:

LIBOR interest period: 30, 60, or 90 days, subject to

Interest Rate Protection:

Within 90 days following the closing, the Company
reasonably acceptable interest rate protection through
swaps, caps or other instruments reasonably satisfactory to
against increases in interest rates for a minimum of 50%
Loan or such lesser amount as the Agents may agree, for a
least three years. In the event the Company obtains
Protection from any Lender, then such Lender may secure
obligations there under on a pari-passu basis with the Senior
Facilities.

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Confidential
November 15, 1994

the Revolver
post-Merger
of all the

Facility Fees:

1/2 of 1% per annum, on the unutilized portion of
commitment, payable quarterly in arrears.

Security:

A perfected first priority security interest in all of the
Company's assets, including the pledge of the stock
Company's subsidiaries.

Mandatory Payments:

Revolver: Payable in full at maturity.
Term Loan: Payable quarterly beginning September 30,

1995 in the

following amounts:

Annual Amortization	Fiscal year Ended	Quarterly	Number of
	Dec. 31	Amortization	Payments
\$20,000,000	1995	\$10,000,000	2
40,000,000	1996	10,000,000	4
40,000,000	1997	10,000,000	4
50,000,000	1998	12,500,000	4
60,000,000	1999	15,000,000	4
60,000,000	2000	15,000,000	4
30,000,000	2001	15,000,000	2
\$300,000,000			

quarterly
30, 2001.

be required
an amount
net income
cash charges,
expenditures,
period, beginning

net cash
the Company's
the Company
any change
owning less
Company will

The principal amount of the Term Loan shall be repaid in installments beginning on September 30, 1995 and ending June

In addition to the required amortization, the Company will to make repayments on the Term Loan on an annual basis in equal to 75% of the Company's Excess Cash Flow (defined as plus depreciation, amortization and all other non-adjusted for changes in working capital, minus capital principal payments and permitted dividends) for such with the period ending December 31, 1995.

The Company will be required to make prepayments with the proceeds in excess of \$5,000,000 from the sale of any of assets outside the normal course of business. In addition, will be required to prepay the Senior Debt Facilities upon of control which results in Delcor, Inc. or its affiliates than 51% of the voting Common Stock of the Company. The also be

-3-

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November 15, 1994

net

maturity.

Voluntary Prepayments:
Revolver at any
may, at its
permanently
(in principal
integral multiple

required to make prepayments in an amount equal to the proceeds of any additional issuance of equity.

Mandatory Prepayments shall be applied in inverse order of

The Company may reduce the amount outstanding under the time and thereafter reborrow. In addition, the Company option, upon five business days' notice to the Agents, reduce the unutilized portion of the Revolver in part amounts of at least \$1,000,000 or, if greater, an thereof) or in whole.

notice to the
of at least
in whole,
the date of
those required
the manner
applied in

Conditions Precedent
to Closing:

subject to
financings
limited to

Facilities shall
and their
bankruptcy,

definitive
acceptable
the Merger
simultaneously with

satisfaction and in
impact on

-4-

respect to
claims, will not
prospective business,
operations of Canoe

survey (or
Company (or an
the Agents)
liability under,
regulations, and the
satisfaction and in
impact on
a material
assets, financial

The Company may, at its option, upon five business days' Agents, prepay the Term Loan in part (in principal amounts \$1,000,000 or, if greater, an integral multiple thereof) or without premium or penalty, with interest accrued through prepayment. Any voluntary prepayments above and beyond under the Excess Cash Flow provision shall be applied in designated by the Company. All other prepayments shall be inverse order of maturity.

The funding of the Senior Debt Facilities will be satisfaction of customary conditions precedent for similar and for this transaction in particular, including but not each of the following:

- (i) All documentation relating to the Senior Debt have been completed and reviewed to the Agents' counsels' satisfaction (including with respect to environmental and asbestos matters);
- (ii) The Company and Canoe shall have entered into a merger agreement (the "Merger Agreement"), on terms to the Agents in their sole discretion and contemplated thereby shall be consummated the funding of the Senior Debt Facilities;
- (iii) The Agents shall have determined to their their sole discretion that the possible financial Canoe of the administration of the NGC

Confidential
November 15, 1994

Settlement Trust, and
Canoe's actual or potential liabilities with
property damage and bodily injury asbestos
have a material adverse effect on the
assets, financial condition or results of
and its subsidiaries, taken as a whole;

- (iv) The Agents shall have received an environmental audit if so requested) prepared by the environmental assessment firm acceptable to addressing the Company's compliance with, and all related environmental laws, rules and Agents shall have determined to their their sole discretion that the possible financial Canoe of environmental matters will not have adverse effect on the prospective business, condition or results of operations of Canoe

and its

\$187,500,000

same terms

\$300,000,000 in

Redeemable

terms and

cash proceeds

Delcor, Inc. on

Agents;

from the

NationsBank in an

784,999 shares

Agents;

3,872,235 shares

subsidiaries, taken as a whole;

(v) The Company shall have received commitments for of Senior Debt Facilities from NationsBank on the and conditions as outlined herein;

(vi) The Company shall have received a minimum of cash proceeds from the issuance of Cumulative Payment-In-Kind Preferred Stock and Warrants on conditions reasonably acceptable to the Agents;

(vii) The Company shall have received \$50,000,000 in from the issuance of voting Common Stock to terms and conditions reasonably acceptable to the

(viii) The Company shall have received cash proceeds issuance of Non-Voting Common Stock to amount equal to the Merger Price multiplied by on terms and conditions reasonably acceptable to the

(ix) The Company shall have received a minimum of of Canoe Common Stock from

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Confidential
November 15, 1994

"contributed" equity to

third party

the Merger

remain in

occurred in the

operations

and there

occurrence which,

be expected

business, assets,

Canoe and its

30, 1994,

the date

shall be

litigation,

Delcor, Inc. and 784,999 shares of
Canoe Common Stock from First Union as

Newco;

(x) All governmental, regulatory, shareholder and consents and approvals, if any, necessary to effect and related financing shall have been obtained and effect;

(xi) No material adverse change shall have business, assets, financial condition or results of of Canoe and its subsidiaries, taken as a whole, shall exist no condition, event or individually or in the aggregate, could reasonably to have a material adverse effect on the financial condition or results of operations of subsidiaries, taken as a whole, since September except as disclosed in documents filed prior to hereof with the Securities and Exchange Commission;

(xii) All of the Company's existing senior indebtedness repaid in full at closing;

(xiii) There shall not be any material pending injunction, order or claim with respect to the

Merger or the

March 1993

Chapter 11

effect; Canoe

obligations

pending or

bankruptcy

appraisals in

fixed assets

acceptable to the

opinions,

Merger and

substance

request.

warranties

financings

appropriate in the

bankruptcy,

found in the

additional

Merger. Such

and Stock

Affiliates;

Acquisitions; and

covenants (such

tests, leverage

acceptable to the

continuing, the

Preferred Stock

First Union Financing;

(xiv) The final order of the bankruptcy court entered in in connection with Canoe's emergence from its reorganization shall remain in full force and shall be in compliance with each of its continuing specified therein; and no proceedings shall be threatened that in any manner challenges such final court order;

(xv) If requested, the Agents shall have received satisfactory form on certain of the Company's prepared by an independent valuation firm Agents; and

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November 15, 1994

(xvi) The Agents shall have received such other documents, certificates and agreements in connection with the the Senior Debt Facilities, all in form and satisfactory to the Agents as they shall reasonably

Representations
and Warranties:

The Loan Agreement will include representations and customarily found in the Agents' loan agreements for similar and any additional representations and warranties context of the proposed Merger (including with respect to environmental and asbestos matters).

Covenants:

The Loan Agreement will include covenants customarily Agents' loan agreements for similar financings and any covenants appropriate in the context of the proposed covenants shall in any event include:

- (1) Limitations on Liens;
- (2) Limitations on Cash Dividends, Distributions Repurchases;
- (3) Limitations on Additional Indebtedness;
- (4) Limitations on Transactions with Shareholders and
- (5) Limitations on Capital Expenditures and Cash
- (6) Certain other covenants, including financial as fixed charge and interest coverage ratio tests, and minimum current ratio tests) Agents.

Permitted Dividends:

So long as no Event of Default has occurred and is Company will be permitted to pay cash dividends on the

net income
period (the
Senior Debt
(ii) the

and Common Stock in amounts of up to 75% of the Company's
calculated prior to giving effect to the dividend for such
"Permitted Dividends") after such time as (i) the
Facilities have been paid down below \$200,000,000 and
Company's ratio of

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November 15, 1994

Dividends
after receipt
statements
dividends shall
the Company
conditions

Total Funded Debt to Operating Cash Flow on a
trailing four quarters basis is less than 1.0x. Permitted
may be paid on a quarterly basis no sooner than 15 days
by the Lenders of the Company's quarterly financial
confirming compliance with the above conditions. Cash
not be permitted if after giving effect to such payment,
would be in default of the Senior Debt Facilities or the
outlined above.

Events of Default:
for similar
appropriate in the

Those customarily found in the Agents' loan agreements
financings and any additional events of default
context of the proposed Merger.

Syndication:
between the
assist the
The initial
both Agents
such time as
terminate the

Following the signing of a definitive Merger Agreement
Company and Canoe, the Company shall use its best efforts to
Agents in syndicating the Senior Debt Facilities.
syndication shall be a coordinated process under which
shall reduce their commitments on a pro-rata basis until
they reach their desired hold level or mutually agree to
joint syndication process.

Assignments
and Participation:
Lender may
Facilities in
approval of the
withheld. In
part of its

After completion of the initial syndication process, any
participate or assign its interest in the Senior Debt
minimum amounts of at least \$5,000,000 subject to the
Company and the Agents, which shall not be unreasonably
addition, at any time, any Lender may transfer all or
commitment under the Senior Debt Facilities to an affiliate.

Miscellaneous:
Agreements to be
their counsel.
reasonable out-
limited to, the
counsel in
of the
any third
analyzing
each case

- (1) North Carolina state law to govern;
- (2) All terms and conditions contained in the
reasonably satisfactory to the Agents and to
The Company shall reimburse the Agents for all
of pocket expenses including, but not
reasonable fees and disbursements of their
connection with the preparation and execution
Agreements and the reasonable fees and expenses of
party consultants retained to assist the Agents in
any environmental or asbestos related issues, in

contemplated shall be

whether or not the transactions herein
consummated

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Confidential
November 15, 1994

waiver and
agreements,
headings,
GAAP, waiver

requirements that
approve certain
customary
</TABLE>

- or the Senior Debt Facilities shall be executed or closed;
- (3) Usual provisions regarding survival of Agreements, delay, extensions of maturity, modifications of severability, counterparts and enforcements, definition of accounting terms in accordance with of jury trial; and
- (4) The Loan Agreement shall contain voting shall allow 66 2/3% in principal amount to waivers, modifications and amendments subject to unanimity requirements.

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Cumulative Pay-In-Kind (PIK) Preferred Stock

Issuer: Newco and, following the Merger, Canoe (the "Company").

Facility: Cumulative Redeemable Pay-In-Kind (PIK) Preferred Stock (the "Preferred Stock").

Amount: \$100,000,000 (the "Purchase Price").

Shares Issued: 100,000.

Price Per Share: \$1,000 (the "Purchase Price Per Share").

Purchaser: First Union Corporation or an affiliate thereof ("First Union").

Use of Proceeds: To facilitate the consummation of the Merger as described in the Commitment Letter.

Redemption Date: 8 years from closing.

Dividend Rate: 10.0%

Dividend Payments: Semi-annual; to be paid in cash or in-kind for the first three years at the option of the Company; thereafter, dividends will be payable in cash, subject to the terms of the Senior Debt Facilities.

Call Protection: None.

Warrants: The Preferred Stock will carry detachable warrants exercisable into Non-Voting Common Stock of the Company, which represents 5.1337% of all Common Stock on a fully-diluted basis.

Conditions Precedent: The purchase of the Preferred Stock will be subject to the execution of a satisfactory Preferred Stock and Warrant Purchase Agreement, and any necessary related documents; as well as the satisfaction of conditions precedent as outlined in the Senior Debt Facilities, which are hereby incorporated by reference, and any other conditions

deemed appropriate by the Purchaser for similar financings and for this transaction in particular.

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November 15, 1994

Protective
Provisions:

The Company shall not, without first obtaining consent or approval of the holders of at least two-thirds of the Preferred Stock, do any of the following:

- (i) Create any senior stock having preference or priority over the Preferred Stock as to dividends or upon redemption, liquidation, winding up or dissolution;
- (ii) Adversely amend or alter any preferences, rights or powers of the Preferred Stock;
- (iii) Pay other than Permitted Dividends, provided, however, that once all dividends have been paid on the Preferred Stock in cash and the Company has redeemed all prior in-kind dividends, the Company may pay cash dividends on the Common Stock in an annual amount not to exceed (i) 2.5% multiplied by (ii) an amount equal to (x) the Merger Price Per Share multiplied by (y) the total Shares of voting and Non-Voting Common Stock outstanding; and
- (iv) Except as contemplated by the Merger Agreement, redeem or repurchase any junior stock, warrants or other parity stock.

Certain Events:

The following shall constitute an Event:

- (i) Failure to declare and pay semi-annual dividends on the Preferred Stock in full;
- (ii) Failure to redeem or pay the Redemption Price in full when required;
- (iii) Certain events of bankruptcy, receivership or similar proceedings; and
- (iv) Failure to observe any Protective Provisions.

Rights Upon
an Event:

Upon and during the continuance of an Event, the Purchaser may elect one representative to the Board of Directors of the Company.

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Change in Control/
Sale of Assets:

In the event there occurs a Change of Control (an event which results in Delcor, Inc. or its affiliates owning less than 51% of the voting Common Stock of the Company) or sale of substantially all of the Company's assets, any holder of Preferred Stock may require the

Company to redeem all of the shares of Preferred Stock held by such holder at a price equal to the Purchase Price per share plus all Accrued Dividends thereon to the date of redemption.

Transfer Rights: Beginning eighteen months after the consummation of the Merger, any holder of the Preferred Stock may sell or transfer in whole or in part, any shares of Preferred Stock held by such holder subject to (i) the Company's consent, which shall not be unreasonably withheld and (ii) the Company's first right of refusal.

Attendance Rights: Following the Merger, the Company will permit a representative of the Purchaser to attend all meetings of the Company's Board of Directors or committees.

Reimbursement of Expenses: The Purchaser shall be reimbursed for reasonable out-of-pocket expenses (including fees and disbursements for counsel) incurred in connection with the issuance of the Preferred Stock and the Warrants.

Information Requirements: The Company will provide the Purchaser with: (i) annual financial statements audited by a nationally recognized "Big Six" independent accounting firm, (ii) monthly internal financial statements, (iii) an annual budget for the next fiscal year prior to the end of the previous fiscal year, and (iv) any other information as reasonably requested by such Purchaser.

Representations and Warranties: Those customarily found in purchase agreements for similar financings and any additional representations and warranties appropriate in the context of the proposed financing.

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Warrants

Issuer: Newco and, following the Merger, Canoe (the "Company").

Facility: Warrants.

Purchaser: First Union Corporation or an affiliate thereof ("First Union").

Amount: In conjunction with the Cumulative Redeemable Payment-In-Kind (PIK) Preferred Stock (the "Preferred Stock"), detachable Warrants will be issued sufficient to provide the Purchaser with 5.1337% of the Common Stock of the Company on a fully-diluted basis (subject only to dilution by management options in an amount to be mutually agreed upon).

Exercise Price: Nominal.

Exercise Period: At any time.

Maturity: Ten years from the date of issuance.

Put Provisions: Subject to the terms of the Senior Debt Facilities and the Preferred Stock, the Purchaser shall have the right to sell

all or part of the Warrants to the Company at a cash price (the "Put Price") as described below at any time after the earliest to occur of the following:

- (i) Six years after the closing date;
- (ii) An event which results in Delcor, Inc. or its affiliates owning less than 51% of the voting Common Stock of the Company;
- (iii) Any merger in which the Company is not the surviving corporation, or sale or other transfer of substantially all of the Company's assets;
- (iv) Acceleration of any outstanding credit facility of the Company; and
- (v) A qualified public equity offering by the Company;

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provided, however, that if not exercised upon the occurrence of the event described in Section (v), the put right of the Purchaser shall terminate.

The Put Price shall be the fair market value as mutually agreed upon by the Company and the Purchaser. For the purposes of this paragraph, fair market value will not include any discount for minority interest or lack of liquidity. If the parties are not able to agree on a fair market value, they will agree to engage a mutually acceptable investment banker to determine the fair market value of the Warrants.

Transfer Rights: Beginning eighteen months after consummation of the Merger, any holder of the Warrants may sell or transfer in whole or in part, any Warrant shares held by such holder subject to (i) the Company's consent, which shall not be unreasonably withheld and (ii) the Company's first right of refusal. If necessary to facilitate the sale of the Warrants, the Company will amend its charter provisions to make the Warrants exchangeable into voting Common Stock of the Company. Any change in the Warrant shares from non-voting to voting will be subject to Federal Reserve guidelines.

Call Provisions: Subject to the terms of the Senior Debt Facilities and the Preferred Stock and beginning seven years after the closing date, the Company shall have the right to purchase for cash all or part of the Warrants, on a pro-rata basis with all other Warrant holders, at a price equal to 100% of the Put Price determined at that time.

Other Rights: In addition to the above rights, the Warrants will provide for:

- (i) Customary anti-dilution provisions;
- (ii) Piggyback rights for the Warrant shares on any public or private sale of the Company's equity securities;

- (iii) Two demand registration rights for the Warrant shares (taken together with Purchaser's demand registration rights for Non-Voting Common Stock) beginning January 1, 1999 or at any earlier time that the Put Provision is exercisable; and
- (iv) 30 days' prior notice of the record date of any cash dividend on the Common Stock.

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Non-Voting Common Stock

Issuer: Newco and, following the Merger, Canoe (the "Company").

Facility: Non-Voting Common Stock (the "Non-Voting Common Stock").

Rollover Value: \$34,147,456.50 assuming the Merger Price Per Share shown below.

Shares Contributed: 784,999 existing shares of Canoe.

Merger Price Per Share: \$43.50 (the "Merger Price Per Share").

Purchaser: First Union Corporation or an affiliate thereof ("First Union").

Use of Proceeds: To facilitate the consummation of the Merger as described in the Commitment Letter.

Dividend Rights: To the extent cash dividends on Common Stock are permitted by the Senior Debt Facilities and the Preferred Stock, each holder of voting Common Stock and Non-Voting Common Stock shall share ratably in any such dividends.

Put Provisions: Subject to the terms of the Senior Debt Facilities and the Preferred Stock, the Purchaser shall have the right to sell all or part of the Non-Voting Common Stock to the Company at a cash price (the "Put Price") as described below at any time after the earliest to occur of the following:

- (i) Six years after the closing date;
- (ii) An event which results in Delcor, Inc. or its affiliates ("Delcor") owning less than 51% of the voting Common Stock of the Company;
- (iii) Any merger in which the Company is not the surviving corporation, or any sale or other transfer of substantially all of the Company's assets;

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(iv) Acceleration of any outstanding credit

facility of the Company; and

(v) A qualified public equity offering by the Company;

provided, however, that if not exercised upon the occurrence of the event described in Section (v), the put right of the Purchaser shall terminate.

The Put Price shall be the fair market value as mutually agreed upon by the Company and the Purchaser. For the purposes of this paragraph, fair market value will not include any discount for minority interest, lack of liquidity or lack of voting rights. If the parties are not able to agree on a fair market value, they will agree to engage a mutually acceptable investment banker to determine the fair market value of the Non-Voting Common Stock.

Transfer Rights: Beginning eighteen months after consummation of the Merger, any holder of the Non-Voting Common Stock may sell or transfer, in whole or in part, any Non-Voting Common Stock held by such holder subject to (i) the Company's consent, which shall not be unreasonably withheld and (ii) the Company's first right of refusal. If necessary to facilitate the sale of the Non-Voting Common Stock, the Company will amend its charter provisions to make the Non-Voting Common Stock exchangeable into voting Common Stock of the Company. Any such right to have the Company's charter amended shall be subject to Federal Reserve guidelines.

Call Provisions: Subject to the terms of the Senior Debt Facilities and the Preferred Stock and beginning seven years after the closing date, the Company shall have the right to purchase for cash all or part of the Non-Voting Common Stock, on a pro-rata basis with all other Non-Voting Common Stock holders, at a price equal to 100% of the Put Price determined at that time.

Conditions Precedent: The purchase of the Non-Voting Common Stock will be subject to the execution of a satisfactory Non-Voting Common Stock Purchase Agreement, and any necessary related documents; as well as the satisfaction of conditions precedent as outlined in the Senior Debt Facilities, which are hereby incorporated by reference, and any other conditions deemed appropriate by the Purchaser for similar financings and for this transaction in particular.

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Attendance Rights: Following the Merger, and provided that the Preferred Stock has been redeemed in full, the Company will permit a representative of the Purchaser to attend all meetings of the Company's Board of Directors or committees.

Other Rights: In addition to the above rights, the Non-Voting Common Stock will provide for:

- (i) Customary anti-dilution provisions;
- (ii) Piggyback rights on any public or private sale of the Company's equity

securities; and

- (iii) Two demand registration rights (taken together with Purchaser's demand registration rights for Warrant shares) beginning January 1, 1999 or at any earlier time that the Put Provision is exercisable.

Reimbursement
of Expenses:

The Purchaser shall be reimbursed for reasonable out-of-pocket expenses (including fees and disbursements for counsel) incurred in connection with the issuance of the Non-Voting Common Stock.

Information
Requirements:

The Company will provide the Purchaser with: (i) annual financial statements audited by a nationally recognized "Big Six" independent accounting firm, (ii) monthly internal financial statements, (iii) an annual budget for the next fiscal year prior to the end of the previous fiscal year, and (iv) any other information as reasonably requested by such Purchaser.

Representations
and Warranties:

Those customarily found in purchase agreements for similar financings and any additional representations and warranties appropriate in the context of the proposed financing.

CERTAIN INFORMATION REGARDING DELCOR, INC.

Delcor, Inc., a Delaware corporation ("Delcor"), is a wholly owned subsidiary of Golden Eagle Industries, Inc., a North Carolina corporation ("Golden Eagle"). The address of Delcor's principal office and principal place of business is 1105 North Market Street, Suite 1010, Wilmington, Delaware 19899. The address of Golden Eagle's principal office and principal place of business is 1110 East Morehead Street, Charlotte, North Carolina 28204. Delcor and Golden eagle are engaged in the business of investment.

The officers and directors of Golden Eagle are as follows:

Officers	Title
W.D. Cornwell, Jr.	President and Treasurer
W.D. Cornwell	Executive Vice President
Stephen L. Cornwell	Vice President
Stephen W. Dixon	Vice President and Secretary
Duane G. Coggin	Vice President
Denise E. Gardner	Assistant Vice President
Margaret J. Beam	Assistant Secretary

Directors

W.D. Cornwell
 W.D. Cornwell, Jr.
 C.D. Spangler, Jr.
 Meredith R. Spangler

The officers and directors of Delcor are as follows:

Officers	Title
W.D. Cornwell, Jr.	President and Treasurer
W.D. Cornwell	Executive Vice President
Stephen L. Cornwell	Vice President
Stephen W. Dixon	Vice President and Secretary
Charles B. Campbell, Jr.	Vice President and Assistant Secretary
Denise E. Gardner	Assistant Vice President
Margaret J. Beam	Assistant Secretary

Directors

Charles B. Campbell, Jr.
 W.D. Cornwell
 W.D. Cornwell, Jr.

The following information is set forth with respect to the officers and directors of Golden Eagle and Delcor:

<TABLE>
 <CAPTION>

Name of Officer or Director	Residence (R) or Business (B) Address	Principal Occupation, Name of Employer, Principal Business of Employer and Address of Principal Office
<S>	<C>	<S>
Margaret J. Beam	(B) 1110 East Morehead Street Charlotte, NC 28204	Administrative Assistant C.D. Spangler Construction Company Investment 1100 East Morehead Street Charlotte, NC 28204
Charles B. Campbell, Jr.	(B) 1105 North Market Street Suite 1010 Wilmington, DE 19899	Associate Delaware Corporate Management, Inc. Investment holding company representative 1105 North Market Street, Suite 1010 Wilmington, DE 19899
Duane G. Coggin	(B) 1110 East Morehead Street Charlotte, NC 28204	Vice President C.D. Spangler Construction Company Investment 1100 East Morehead Street Charlotte, NC 28204

Stephen L. Cornwell	(B) 1110 East Morehead Street Charlotte, NC 28204	Vice President C.D. Spangler Construction Company Investment 1110 East Morehead Street Charlotte, NC 28204
W.D. Cornwell	(B) 1110 East Morehead Street Charlotte, NC 28204	President C.D. Spangler Construction Company Investment 1110 East Morehead Street Charlotte, NC 28204
W.D. Cornwell, Jr.	(B) 1110 East Morehead Street Charlotte, NC 28204	Executive Vice President C.D. Spangler Construction Company Investment 1110 East Morehead Street Charlotte, NC 28204
Stephen W. Dixon	(B) 1110 East Morehead Street Charlotte, NC 28204	Vice President C.D. Spangler Construction Company Investment 1110 East Morehead Street Charlotte, NC 28204
		Principal Occupation, Name of Employer, Principal Business of Employer and Address of Principal Office
Denise E. Gardner	(B) 1110 East Morehead Street Charlotte, NC 28204	Assistant Vice President C.D. Spangler Construction Company Investment 1110 East Morehead Street Charlotte, NC 28204
C.D. Spangler, Jr.	(B) 910 Raleigh Road Chapel Hill, NC 27515	President The University of North Carolina Public university system 910 Raleigh Road Chapel Hill, NC 27515
Meredith R. Spangler	(R) 400 East Franklin Street Chapel Hill, NC 27514	Trustee and volunteer N/A

</TABLE>

All of the above-listed individuals are citizens of the United States.

During the last five years, neither Delcor, Golden Eagle nor any of the above-listed individuals has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), and none of the above-listed individuals has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which any of them was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Delcor has reported that it may be deemed to beneficially own certain shares of Common Stock held by Lafarge Coppee S.A. ("Lafarge") through its indirect wholly owned subsidiary, SOCIETE FINANCIERE IMMOBILIERE ET MOBILIERE "SOFIMO". The following information is based upon information provided to Delcor by Lafarge.

Lafarge is one of the world's largest producers of building materials, with major market positions in four business areas: cement, concrete and aggregates, gypsum and specialty products for construction. In addition, Lafarge has diversified into bioactivities, essentially food products, animal feeds and seeds. Lafarge owns and operates approximately 500 production and sales units in approximately 40 countries. Lafarge is a public company whose voting securities are traded on various European stock exchanges. Coppee Industries, Inc., a Delaware corporation ("Coppee") holds all shares of Common Stock reported as held by Lafarge and is a wholly owned subsidiary of Compagnie Coppee de Development Industriel-CDI, a societe anonyme organized under the laws of Belgium ("CDI"), which is a majority owned subsidiary of SOCIETE FINANCIERE IMMOBILIERE ET MOBILIERE "SOFIMO", a societe

anonyme organized under the laws of France ("Sofimo"), which is a wholly owned subsidiary of Lafarge.

The address of the principal business and principal office of Lafarge and Sofimo is 61, rue des Belles Feuilles, Paris Cedex 16, France. The address of the principal business and principal office of CDI is 251, avenue Louise, Baite 13,1050 Bruxelles, Belgium. The address of the principal business and principal office of Coppee is c/o Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022, Attention: Alfred J. Ross, Esq. Sofimo, CDI and Coppee are holding companies.

The directors and executive officers of Lafarge are listed in the following table, which sets forth the individual's business address (or residence address where indicated), present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted, and citizenship (unless otherwise noted each of these persons is a French citizen, the business address of such person is 93, rue Nationale, 92100 Boulogne, France, and such person's principal occupation is the position with Lafarge listed in the table).

<TABLE>
<CAPTION>

<S>	Name	Position with Lafarge <C>	Principal Occupation <C>
	Jean Francois	Honorary Chairman and Director	
	Olivier Lecerf	Honorary Chairman and Director	
	Bertrand Collomb	Chairman of the Board and Chief Executive Officer	
	Bernard Isautier 26 Avenue Foch 75016 Paris, France	Director	Director, Ranger Oil Ltd.
	Raphael Pavin de Lafarge 28 Quai Claude Bernard 69007 Lyon, France	Director	Chief Financial Officer, Etablissement BAUMANN
	Patrice le Hodey (Belgian citizen) 3 rue da la Sapiniere 1050 Bruxelles, Belgium	Director	Chairman, Groupe la Libre Belgique
	Ernest-Antoine Seilliere 6 rue Elzevir Paris, France	Director	Chairman, CGIP
	Bernard Kasriel	Director, Managing Director and Executive Vice President	
	Name	Position with Lafarge	Principal Occupation
	Jacques Lefevre	Director, Managing Director and Executive Vice President	
	Serge Feneuille	Senior Executive Vice President	
	Robert W. Murdoch (Canadian citizen) 11130 Sunrise Valley Drive, Suite 300 Reston, VA 22091	Director	
	Michel Rose	Senior Executive Vice President	President and Chief Executive Officer, Lafarge Corporation

Pierre Suard 18 rue du Pavillion 92100 Boulogne Billancourt France	Director	Chairman, Alcatel Alsthom
Michel Pebereau 14 bis rue Mouton- Duvernet 75014 Paris, France	Director	Chairman, Banque Nationale de Paris
Antoine Joly 47 Boulevard Lannes 75016 Paris, France	Director	Managing Director, L'Air Liquide S.A.
Michel Bon 4, Avenue de Camoens 75016 Paris, France	Director	Managing Director, Agence Nationale Pour L'Emploi
Lindsay Owen-Jones (British citizen) 31 Bd du Commandant Charcot 92200 Neuilly sur Seine, France	Director	Chairman and Chief Executive Officer, L'Oreal
Francois Jaclot	Executive Vice President	
Patrick Node-Langlois	Executive Vice President	
Philippe Agid	Executive Vice President	
Jean-Marie Schmitz	Executive Vice President	

The name and present principal occupation of each of the directors and executive officers of Sofimo are set forth below. These persons all have as their business address Lafarge Coppee 61, rue des Belles Feuilles, BP40 75782, Paris Cedex 16 France. All of these persons are citizens of France.

</TABLE>
<TABLE>
<CAPTION>

Name	Position with Sofimo	Principal Occupation
Jacques Lefevre	President and Director	Managing Director
Pierre de Saint Rapt Counsel	Director	Senior Legal
Patrick Node-Langlois President	Director	Executive Vice

</TABLE>

The name and present principal occupation of each of the directors and executive officers of CDI are set forth below. These persons all have as their business address Lafarge Coppee 61, rue des Belles Feuilles, BP40 75782, Paris Cedex 16 France. All of these persons are citizens of France.

<TABLE>
<CAPTION>

Name	Position with CDI	Principal Occupation
Jacques Lefevre	President and Director	Managing Director
Philippe Agin President	Director	Executive Vice
Bertrand Collomb	Director	Chairman and Chief Executive Officer
Serge Feneuille	Director	Senior Executive Vice President
Bernard Kasriel	Director	Managing Director
Patrick Node-Langlois President	Director	Executive Vice
Michel Rose	Director	Senior Executive

Jean-Marie Schmitz
President

Director

Vice President

Executive Vice

</TABLE>

The name, present principal occupation and business address of each of the directors and executive officers of Coppee are set forth below. All of these persons are U. S. citizens.

<TABLE>
<CAPTION>

<S>	Name	Position with Coppee <C>	Principal Occupation <C>	Business Address <C>
	Edward H. Tuck American Foundation 10021	President and Director	Attorney	The French 41 E. 72nd St. New York, NY
	Louis G. Munin Pebblebroke Drive 75229	Director	--	5410 Dallas, TX
	H. Richard Whittall Greenshields of Suite 500 Hastings St.	Director	Investment Banker	Richardson Canada Ltd., 1066 W. Vancouver, BC Canada V6E 3X1
	Patrick Baviere Belles Feuilles France	Treasurer	Vice President, Finance	Lafarge Coppee, 61 rue des BP 40-75782 Paris Cedex 16,

</TABLE>

During the last five years, neither Lafarge, Sofimo, CDI nor Coppee nor any executive officer or director thereof has been (a) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (b) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

CERTAIN INFORMATION REGARDING THE DIRECTORS
AND EXECUTIVE OFFICERS OF FIRST UNION CORPORATION

First Union Corporation is registered a bank holding company, incorporated under the laws of the State of North Carolina. The address of its principal executive office is One First Union Center, Charlotte, North Carolina 28288. The following table (which is based solely upon information provided to the Reporting Persons by First Union Corporation) sets forth the name, residence or business address, present occupation or employment of each director and executive officer of First Union Corporation, along with the name, principal business and address of any corporation or other organization in which such employment is conducted:

NAME	BUSINESS (B) OR RESIDENCE (R) ADDRESS	OCCUPATION OR EMPLOYMENT NAME OF EMPLOYER, BUSINESS OF EMPLOYER, ADDRESS OF EMPLOYER
DIRECTORS		
Robert D. Davis	(R) 1041 Ponte Vedra Blvd. Ponte Vedra Beach, FL 32082	Chairman, D.D.I., Inc., investments P.O. Box 2088 Jacksonville, FL 32203-2088
Roddey Dowd, Sr.	(R) 1242 Queens Road West Charlotte, NC 28207	Chairman, Charlotte Pipe and Foundry Company, a manufacturer of pipe and fittings P.O. Box 35430 Charlotte, NC 28235
William H. Goodwin, Jr.	(R) 6701 River Road Richmond, VA 23229	Chairman, AMF Companies, a manufacturer of sports and other equipment 901 East Cary Street, Suite 1400 Richmond, VA 23219
Torrence E. Hemby, Jr.	(R) 2633 Richardson Drive Charlotte, NC 28211	President, Beverly Crest Corporation, real estate development 2809 Cavan Court Charlotte, NC 28270
Jack A. Laughery	(B) 800 Tiffany Blvd., Suite 305 Rocky Mount, NC 27804	Investor

NAME	BUSINESS (B) OR RESIDENCE (R) ADDRESS	OCCUPATION OR EMPLOYMENT NAME OF EMPLOYER, BUSINESS OF EMPLOYER, ADDRESS OF EMPLOYER
Radford D. Lovett	(R) 129 Ponte Vedra Blvd. Ponte Vedra Beach, FL 32082	Chairman, Commodores Point Terminal Corp., an operator of a marine terminal and real estate P.O. Box 4069 Jacksonville, FL 32201
Randolph N. Reynolds	(R) 8605 River Road Richmond, VA 23261	President & CEO, Reynolds International, Inc., an aluminum manufacturer P.O. Box 27002 Richmond, VA 23261
John D. Uible	(B) 225 Water Street Suite 840 Jacksonville, FL 32202	Investor
Kenneth G. Younger	(R) 3639 Country Club	Consultant

Dr.
Gastonia, NC 28054

G. Alex Bernhardt	(R)	7120 Green Hill Circle Blowing Rock, NC 28605	President and Chief Executive Officer, Bernhardt Furniture Company, furniture manufacturing P.O. Box 740 Lenoir, NC 28645
W. Waldo Bradley	(R)	Sylvan Island Savannah, GA 31404	Chairman, Bradley Plywood Corporation, building materials P.O. Box 1408 Savannah, GA 31402-1408
Brenton S. Halsey	(R)	213 Ampthill Road Richmond, VA 23226	Chairman Emeritus, James River Corporation, marketer & manufacturer of consumer products P.O. Box 2218 Richmond, VA 23217
Howard H. Haworth	(R)	217 Riverside Drive Morganton, NC 28655	President, The Haworth Group and The Haworth Foundation, Inc., investments First Union National Bank Bldg. 300 N. Green St., Suite 201 Morganton, NC 28655

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NAME		BUSINESS (B) OR RESIDENCE (R) ADDRESS	OCCUPATION OR EMPLOYMENT NAME OF EMPLOYER, BUSINESS OF EMPLOYER, ADDRESS OF EMPLOYER
Leonard G. Herring	(R)	310 Coffey Street North Wilkesboro, NC 28659	President and Chief Executive Officer, Lowe's Companies, Inc., a retailer of building materials and related products for home improvements P.O. Box 1111 North Wilkesboro, NC 28656
Henry D. Perry, Jr., M.D.	(R)	12240 N.W. 8th Street Plantation, FL 33325	Physician, retired
Lanty L. Smith	(R)	1401 Westridge Road Greensboro, NC 27401	Chairman and Chief Executive Officer, Precision Fabrics Group, Inc., a manufacturer of technical, high-performance textile products North Carolina Trust Bldg., Suite 600 Greensboro, NC 27401
Dewey L. Trogon	(R)	P.O. Box 1477 Banner Elk, NC 28604	Chairman, Cone Mills Corporation, a textile manufacturer 1201 Maple Street Greensboro, NC 27405
Robert J. Brown	(R)	1129 Pennywood Drive High Point, NC 27265	Chairman, President and Chief Executive Officer, B&C Associates, Inc., a public relations and marketing research firm P.O. Box 2636

High Point, NC 27261

Edward E. Crutchfield, Jr.	*		Chairman and Chief Executive Officer, First Union Corporation*
R. Stuart Dickson	(R)	2235 Pinewood Circle Charlotte, NC 28211	Chairman of the Executive Committee, Ruddick Corporation, a diversified holding company 2000 Two First Union Center Charlotte, NC 28282
B. F. Dolan	(B)	1990 Two First Union Center Charlotte, NC 28282	Investor

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NAME		BUSINESS (B) OR RESIDENCE (R) ADDRESS	OCCUPATION OR EMPLOYMENT NAME OF EMPLOYER, BUSINESS OF EMPLOYER, ADDRESS OF EMPLOYER
John R. Georgius	*		President, First Union Corporation *
Max Lennon	(B)	1000 Naturally Fresh Blvd. Atlanta, GA 30348	President & CEO, Eastern Foods, Inc., a food manufacturer & distributor 1000 Naturally Fresh Blvd. Atlanta, GA 30348
Ruth G. Shaw	(C)	2834 Oldenway Drive Charlotte, NC 28269	Senior Vice President for Corporate Resources, Duke Power Company, an investor-owned electric utility P.O. Box 1009 Charlotte, NC 28201-1009
B. J. Walker	*		Vice Chairman, First Union Corporation *

EXECUTIVE OFFICERS
(NOT OTHERWISE
LISTED ABOVE)

Robert T. Atwood	*		Executive Vice President and Chief Financial Officer, First Union Corporation *
Marion A. Cowell, Jr.	*		Executive Vice President, Secretary and General Counsel, First Union Corporation *

* First Union Corporation is registered a bank holding company, and the address of its principal executive office is One First Union Center, Charlotte, North Carolina 28288 (which is the business address of such director or executive officer).

Each of the directors and executive officers of First Union Corporation is a U.S. citizen. Neither First Union Corporation nor any of its directors and executive officers has been, during the last five years, convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or a party to a civil proceeding of a judicial or

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administrative body of competent jurisdiction, as a result of which any of them was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to

such laws.