

CCB

Central Carolina Bank

Trust and Investment Management Division

August 22, 1995

Mr. Ben Mixon, Chairman
Trustees of Duke Memorial Methodist Church
C/o Bill Self
Bailey, Self & Harris, CPA's
P.O. Box 52393
Durham, NC 27717

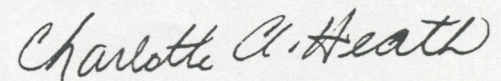
**Re: Duke Memorial United Methodist Church
Investment Management A/C #51-3367-00**

Dear Mr. Mixon:

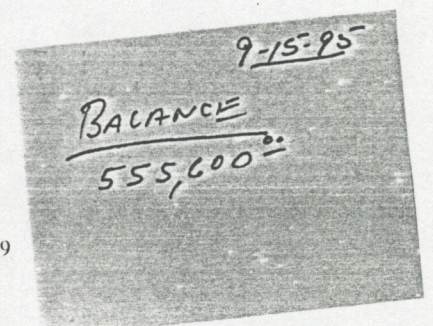
After a review of the account referenced above by Robert P. Langell, our senior investment officer, we would recommend a change in asset allocation and investment objective. In order to provide an offset to future inflation, we would suggest gradually moving toward a balanced portfolio of 50% bonds and 50% equities. Over the long term a portfolio with this allocation should outperform a 100% fixed income portfolio. We discussed the rationale for this change with Bill Self in a recent account review and would also be glad to answer any questions that you or other members of your committee might have.

I will look forward to receiving a response from your committee to this recommendation. In the interim, please feel free to give me a call at 683-7551 if you need additional information.

Sincerely,



Charlotte A. Heath
Vice President & Trust Officer



9-15-95
BALANCE
555,600.00