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Certificate of Certificates the Certificates so designated for redemption shall become due and payable at the redemption price on the date specified in such notice. Upon presentation and surrender of any Certificate in accordance with said notice at the principal office of the Trustee in the City of Wilmington and State of North Carolina, it shall be paid by the Trustee, out of moneys received by the Trustee in payment of such Bond, at the redemption price. From and after the redemption date so specified, the Trustee having received payment of such Bond, interest on the Certificates to be so redeemed shall cease to accrue, anything in the Certificates or in this Indenture to the contrary notwithstanding, and thereafter, such Certificates shall not represent any share or part of the Bonds, and the registered owners of such not be entitled to any of the rights or benefits accruing in respect of the Bonds or of this Indenture, except the right to receive payment of the redemption price of such Certificates from the moneys received by the Trustee as aforesaid, and except the right to reimbursement, pursuant to the provisions of Section 3 of Article Five hereof, for taxes assessed prior to said redemption date. If, on presentation in accordance with such notice of any Certificate so designated for redemption, the Trustee shall not have received payment of such Bond, interest in respect of the Certificates so designated for redemption shall continue to accrue at the rate therein expressed until paid.

Anything hereinabove in this Section 3 to the contrary notwithstanding, the Trustee shall designate for redemption on September 1, 1930, pursuant to this Section 3, all Certificates (but not more than \$25,000 aggregate principal amount) registered in the name of Wilmington Cape Fear Corporation, a Delaware corporation, and all moneys held by the Trustee for the redemption of Certificates on said date shall be first applied to the redemption of Certificates registered in the name of said Wilmington Cape Fear Corporation.

Section 4. No registered owner of Certificates shall be entitled to any interest on moneys paid to the Trustee pursuant to Section 1 of this Article Four.

Section 5. All Bonds paid by the application of moneys paid to the Trustee pursuant to Section 1 of this Article Four shall be cancelled forthwith by the Trustee and, upon the written request of the Corporation, shall be delivered to the Corporation and no Bonds so paid shall be reissued nor shall any Bonds be issued in lieu thereof.

All Certificates redeemed and paid as hereinabove in this Article Four provided shall be cancelled forthwith by the Trustee and no Certificates so redeemed shall be reissued nor shall any Certificates be issued in lieu thereof.

ARTICLE FIVE.

PARTICULAR COVENANTS OF THE CORPORATION.

The Corporation covenants with the Trustee for the benefit of the Trustee and of the several registered owners for the time being of the Certificates as hereinafter in this Article Five set forth:

Section 1. The Corporation is the owner of good and marketable title in fee simple to the Trust Estate and is lawfully seized and possessed thereof free and clear of all liens and encumbrances whatsoever (except that the property referred to and described in Clause Second of the Granting Clauses hereof is subject to a first mortgage in the amount of \$57,000 and the property referred to and described in Clause Third of said Granting Clause is subject to a first mortgage in the amount of \$233,000), and has good right full power and lawful authority to grant, bargain, sell warrant, release, convey, confirm, assign, transfer, mortgage, pledge and set over the same to the Trustee in the manner and form herein done or intended; and it has and will preserve good and indefeasible title to the Trust Estate and will warrant and defend the same to the Trustee and its successors and assigns hereunder against the claims of all persons and parties whomsoever.

Section 2. The Corporation will duly and punctually pay the principal of, and interest on, each and every one of the Bonds, at the dates and place and in the manner mentioned in the Bonds and in this Indenture, according to the true intent and meaning thereof and hereof, and so far as may be lawful, without deduction therefrom for any taxes, assessments or other charges (except succession or inheritance taxes, and except such portion of any Federal income tax with respect to income derived from such interest as shall be in excess of two per cent. per annum) which the Corporation, or its successors or assigns, or the Trustee may be required or permitted to pay thereon or to deduct or retain therefrom under or by reason of any present or future law or laws of the United States of America or of any state, county, municipality or other taxing authority therein, the Corporation agreeing to pay any such taxes, assessments and charges as aforesaid. The Corporation further agrees to pay any taxes, assessments or other charges (except succession or inheritance taxes, and except such portion of any Federal income tax with respect to income derived from interest on the Certificates as shall be in excess of two per cent. per annum) which the Trustee may be required or permitted to pay on the principal of, or interest on, the Certificates or to deduct or retain therefrom under or by reason of any present or future law or laws of the United States of America or of any state, county, municipality or other taxing authority therein.

Section 3. Within fifteen days after written application therefor, the Corporation will reimburse to the registered owner of any Certificate the following taxes, if legally assessed upon, and paid by, such registered owner by reason of his ownership thereof, viz.: (a) the

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