

to, or pledged or deposited with, The Trustee or required by the provisions of this Indenture so to be: PROVIDED, HOWEVER, that, if, upon the happening of any event of default as hereinafter in this Indenture defined, The Trustee or any receiver appointed hereunder shall enter upon and take possession of the mortgaged property, The Trustee or such receiver may, to the extent permitted by law, at the same time likewise take possession of any and all of the property described in this paragraph then on hand and in use and administer the same to the extent as if such property were part of the mortgaged property, unless and until such event of default shall be remedied or waived and possession of the mortgaged property restored to The College, its successors or assigns.

TO HAVE AND TO HOLD the above described property, real, personal and mixed, together with all and singular the appurtenances whereunto belonging, unto the said Security National Bank of Greensboro, as Trustee, and its successors and assigns, In Trust, Nevertheless, upon the terms and trusts herein set forth, for the benefit and security of those who shall hold the Bonds, both as to principal and interest, issued and to be issued hereunder, or any of them, in accordance with the terms of this Indenture, all of which Bonds are issued, or to be issued, and have been, or will be, sold initially to Jefferson Standard Life Insurance Company and Pilot Life Insurance Company, both of Greensboro, North Carolina, and also for the present and future holders of said Bonds and each of them, without preference or distinction as to lien of any of said Bonds over any other by reason of priority in time of payment, of issue or of negotiation, or otherwise howsoever, so that said Bonds shall be equally and ratably secured hereby; PROVIDED NEVERTHELESS, That if The College, its successors or assigns, shall pay or cause to be paid unto the holders of the Bonds, the principal and interest, if any, to become due thereon at the times and in the manner stipulated therein, or shall provide for the payment of said Bonds by depositing with The Trustee hereunder the entire amount due thereon for principal and interest, if any, and also shall pay or cause to be paid, all other sums due or to become due hereunder to be paid by The College and shall keep, perform and observe, all and singular, the covenants and stipulations in said Bonds, and in this Indenture, expressed, or indicated to be kept, performed and observed by and on its part, then these presents and the estate and rights hereby granted shall cease, determine and be void, otherwise to be and remain in full force and effect.

IT IS HEREBY COVENANTED AND AGREED by and between The College and The Trustee that all such Bonds are to be issued, authenticated and delivered, and the estate, properties and assets hereby conveyed are to be held by The Trustee upon and subject to the further covenants, conditions, uses and trusts hereinafter set forth, and The College, for itself, its successors and assigns, does hereby covenant and agree with The Trustee and its successor or successors in such trust, for the benefit of those who shall hold said Bonds, or any of them, as follows:

ARTICLE I.

Bonds - CERTIFICATION, DELIVERY AND REPLACEMENT.

Section 1. - Certification of Bonds.

The amount of Bonds to be secured hereby which may be executed by The College, and which may be certified by The Trustee, is limited to an amount not to exceed One Million Nine Hundred Thousand (\$1,900,000.00) Dollars principal.

The identity of each Bond of said series is to be evidenced by the authentication certificate endorsed thereon by The Trustee or by its successor or successors in trust, and No Bond shall be or become binding or obligatory or entitled to any security under this instrument unless and until authenticated as one of the Bonds by such certificate of The Trustee or its successor or successors in trust, endorsed thereon, Such certificate upon any Bond shall be conclusive evidence and the only evidence that the Bond so authenticated has been duly issued and delivered hereunder, and that the holder thereof is entitled to all the benefits of this Indenture and to all the protection and rights of a bona fide holder for value, without notice, of a valid negotiable instrument.

Section 2. - Delivery of Bonds.