

Whereas, all things necessary to make the Bonds, when issued as in this Indenture provided, valid, legal and binding obligations of the Corporation and to constitute this Indenture a valid closed first mortgage on the property and rights hereinafter in the granting clauses of this Indenture described, except as therein stated, to secure the payment of the principal of and the interest on the Bonds and the Certificates, have been done and performed and the creation, execution and delivery of this Indenture and of the Bonds and the Certificates have in all respects been duly authorized:

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in consideration of the premises and of the mutual covenants and agreements herein contained, and of other valuable considerations the receipt whereof is hereby acknowledged, and for the purpose of authorizing the issuance of the Certificates by the Trustee as herein provided, and in order to secure the payment of the principal of and interest on the Bonds and the Certificates, and the faithful performance and observance of all the covenants and conditions hereinafter set forth, the corporation has executed and delivered this Indenture and has granted, bargained, sold, warranted, released, conveyed, confirmed, assigned, transferred mortgaged, pledged and set over, and by these presents does grant, bargain, sell warrant, release, convey, confirm, assign, transfer, mortgage, pledge and set over unto the Trustee, its successors in the Trust and its assigns forever, the following described property (such property, whether now or hereafter owned by the Corporation being hereinafter sometimes collectively termed the Trust Estate):

First: All those tracts of land, together with the hotel erected thereon known as Cape Fear Hotel and all fixtures and improvements thereon, in the City of Wilmington, County of New Hanover, State of North Carolina, bounded and described as follows:

First Tract: Beginning at the intersection of the Northern Line of Chestnut Street with the Western Line of Second Street, and running thence Westwardly along the Northern Line of Chestnut Street sixty-seven (67) feet to the line of the Moore lot; thence Northwardly and parallel with Second Street ninety-nine (99) feet; thence Eastwardly and parallel with Chestnut Street sixty-seven (67) feet to the Western line of Second Street; thence Southwardly along the Western line of Second Street ninety-nine (99) feet to the beginning. The same being a consolidated description of the property described in the following deeds to Ernest S. Bullock and wife, to wit: A deed from American Bank & Trust Company of date of April 24, 1916, duly recorded in Book 90, page 25 of the records of New Hanover County; a deed from American Bank & Trust Company of date the 9th of June, 1919, recorded in Book 104, page 211 of the records of New Hanover County; a deed from American Bank & Trust Company of date of the 8th of August, 1919, and recorded in Book 104, page 493, of the records of New Hanover County.

Second Tract: Beginning in the Northern line of Chestnut Street at the Southeaster corner of an alley fifteen (15) feet wide and known on the plan of the City of Wilmington as Dickinson's Alley; thence running Eastwardly with said line of Chestnut Street sixty-seven (67) feet, more or less, to the line of a lot formerly belonging to John C. Bowden; thence Northwardly with the line of said lot and parallel with Second Street one hundred and seventy-eight (178) feet; thence Westwardly and parallel with Chestnut Street sixty-seven (67) feet, more or less, to the Eastern Line of the said alley; thence Southwardly with the Eastern line of the said alley one hundred and seventy-eight (178) feet to the point of beginning, excepting and reserving, however, and nevertheless, unto Susan E. Moore, her heirs, executors, administrators and assigns, a perpetual easement and right of way, in, to and over that certain piece or portion of the above described tract of lot of land as follows:

Beginning in the Eastern line of Dickinson's Alley at a point one hundred and sixty-eight (168) feet from the point where the Northern line of Chestnut Street intersects with the Eastern line of said Dickinson's Alley, said point being the Southeastern corner of an alley ten (10) feet wide and running Eastwardly from said Dickinson's Alley aforesaid, and runs, thence Eastwardly and parallel with Chestnut Street sixty-seven (67) feet, more or less; thence Northwardly and parallel with Dickinson's Alley ten (10) feet; thence Westwardly and parallel with Chestnut Street sixty seven (67) feet, more or less, to the Eastern line of Dickinson's Alley; thence along the said Eastern line of said Dickinson's Alley ten (10) feet to the point of beginning.

Third Tract: Beginning in the Western line of Second Street three-fourths of an inch ($\frac{3}{4}$ ") Northwardly from the Northeast corner of the present hotel building as recently constructed; and running thence Westwardly and parallel with the Northern Wall of said hotel building, and continuing the same direction Westwardly to the Western boundary of the lot now or formerly owned by N. A. Culbreth and wife; thence Southwardly about two and three-fourths ($2\frac{3}{4}$) inches to the Northern line of the lot formerly owned by The Hotel Corporation, a North Carolina Corporation; thence Eastwardly along said Northern line to the Western line of Second Street; thence Northwardly along said line about two and three-fourths ($2\frac{3}{4}$) inches to the Beginning.

Second: All that piece, parcel or lot of land, together with the hotel erected thereon known as Central Hotel, situate in the City and County of Florence, State of South Carolina, on the north side of Evans Street and surrounded by a line running as follows: Commencing