

purchase money notes, secured by first mortgage on each lot so released the sum of \$200.00, provided however that not exceeding 150 lots may be released upon the payment of \$100.00 per lot to the Trustee; and that such deposit with the Trustee shall automatically be substituted as collateral to the payment of said mortgage bonds in lieu of the lot released, and shall be subject to all of the conditions and provisions of this trust agreement.

Section 4. In the event of such default as would enable the Trustee under the terms and provisions of this Trust Agreement to foreclose any mortgage or deed of trust embracing property situate in North Carolina, subject to the provisions of this deed of trust, the said Trustee shall sell any or all of said land at public auction for cash, or upon such terms as it may designate, on the premises, or at the courthouse door in the County in which the said land is located, and convey the said land so sold to the purchaser in fee; but before such sale, the same shall be advertised once a week for four successive weeks in some newspaper published in the County in which the said land is located, and upon the completion of any such sale the proceeds thereof shall be applied by the Trustee as hereinafter provided.

Article IV.

Section 1. The Company will duly or punctually pay or cause to be paid every Mortgage Bond issued under the indenture at the date, at the place and in the manner specified in such Mortgage Bond.

Section II. In case (1) default shall be made in the due and punctual payment of any of principal or interest on said Mortgage Bonds, or (2) default shall be made in the observance and performance of any other covenant herein or in any of said Mortgage Bonds required to be kept or performed by the Company, and either of said defaults shall have continued for a period of thirty days, then in each and every such case of default the Trustee, from time to time, in its discretion, may exercise all or any of

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