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Whereas, said bonds and this Trust Indenture have been duly submitted to the stockholders and directors of the Company at meetings thereof duly held in compliance with the By-Laws of the Company, as provided by the laws of the State of South Carolina, pertaining thereto, and said bonds and this Trust Indenture and all of their respective terms, conditions and stipulations have been adopted and approved by the stockholders and directors of the Company, and the execution and delivery of said bonds and of this Trust Indenture securing the same have been duly authorized by said stockholders and directors of the Company; and

Whereas, all things necessary to make said bonds, when duly certified by the Trustee, the valid, binding and legal obligations of the Company, and this Trust Indenture a valid and binding lien to secure the payment thereof as provided, have been done and performed;

NOW, THEREFORE, for the purpose of securing the payment of the principal and interest of each of said bonds, according to the tenor and effect thereof and the performance of all of the covenants, conditions, and stipulations herein contained, and in consideration of the premises and of the loan of Two Hundred Fifty Thousand and No/100ths (\$250,000.00) Dollars by the Pilot Life Insurance Company as evidenced by said bonds, and of the acceptance of said bonds by Pilot Life Insurance Company and in further consideration of the sum of One (\$1.00) Dollar this day paid by the Trustee to the Company, receipt of which is hereby acknowledged, the Company has granted, bargained, sold, conveyed, mortgaged, pledged, assigned and transferred, and by these presents does grant, bargain, sell, convey, mortgage, pledge, assign and transfer unto The Guilford National Bank of Greensboro, as Trustee, and its successors in the trust hereby created in trust, all the following described property, to-wit: