

initially to Pilot Life Insurance Company, of Guilford County, 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 Company, 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 Company, 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 Company 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 Company, 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