

Section 2. - Right to Redeem at Par

The Company shall also have the right on any interest payment date, as long as any of the bonds are outstanding and unpaid, to retire at par, plus accrued interest to date of payment, bonds, in addition to the bonds then maturing, in an amount not exceeding the amount of the bonds then maturing in any one year, said right to redeem prior to maturity to be non-cumulative, and the bond or bonds so retired prior to maturity to be the last maturing bond or bonds. Which is to say, retirement of bonds prior to maturity as provided in this paragraph shall be in the inverse order of their serial numbers.

Section 3. - Notice of Redemption and Payment

Before exercising any right to pay off and redeem any bonds prior to maturity, the Company shall give notice in writing not less than 30 days prior to the time of such redemption, which notice shall be given by mail addressed to the Trustee at its offices in Greensboro, North Carolina, and to Pilot Life Insurance Company at its office near Greensboro, North Carolina, and in the event said insurance company does not then own all the bonds so to be redeemed, by mail to all registered owners thereof, and if any of such bonds are unregistered bonds, by publication of such notice twice (once a week in each of two successive calendar weeks), in a newspaper printed in the English Language, published and of general circulation in the City of Greenville, State of South Carolina, the first of such publications to be made not less than 30 days before the date of redemption. Upon notice of call for prepayment being given as aforesaid, the Company promises to prepay on the date therein fixed for prepayment the principal amount of such bond, together with interest accrued thereon to the date fixed for prepayment plus such premium as may be applicable at the time fixed for prepayment.