

over such death proceeds (after deducting therefrom reasonable fees and expenses of the Trustee in the collection and handling of the same) to Southern Bakeries Company, free and discharged from the effect of this Trust Indenture and the separate assignments of such policy. In the event the holders of the majority of the Bonds then outstanding shall, however, elect to apply such death benefits or proceeds to the Bonds then outstanding, the same shall be applied (after deduction by the Trustee from said proceeds of its reasonable fees and expenses of collecting and handling said proceeds) to the payment of the principal of the last maturing Bonds. All interest accrued on the Bonds so prepaid shall be paid by the Company with its separate funds at the time of such prepayment.

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging to or any wise pertaining to the aforesaid premises, property and rights or any part thereof, with the reversion and reversions, remainder and remainders, and all the estate, right, title, interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid premises, property, and rights and every part and parcel thereof.

TO HAVE AND TO HOLD the above described property, real, personal and mixed, together with all and singular the appurtenances thereunto belonging, unto the said SECURITY NATIONAL BANK OF GREENSBORO, Trustee, and its successors in the trust and their assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, for the purpose of securing the entire issue of Bonds, both as to principal (and premium, if any) and interest herein provided for, for the benefit of the person or persons who may at any time be the holder or holders of the Bonds, and each of them, without preference as to any of the Bonds over any other by reason of priority in time of payment, of issue or of negotiation, so that the Bonds shall be equally and ratably secured, and for the enforcement of the payment of the Bonds, both as to principal (and premium, if any) and interest when payable; and in