

The Company covenants and agrees that all costs and expenses incurred by any of the parties hereto arising by reason of the resignation or removal of the Trustee and the appointment of a successor will be paid by the Company.

Subject to the provisions of Section 5 of this Article, any successor Trustee, new Trustee or Trustee other than the Trustee named in this Trust Indenture, shall be a bank or trust company authorized to transact business in the State of North Carolina.

SECTION 4 - DUTIES, OBLIGATIONS AND IMMUNITIES OF THE TRUSTEE

The Trustee, for itself and its successors in trust, hereby accepts the trust and assumes the duties hereby created and imposed upon it upon the following terms and conditions, to-wit:

- (a) It is covenanted and agreed that the Trustee herein named shall receive for accepting the trust and authenticating the Bonds a fee of Seven Hundred Fifty Dollars (\$750.00), payable upon the execution and delivery of this Trust Indenture. The Trustee shall also be paid a fee of Two Hundred Fifty Dollars (\$250.00) per year so long as any of the Bonds are outstanding, said fee to be paid at the end of each year, and in addition thereto, if at any time all of the Bonds then outstanding shall be redeemed prior to their respective maturities, a cancellation fee of one-tenth of one per cent (1/10%) of the aggregate principal amount of the Bonds so redeemed at such time up to \$1,000,000.00 and one-twentieth of one per cent (1/20%) of the face value of Bonds called for redemption in excess of \$1,000,000.00. The Trustee shall also be paid reasonable compensation for any extraordinary service rendered as the result of any default on the part of the Company, or as the result of fire or other casualty, all of said monies as above set forth to be paid to the Trustee by the Company.
- (b) The recitals of facts contained herein and in the Bonds shall be taken as statements made by the Company, and