

AMENDMENT NUMBER TWO TO THE INSTALLMENT FINANCING CONTRACT

THIS AMENDMENT NUMBER TWO TO THE INSTALLMENT FINANCING CONTRACT dated as of February 15, 2014, by and between **BUNCOMBE FINANCING CORPORATION** (the "*Corporation*"), a nonprofit corporation duly created and existing under the laws of the State of North Carolina, and the **COUNTY OF BUNCOMBE, NORTH CAROLINA**, a political subdivision duly organized under the laws of the State of North Carolina (the "*County*"), amending an Installment Financing Contract dated as of December 1, 2010 (the "*2010 Contract*"), between the Corporation and the County;

WITNESSETH:

WHEREAS, the Corporation and the County previously entered into the 2010 Contract and Amendment Number One to the 2010 Contract dated as of July 1, 2012 (the "*First Amendment*") for the purposes outlined therein;

WHEREAS, the Corporation has previously executed and delivered (1) (a) Limited Obligation Bonds (County of Buncombe, North Carolina), Series 2010A, Evidencing Proportionate Undivided Interests in Rights to Receive Certain Revenues under the Contract in the aggregate principal amount of \$31,500,000, (b) Taxable Limited Obligation Bonds (County of Buncombe, North Carolina Build America Bonds), Series 2010B, Evidencing Proportionate Undivided Interests in Rights to Receive Certain Revenues under the Contract in the aggregate principal amount of \$20,420,000, and (c) Taxable Limited Obligation Bonds (County of Buncombe, North Carolina Qualified Zone Academy Bonds), Series 2010C, Evidencing Proportionate Undivided Interests in Rights to Receive Certain Revenues under the Contract in the aggregate principal amount of \$3,800,000, all under an Indenture of Trust dated as of December 1, 2010 (the "*2010 Indenture*") between the Corporation and U.S. Bank National Association, as trustee (the "*Trustee*") in order to finance the 2010 Projects (as defined therein) and (2) Limited Obligation Bonds, Series 2012A, Evidencing Proportionate Undivided Interests in Rights to Receive Certain Revenues Pursuant To the Contract (as amended) in the aggregate principal amount of \$75,365,000, under Supplemental Indenture Number 1 dated as of July 1, 2012 (the "*First Supplement*") to the 2010 Indenture in order to finance the 2012A Projects (as defined therein) and refinance certain of the County's prior installment payment obligations;

WHEREAS, the County has determined that it is in its best interest to pay the capital costs of (a) the construction and equipping of a new elementary school to replace the existing Isaac Dickson Elementary School, (b) improvements to the Asheville campus of Asheville-Buncombe Technical Community College, including the construction and equipping of an Allied Health Building, the construction and equipping of a public safety training facility classroom, the construction and equipping of a multi-purpose building, and the construction of a parking deck, (c) improvements to the County's existing detention center, and (d) the construction of a bridge and minor road improvements (collectively, the "*2014A Projects*"), and (e) the construction of a terminal facility for use by Old Dominion Freight and an office and light manufacturing facility to be used by GE Aviation pursuant to a long-term lease (the "*2014B Project*," and together with the 2014A Projects, the "*2014 Projects*");

WHEREAS, the County has previously (1) issued \$12,960,000 in aggregate principal amount of Project Development Financing Bonds (Woodfin Downtown Corridor Development), Series 2008 (the “Woodfin Bonds”) in order to finance the Woodfin Project (as defined herein), and (2) entered into an Installment Financing Contract dated as of March 1, 2006 (the “2006 Contract”) with the Corporation to finance the 2006 Projects (as defined herein);

WHEREAS, the County has been advised that it may be able to refinance all or a portion of its obligations with respect to the Woodfin Bonds and a portion of the County’s installment payments under the 2006 Contract so as to reduce the County’s installment payments thereunder;

WHEREAS, under the 2010 Indenture, Additional Bonds (as defined therein) may be executed and delivered in order to pay (1) the cost of expanding the Projects (as defined therein) or acquiring, constructing, renovating and equipping other facilities or acquiring equipment and other capital assets for utilization by the County for public purposes; (2) the cost of refunding of all or any portion of the Bonds (as defined therein) then Outstanding (as defined therein) or any other installment financing obligations of the County, provided such a refunding does not result in a reduction in the bond rating assigned to the Outstanding Bonds by Moody’s or S&P (each as defined therein); and (3) the Costs of Issuance (as defined therein) relating to the execution, delivery and sale of the Additional Bonds;

WHEREAS, to pay the cost of acquiring, constructing, renovating and equipping facilities and acquiring equipment and other capital assets for utilization by the County for public purposes and refunding installment financing obligations of the County, the County wishes to amend the 2010 Contract (as previously amended) as permitted under Section 9.04 of the 2010 Indenture;

NOW, THEREFORE, THIS AMENDMENT NUMBER TWO TO THE INSTALLMENT FINANCING CONTRACT WITNESSETH:

Section 1. Definitions. Capitalized, undefined terms used herein have the meaning assigned to them in the 2010 Contract, the 2010 Indenture, the First Amendment, the First Supplement, the Second Supplement [and the Escrow Agreement]. In addition, the following words and terms used herein have the meanings set forth below:

[“Escrow Agreement” means the Escrow Agreement dated as of February 15, 2014 between the County and the Escrow Agent.]

[“Escrow Fund” means the fund by that name created in the Escrow Agreement.]

“Second Amendment” means this Amendment Number Two to the Installment Financing Contract dated as of February 15, 2014, between the Corporation and the County and any amendments or supplements thereto, including Payment Schedule attached hereto, amending the 2010 Contract.

“Second Notice” means the Notice of Extension to the 2010 Deed of Trust dated as of February 15, 2014 from the County, as Grantor, to a deed of trust trustee for the benefit of the Corporation, as Beneficiary, and as assigned by the Corporation to the Trustee under the Indenture.

“Second Supplement” means Supplemental Indenture, Number 2 dated as of February 15, 2014, between the Corporation and the Trustee and any amendments or supplements thereto, supplementing and amending the 2010 Indenture.

“2006 Contract” means an Installment Financing Contract dated as of March 1, 2006 between the County and the Corporation.

“2006 Projects” means the portion of (1) certain improvements to Asheville-Buncombe Technical Community College’s facilities, including (i) re-roofing of all buildings on the Enka Campus, (ii) renovations to the Fernhurst Building, (iii) renovation of the Birch Building, (iv) renovation of the Maple Building, (v) construction of an addition to Azalea Building and (vi) completion of five paving projects; (2) certain improvements to the Buncombe County Board of Education’s facilities, including (i) improvements to athletic facilities at six high schools and three middle schools, (ii) improvements to dining facilities at two high schools and four elementary schools, (iii) construction of classroom additions to T. C. Roberson High School, Erwin High School, Enka High School, North Buncombe High School, Valley Springs Middle School, Hominy Valley Elementary School and Avery’s Creek Elementary School, (iv) fire protection and HVAC improvements at A. C. Reynolds High School, (v) construction of a warehouse maintenance building, (vi) construction of a metal shop building and (vii) miscellaneous other improvements; (3) acquisition of certain facilities for the use of Handmade in America Community Development Corporation; and (4) certain improvements to the Asheville City Board of Education’s facilities, including (i) the construction and equipping of a new cafeteria at Asheville High School, (ii) construction of additions to and renovation of existing portions of Claxton Elementary School and (iii) renovation of Dickson Elementary School allocable to the Refunded 2006 Certificates, which will become part of the Projects.

“2014A Projects” means (a) the construction, installation and equipping of a four-story courts building adjacent to and further renovations of the Buncombe County Courthouse, (b) further construction, equipping and furnishing of the Training Center, (c) the acquisition and installation of new software systems for the Department of Social Services, (d) the acquisition of new sites for and upgrade and expansion of the County’s public safety radio network, (e) the construction of an expansion to the County’s construction and demolition landfill, (f) replacement of a chiller at the Enka Campus of Asheville-Buncombe Technical College, and (g) the acquisition of land and an existing building for use as administrative offices for Asheville-Buncombe Technical College, which will become part of the Projects.

“Woodfin Project” means the portion of the roadway, sidewalk, water and sewer infrastructure and other improvements within the Woodfin Downtown Corridor Development Financing District allocable to the refinanced portion of the County’s obligations with respect to the Woodfin Bonds, which will become part of the Projects.

Section 2. *Amendments to the 2010 Contract.*

(a) The definition of the following words in the 2010 Contract, as amended, is replaced with the following definition:

“Contract” means, collectively, the 2010 Contract, the First Amendment and the Second Amendment.

“Deed of Trust” means, collectively, the 2010 Deed of Trust, the First Notice and the Second Notice.

“Projects” means, collectively, the 2014 Projects, the 2012A Projects, 2010AB Projects, the 2010C Project, the 2003 Projects, the 1995 Projects, the 2005 Project, the 2006 Projects and the Woodfin Project.

“*Purchase Price*” means the amount of \$[] advanced by the Corporation to enable the County to finance and refinance the Projects under the terms of the Contract, as such price may be adjusted in connection with the execution and delivery of Additional Bonds under Section 2.11 of the 2010 Indenture.

(b) Section 3.5 of the Contract is deleted in its entirety and replaced with the following paragraph:

“(a) If the County has performed all of its obligations under this Contract, then it shall have the option to prepay or provide for the prepayment of the Purchase Price applicable to the 2010A Bonds on any date on or after June 1, 2020, in full or in part in the amount of \$5,000 or any integral multiple thereof on 45 days’ notice to the Trustee, at a prepayment price equal to the then applicable prepayment price of the 2010A Bonds, including any required prepayment premium under Section 4.01 of the Indenture, plus accrued interest to the prepayment date.

(b) If the County has performed all of its obligations under this Contract, then it shall have the option to prepay or provide for the prepayment of the Purchase Price applicable to the 2010B Bonds on any date on or after June 1, 2020, in full or in part in the amount of \$5,000 or any integral multiple thereof on 45 days’ notice to the Trustee, at a prepayment price equal to the then applicable prepayment price of the 2010B Bonds, including any required prepayment premium under Section 4.01 of the Indenture, plus accrued interest to the prepayment date.

(c) Upon the occurrence of a 2010B Extraordinary Event or a 2010C Extraordinary Event, the County shall have the option to prepay or provide for the prepayment of the Purchase Price applicable to the 2010B Bonds or the 2010C Bonds, as applicable, on any date, in full or in part in the amount of \$5,000 or any integral multiple thereof as provided for under Section 4.01 of the Indenture.

(d) If the 2010C Bonds become subject to prepayment under Section 4.01(c)(2) of the Indenture, then the County shall cause any available project proceeds of the 2010C Bonds to be used in accordance with Section 3.12 of the Indenture to prepay the Purchase Price applicable to the 2010C Bonds, in full or in part, as required by Section 4.01(c)(2).

(e) If the County has performed all of its obligations under this Contract, then it shall have the option to prepay or provide for the prepayment of the Purchase Price applicable to the 2012A Bonds on any date on or after June 1, 2022, in full or in part in the amount of \$5,000 or any integral multiple thereof on 45 days’ notice to the Trustee, at a prepayment price equal to the then applicable prepayment price of the 2012A Bonds, including any required prepayment premium under Section 4.01 of the Indenture, plus accrued interest to the prepayment date.

(f) If the County has performed all of its obligations under this Contract, then it shall have the option to prepay or provide for the prepayment of the Purchase Price applicable to the 2014 Bonds on any date on or after June 1, 2024, in full or in part in the amount of \$5,000 or any integral multiple thereof on 45 days’ notice to the Trustee, at a prepayment price equal to the then applicable prepayment price of the 2014 Bonds,

including any required prepayment premium under Section 4.01 of the Indenture, plus accrued interest to the prepayment date.

(g) If the Purchase Price is partially prepaid, then the Trustee shall recalculate the Payment Schedule as necessary in the manner required by Section 3.07 of the Indenture.”

(c) The form of requisition attached hereto as Exhibit A replaces the form of requisition provided as Exhibit A to the First Amendment and all references in the 2010 Contract and the First Amendment to Exhibit A shall be read to apply to Exhibit A attached hereto.

Section 3. Funds. From the proceeds of the 2014A Bonds, the Corporation will cause (1) \$[] to be deposited in the 2014A Bonds Account of the Acquisition and Construction Fund, (2) \$[] to be deposited in the 2014B Bonds Account of the Acquisition and Construction Fund, [(3) \$[] to be transferred to the Escrow Agent to be deposited in the Escrow Fund created under the Escrow Agreement], and (4) \$[] to be transferred to U.S. Bank, National Association, as trustee for the Woodfin Bonds, to be transferred to [] to purchase \$[11,850,000] of the Woodfin Bonds.

Section 4. Payment Schedule. The Payment Schedule attached to the 2010 Contract is replaced by the Payment Schedule attached hereto, and after the date of this Second Amendment, the County agrees to make all Installment Payments in the amounts and at the times shown in the Payment Schedule attached hereto.

Section 5. Continuing Disclosure Obligation. With respect to the 2014 Bonds, the County agrees, in accordance with Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”), to provide:

(1) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ended June 30, 2014, to the Municipal Securities Rulemaking Board (the “MSRB”), the audited financial statements of the County for the preceding Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or if such audited financial statements are not then available, unaudited financial statements of the County for such Fiscal Year to be replaced subsequently by audited financial statements of the County to be delivered within 15 days after such audited financial statements become available for distribution;

(2) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ended June 30, 2014, to the MSRB, the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year for the type of information included under the captions “**THE COUNTY--DEBT INFORMATION**” and “**--TAX INFORMATION**” (including subheadings thereunder) in the Official Statement dated [OS date] with respect to the 2014 Bonds (excluding, in each case, any information on overlapping or underlying units);

(3) in a timely manner not in excess of 10 business days after the occurrence of the event, to the MSRB, notice of any of the following events with respect to the 2014 Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;

- (c) unscheduled draws on the debt service reserves reflecting financial difficulties;
 - (d) unscheduled draws on any credit enhancements reflecting financial difficulties;
 - (e) substitution of any credit or liquidity providers, or their failure to perform;
 - (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2014 Bonds, or other material events affecting the tax status of the 2014 Bonds;
 - (g) modification of the rights of the Beneficial Owners of the 2014 Bonds, if material;
 - (h) call of any of the 2014 Bonds, if material, and tender offers;
 - (i) defeasance of any of the 2014 Bonds;
 - (j) release, substitution or sale of any property securing repayment of the 2014 Bonds, if material;
 - (k) rating changes;
 - (l) bankruptcy, insolvency, receivership or similar event of the County;
 - (m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
 - (n) appointment of a successor or additional trustee or the change of name of a trustee, if material; and
- (4) in a timely manner, to the MSRB, notice of a failure of the County to provide required annual financial information described in (1) or (2) above on or before the date specified.

The County agrees that its undertaking under this paragraph is intended to be for the benefit of the Owners and the beneficial owners of the 2014 Bonds and is enforceable by the Trustee or by any of them, including an action for specific performance of the County's obligations under this paragraph, but a failure to comply will not be an Event of Default and will not result in acceleration of the principal component of Installment Payments. An action must be instituted, had and maintained in the manner provided in this paragraph for the benefit of all of the Owners and beneficial owners of the 2014 Bonds.

The County may modify from time to time, consistent with the Rule, the information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County, but:

- (1) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the County;

(2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of the Official Statement, after taking into account any amendments or interpretations of the Rule as well as any changes in circumstances;

(3) any such modification does not materially impair the interest of the Owners or the beneficial owners, as determined by nationally recognized bond counsel or by the approving vote of the Owners of a majority in principal amount of the 2014 Bonds pursuant to the Indenture as may be amended from time to time.

Any annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

All documents provided to the MSRB as described above are to be provided in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB. The County may discharge its undertaking described above by transmitting those documents or notices in a manner subsequently required by the U.S. Securities and Exchange Commission in lieu of the manner described above.

The provisions of this paragraph terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest with respect to the 2014 Bonds.

Section 6. *Representations, Warranties and Covenants of the County and the Corporation.* The County hereby represents and warrants that the representations, warranties and covenants in Section 8.1 of the 2010 Contract and the First Amendment are true and correct as of the date of the execution and delivery of this Second Amendment as if made on the date of the execution and delivery of this Second Amendment. The Corporation hereby represents and warrants that the representations and warranties in Section 8.2 of the 2010 Contract are true and correct as of the date of the execution and delivery of this Second Amendment as if made on the date of the execution and delivery of this Second Amendment.

Section 7. *Arbitrage and Tax Covenants.* The County covenants that it will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from gross income of the recipient thereof for federal income tax purposes of that portion of the interest components of the Installment Payments intended as of the date hereof to be excluded from gross income of the recipient thereof for federal income tax purpose and, if it should take or permit, or omit to take or cause to be taken, any such action, the County will take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof. The County acknowledges that the continued exclusion of that portion of the interest on the interest component of the Installment Payments from the Owner's gross income for federal income tax purposes intended as of the date hereof to be excluded from gross income of the recipient thereof for federal income tax purpose depends, in part, on compliance with the arbitrage limitations imposed by Section 148 of the Code.

The County covenants that it will comply with all the requirements of Section 148 of the Code, including the rebate requirements, and that it will not permit at any time any of the proceeds of the 2014 Bonds or other funds under its control or under any fund created in the Indenture to be used, directly or indirectly, to acquire any asset or obligation, the acquisition of which would cause the 2014 Bonds to be "arbitrage bonds" for purposes of Section 148 of the Code. The County covenants that it will comply

and will direct the Trustee to comply with the investment instructions in the Arbitrage and Tax Regulatory Certificate with respect to the 2014 Bonds.

IN WITNESS WHEREOF, the Corporation and the County have caused this Second Amendment to be executed in their respective names and their respective seals to be hereto affixed and attested by their duly authorized officials or officers, all as of the date first above written.

BUNCOMBE FINANCING CORPORATION

[SEAL]

Attest:

By: _____
Vinson A. Parsons
President

Vincent D. Childress, Jr.
Assistant Secretary

[Signatures Continued on Following Pages]

[COUNTERPART SIGNATURE PAGE TO AMENDMENT NUMBER TWO TO THE
INSTALLMENT FINANCING CONTRACT BETWEEN
BUNCOMBE FINANCING CORPORATION AND THE COUNTY OF BUNCOMBE, NORTH CAROLINA]

COUNTY OF BUNCOMBE, NORTH CAROLINA

[SEAL]

By: _____
Wanda S. Greene
County Manager

Attest:

Kathy Hughes
Clerk to the Board of County Commissioners

[COUNTERPART SIGNATURE PAGE TO AMENDMENT NUMBER TWO TO THE
INSTALLMENT FINANCING CONTRACT BETWEEN
BUNCOMBE FINANCING CORPORATION AND THE COUNTY OF BUNCOMBE, NORTH CAROLINA]

Consented to and Accepted:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Allison Lancaster-Poole
Vice President

[Signatures Continued on the Following Page]

[COUNTERPART SIGNATURE PAGE TO AMENDMENT NUMBER TWO TO THE
INSTALLMENT FINANCING CONTRACT BETWEEN
BUNCOMBE FINANCING CORPORATION AND THE COUNTY OF BUNCOMBE, NORTH CAROLINA]

THIS CONTRACT AMENDMENT HAS BEEN
APPROVED UNDER THE PROVISIONS
OF THE NORTH CAROLINA GENERAL
STATUTES, § 159-152.

By: _____
T. Vance Holloman
Secretary of the Local Government Commission

INSTALLMENT PAYMENT SCHEDULE – 2010A BONDS

DATE	PRINCIPAL COMPONENT	INTEREST COMPONENT	TOTAL PAYMENT
05/26/2014	\$3,590,000.00	\$539,893.75	\$4,129,893.75
11/25/2014	-	486,043.75	486,043.75
05/26/2015	3,595,000.00	486,043.75	4,081,043.75
11/25/2015	-	406,518.75	406,518.75
05/26/2016	2,565,000.00	406,518.75	2,971,518.75
11/25/2016	-	355,218.75	355,218.75
05/26/2017	2,560,000.00	355,218.75	2,915,218.75
11/25/2017	-	304,018.75	304,018.75
05/26/2018	2,555,000.00	304,018.75	2,859,018.75
11/25/2018	-	252,918.75	252,918.75
05/26/2019	2,560,000.00	252,918.75	2,812,918.75
11/25/2019	-	194,818.75	194,818.75
05/26/2020	2,555,000.00	194,818.75	2,749,818.75
11/25/2020	-	130,943.75	130,943.75
05/26/2021	2,555,000.00	130,943.75	2,685,943.75
11/25/2021	-	67,068.75	67,068.75
05/26/2022	2,555,000.00	67,068.75	2,622,068.75

INSTALLMENT PAYMENT SCHEDULE – 2010B BONDS

DATE	PRINCIPAL COMPONENT	INTEREST COMPONENT	TOTAL PAYMENT
05/26/2014	-	\$678,950.00	\$678,950.00
11/25/2014	-	678,950.00	678,950.00
05/26/2015	-	678,950.00	678,950.00
11/25/2015	-	678,950.00	678,950.00
05/26/2016	-	678,950.00	678,950.00
11/25/2016	-	678,950.00	678,950.00
05/26/2017	-	678,950.00	678,950.00
11/25/2017	-	678,950.00	678,950.00
05/26/2018	-	678,950.00	678,950.00
11/25/2018	-	678,950.00	678,950.00
05/26/2019	-	678,950.00	678,950.00
11/25/2019	-	678,950.00	678,950.00
05/26/2020	-	678,950.00	678,950.00
11/25/2020	-	678,950.00	678,950.00
05/26/2021	-	678,950.00	678,950.00
11/25/2021	-	678,950.00	678,950.00
05/26/2022	-	678,950.00	678,950.00
11/25/2022	-	678,950.00	678,950.00
05/26/2023	\$ 2,555,000.00	678,950.00	3,233,950.00
11/25/2023	-	595,912.50	595,912.50
05/26/2024	2,555,000.00	595,912.50	3,150,912.50
11/25/2024	-	512,875.00	512,875.00
05/26/2025	2,555,000.00	512,875.00	3,067,875.00
11/25/2025	-	429,837.50	429,837.50
05/26/2026	2,555,000.00	429,837.50	2,984,837.50
11/25/2026	-	346,800.00	346,800.00
05/26/2027	2,550,000.00	346,800.00	2,896,800.00
11/25/2027	-	260,100.00	260,100.00
05/26/2028	2,550,000.00	260,100.00	2,810,100.00
11/25/2028	-	173,400.00	173,400.00
05/26/2029	2,550,000.00	173,400.00	2,723,400.00
11/25/2029	-	86,700.00	86,700.00
05/26/2030	2,550,000.00	86,700.00	2,636,700.00

INSTALLMENT PAYMENT SCHEDULE – 2010C BONDS

DATE	PRINCIPAL COMPONENT	INTEREST COMPONENT	TOTAL PAYMENT
05/26/2014	\$265,000.00	\$121,125.00	\$286,125.00
11/25/2014		121,125.00	121,125.00
05/26/2015	265,000.00	121,125.00	286,125.00
11/25/2015		121,125.00	121,125.00
05/26/2016	265,000.00	121,125.00	286,125.00
11/25/2016		121,125.00	121,125.00
05/26/2017	265,000.00	121,125.00	286,125.00
11/25/2017		121,125.00	121,125.00
05/26/2018	260,000.00	121,125.00	281,125.00
11/25/2018		121,125.00	121,125.00
05/26/2019	260,000.00	121,125.00	281,125.00
11/25/2019		121,125.00	121,125.00
05/26/2020	260,000.00	121,125.00	281,125.00
11/25/2020		121,125.00	121,125.00
05/26/2021	260,000.00	121,125.00	281,125.00
11/25/2021		121,125.00	121,125.00
05/26/2022	260,000.00	121,125.00	281,125.00
11/25/2022		121,125.00	121,125.00
05/26/2023	260,000.00	121,125.00	281,125.00
11/25/2023		121,125.00	121,125.00
05/26/2024	260,000.00	121,125.00	281,125.00
11/25/2024		121,125.00	121,125.00
05/26/2025	265,000.00	121,125.00	286,125.00

INSTALLMENT PAYMENT SCHEDULE – 2012A BONDS

DATE	PRINCIPAL COMPONENT	INTEREST COMPONENT	TOTAL PAYMENT
05/26/2014	\$1,520,000.00	\$1,782,175.00	\$3,302,175.00
11/25/2014		1,759,375.00	1,759,375.00
05/26/2015	4,835,000.00	1,759,375.00	6,594,375.00
11/25/2015		1,638,500.00	1,638,500.00
05/26/2016	5,530,000.00	1,638,500.00	7,168,500.00
11/25/2016		1,500,250.00	1,500,250.00
05/26/2017	5,540,000.00	1,500,250.00	7,040,250.00
11/25/2017		1,364,375.00	1,364,375.00
05/26/2018	4,835,000.00	1,364,375.00	6,199,375.00
11/25/2018		1,253,750.00	1,253,750.00
05/26/2019	4,840,000.00	1,253,750.00	6,093,750.00
11/25/2019		1,142,250.00	1,142,250.00
05/26/2020	4,790,000.00	1,142,250.00	5,932,250.00
11/25/2020		1,046,000.00	1,046,000.00
05/26/2021	4,780,000.00	1,046,000.00	5,826,000.00
11/25/2021		926,500.00	926,500.00
05/26/2022	4,435,000.00	926,500.00	5,361,500.00
11/25/2022		822,375.00	822,375.00
05/26/2023	3,850,000.00	822,375.00	4,672,375.00
11/25/2023		726,125.00	726,125.00
05/26/2024	3,845,000.00	726,125.00	4,571,125.00
11/25/2024		630,000.00	630,000.00
05/26/2025	3,150,000.00	630,000.00	3,780,000.00
11/25/2025		551,250.00	551,250.00
05/26/2026	3,150,000.00	551,250.00	3,701,250.00
11/25/2026		472,500.00	472,500.00
05/26/2027	3,150,000.00	472,500.00	3,622,500.00
11/25/2027		393,750.00	393,750.00
05/26/2028	3,150,000.00	393,750.00	3,543,750.00
11/25/2028		315,000.00	315,000.00
05/26/2029	3,150,000.00	315,000.00	3,465,000.00
11/25/2029		236,250.00	236,250.00
05/26/2030	3,150,000.00	236,250.00	3,386,250.00
11/25/2030		157,500.00	157,500.00
05/26/2031	3,150,000.00	157,500.00	3,307,500.00
11/25/2031		78,750.00	78,750.00
05/26/2032	3,150,000.00	78,750.00	3,228,750.00

INSTALLMENT PAYMENT SCHEDULE – 2014A BONDS

DATE	PRINCIPAL COMPONENT	INTEREST COMPONENT	TOTAL PAYMENT
05/26/2014			
11/25/2014			
05/26/2015			
11/25/2015			
05/26/2016			
11/25/2016			
05/26/2017			
11/25/2017			
05/26/2018			
11/25/2018			
05/26/2019			
11/25/2019			
05/26/2020			
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05/26/2029			
11/25/2029			
05/26/2030			
11/25/2030			
05/26/2031			
11/25/2031			
05/26/2032			

INSTALLMENT PAYMENT SCHEDULE – 2014B BONDS

DATE	PRINCIPAL COMPONENT	INTEREST COMPONENT	TOTAL PAYMENT
05/26/2014			
11/25/2014			
05/26/2015			
11/25/2015			
05/26/2016			
11/25/2016			
05/26/2017			
11/25/2017			
05/26/2018			
11/25/2018			
05/26/2019			
11/25/2019			
05/26/2020			
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05/26/2030			
11/25/2030			
05/26/2031			
11/25/2031			
05/26/2032			

EXHIBIT A

**FORM OF REQUISITION
ACQUISITION AND CONSTRUCTION FUND**

U.S. Bank National Association
Hearst Tower
214 North Tryon Street, 27th Floor
Charlotte, North Carolina 28202
Attention: Corporate Trust/NC Admin

Re: Direction to Make Disbursements from the 2014A/2014B Bonds Account of the Acquisition and Construction Fund

Ladies and Gentlemen:

Pursuant to Section 3.11 of the Indenture of Trust dated as of December 1, 2010 (the “*2003 Indenture*”), between Buncombe Financing Corporation (the “*Corporation*”) and U.S. Bank National Association, as trustee (the “*Trustee*”), as supplemented by Supplemental Indenture, Number 2 dated as of February 15, 2014 (the “*First Supplement*”) between the Corporation and the Trustee and Section 4.2 of the Installment Financing Contract dated as of December 1, 2010 (the “*2003 Contract*”), between the Corporation and the County of Buncombe, North Carolina (the “*County*”), as amended by Amendment Number Two to the 2010 Contract dated as of February 15, 2014 (the “*Second Amendment*”) between the County and the Corporation, you are hereby directed to disburse from the 2012A Bonds Account of the Acquisition and Construction Fund referred to in the Second Supplement (the “*2014A Bonds Account of the Acquisition and Construction Fund*”) or the 2014B Bonds Account of the Acquisition and Construction Fund referred to in the Second Supplement (the “*2014B Bonds Account of the Acquisition and Construction Fund*”) the amount indicated below.

The undersigned hereby certifies:

1. This is requisition number _____ from the 2012A/2014B Bonds (circle applicable account) Account of the Acquisition and Construction Fund.
2. The name and address of the person, firm or corporation to whom the disbursement is due is as follows:
3. The amount to be disbursed is \$_____.
4. The purpose of the disbursement is to _____.
5. The disbursement herein requested is for an obligation properly incurred, is a proper charge against the 2012A/2014B Bonds (circle applicable account) Account of the Acquisition and Construction Fund as a Cost of Acquisition and Construction and such obligation has not been the basis of any previous disbursement.

Dated this __ day of _____, 20__.

COUNTY OF BUNCOMBE, NORTH CAROLINA

By: _____
County Representative