

Prepared by and Return to:  
Parker Poe Adams & Bernstein LLP  
150 Fayetteville Street, Suite 1400, Raleigh, NC 27602  
Attn: Rebecca B. Joyner, Esq.

STATE OF NORTH CAROLINA  
COUNTY OF BUNCOMBE

**SECOND NOTICE OF EXTENSION  
OF DEED OF TRUST  
TO ADDITIONAL PROPERTY**

***THIS NOTICE OF EXTENSION*** (this “*Notice*”) is given as of the 15th day of February, 2014, by the **COUNTY OF BUNCOMBE, NORTH CAROLINA**, a political subdivision regularly created and validly existing under the laws of the State of North Carolina (the “*Grantor*”), to **SCOTT E. LEO**, as Trustee (the “*Trustee*”) for the benefit of **BUNCOMBE FINANCING CORPORATION**, a nonprofit corporation duly created, existing and in good standing under the laws of the State of North Carolina (the “*Corporation*”) and together with its successors and assigns, the “*Beneficiary*”), and assigned by the Corporation as grantor under the 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*”), as supplemented by Supplemental Indenture, Number 1 dated as of July 1, 2012 (the “*First Supplement*”) and Supplemental Indenture, Number 2 dated as of February 15, 2014 (the “*Second Supplement*,” and together with the 2010 Indenture and the First Supplement, the “*Indenture*”) between the Corporation and the Trustee;

W I T N E S S E T H:

***WHEREAS***, the Beneficiary will execute and deliver Limited Obligation Bonds, Series 2014A (the “*2014A Bonds*”) and Taxable Limited Obligation Bonds, Series 2014B (the “*2014B Bonds*,” and together with the 2014A Bonds, the “*2014 Bonds*”) under the Indenture, the proceeds of which will be used by the Grantor pursuant to an Installment Purchase Contract dated as of December 1, 2010 (the “*2010 Contract*”) between the Grantor and the Beneficiary, as amended by Amendment Number One to the 2010 Contract dated as of July 1, 2012 (“*Amendment Number One*”) and Amendment Number Two to the 2010 Contract dated as of February 15, 2014 (“*Amendment Number Two*,” and together with the 2010 Contract and Amendment Number One, the “*Contract*”) between the Grantor and the Beneficiary, to make certain improvements as set forth in Amendment Number Two; and

WHEREAS, Grantor executed and delivered to Trustee for the benefit of Beneficiary a Deed of Trust and Security Agreement (the “2010 Deed of Trust”) dated as of December 1, 2010, which Deed of Trust was duly recorded in Book 4845, Pages 815-833 of the office of the Register of Deeds, Buncombe County, North Carolina, (the “Registry”) encumbering the Premises (as such term is defined in the 2010 Deed of Trust) and a Notice of Extension of Deed of Trust to Additional Property dated as of July 1, 2012 (the “First Notice,” and together with the 2010 Deed of Trust and this Second Notice, the “Deed of Trust”), which was duly recorded at Book 4996, Page 809 of the office of the Registry encumbering Additional Premises (as such term is defined in the First Notice), all of which secure the Grantor’s obligations (the “Indebtedness”) under the Contract and the Deed of Trust, including future advances which may be made from time to time. The Deed of Trust was assigned by the Corporation to the Trustee under the Indenture. For the purposes this Notice, the term Beneficiary shall be deemed to include all interests, whatsoever, of Buncombe Financing Corporation, and its assign, U.S. Bank National Association, as trustee, by, and through the Deed of Trust and the obligations secured by said Deed of Trust; and

WHEREAS, Grantor was and is the owner of the real property described in the 2010 Deed of Trust and the First Notice; and

WHEREAS, the 2010 Deed of Trust contains an “after acquired property” clause; and

WHEREAS, Grantor is also the owner of the real property described on Exhibit A attached hereto (hereinafter referred to as the “Additional Premises”); together with all buildings and other improvements, and all building materials, machinery and equipment delivered on site to the Additional Premises used in the course of or in connection with the construction of the improvements on the Additional Premises, fixtures thereon and hereafter placed thereon, as well as all plans and specifications of the construction of any improvements on the Additional Premises, and together with proceeds thereof (all of which are hereinafter collectively referred to as the “Additional Premises”); and

WHEREAS, in connection with the execution and delivery of the 2014 Bonds, Grantor and Beneficiary have agreed that the lien of the Deed of Trust be extended, modified and spread to cover and create a lien on not only the Premises and the Additional Premises added in the First Notice (the “2012A Additional Premises”), but also the Additional Premises as defined herein, so that together the Deed of Trust shall constitute in law one mortgage and a single lien on the Premises, the 2012A Additional Premises and the Additional Premises, all securing the Indebtedness; and

WHEREAS, Grantor acknowledges that this Notice confers a substantial benefit on it and is supported by good and valuable consideration.

NOW THEREFORE, in consideration of the Indebtedness of Grantor to Beneficiary, the recitals set forth above (which are an integral part of the Notice and are not mere recitals), and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. The foregoing recitals are true and correct.
2. The term Premises as defined in the 2010 Deed of Trust as modified by the First Notice is hereby amended to include the Additional Premises, and the lien of the 2010 Deed of Trust as modified by the First Notice is hereby extended, modified and spread to cover and include the Additional Premises, the 2012A Additional Premises and the Premises so as to constitute a single lien thereon.

3. All references to the Premises in the Deed of Trust shall hereinafter be deemed to include the Premises, the 2012A Additional Premises and the Additional Premises.

4. Grantor hereby agrees that all terms, representations, warranties, covenants and agreements contained in the Deed of Trust shall hereinafter be deemed to apply to the Premises, the 2012A Additional Premises and the Additional Premises.

5. Grantor ratifies and confirms the lien and security interests of the Deed of Trust on the Premises, the 2012A Additional Premises and the Additional Premises, and in any and all property, real, personal or mixed, tangible or intangible, and fixtures, now or hereafter acquired by Grantor and encumbered by the Deed of Trust and Grantor transfers, assigns, grants to Beneficiary the benefit of a lien on and security interest in all such property now owned or hereafter acquired as security for the Indebtedness.

6. Grantor hereby covenants, represents and warrants that Grantor has good and clear record and marketable title in fee to the Additional Premises, subject to the Permitted Encumbrances (as defined in the Deed of Trust) and the "Additional Permitted Encumbrances" (as set forth on Exhibit B attached hereto).

7. Grantor hereby represents and warrants that it has good right and lawful authority to provide this Notice and to mortgage and convey the Additional Premises, as provided herein.

8. This Notice is binding on and inures to the benefit of the successors and assigns of the parties hereto.

9. Except as specifically modified herein, the terms and conditions of the Deed of Trust remain in full force and effect as executed. Nothing herein contained in any way impairs the Deed of Trust, or alters, waives, annuls, varies or affects any provision, condition or covenant therein, except as herein provided, nor affect or impair any rights, powers or remedies thereunder provided.

10. Grantor and Beneficiary acknowledge and agree that this Notice does not constitute a novation of the Indebtedness, but is intended only to be an extension, amendment and modification of the Deed of Trust for the purposes specifically noted herein.

11. Nothing contained herein constitutes a waiver, release, or limitation of any right, remedy, privilege, or default under the Deed of Trust.

12. The execution hereof by Beneficiary is for the sole purpose of evidencing its consent hereto as required by N.C. Gen. Stat. §47-20.5.

13. This Notice is executed subject to the Additional Permitted Encumbrances.

14. The filing of this Notice constitutes a financing statement and fixture filing for all purposes of N.C. Gen. Stat. §25-9-512. All or part of the Additional Premises is or will become fixtures or other personalty requiring the filing of a financing statement; information concerning the security interest herein granted may be obtained at the addresses set forth on the first page hereof. The address of the Secured Party (Beneficiary) and the address of the Debtor (Grantor) is the address set forth in the Contract. Grantor is the record owner of the Additional Premises covered hereby.

[Remainder of Page Intentionally Blank]

*IN WITNESS WHEREOF* the parties have caused this Notice to be executed under seal, as applicable, effective the day and year first above written.

GRANTOR:

**COUNTY OF BUNCOMBE,  
NORTH CAROLINA**

By: \_\_\_\_\_  
Wanda S. Greene  
County Manager

[SEAL]

ATTEST:

By: \_\_\_\_\_  
Kathy Hughes  
Clerk to the Board

BENEFICIARY:

**U.S. BANK NATIONAL ASSOCIATION,  
as Trustee**

By: \_\_\_\_\_  
Allison Lancaster-Poole  
Vice President

TRUSTEE:

\_\_\_\_\_  
Scott E. Leo, Trustee

STATE OF NORTH CAROLINA )  
 )  
COUNTY OF BUNCOMBE )

I, a Notary Public of the County and State aforesaid, certify that Kathy Hughes (the "Signatory") personally came before me this day and acknowledged that she is the Clerk to the Board of Commissioners of the County of Buncombe, North Carolina and that by authority duly given and as the act of said County, the foregoing instrument was signed in its name by the County Manager of the County of Buncombe, North Carolina and attested by her as Clerk to the Board of Commissioners of the County of Buncombe, North Carolina.

I certify that the Signatory personally appeared before me this day, and

*(check one of the following)*

(I have personal knowledge of the identity of the Signatory); **or**

(I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:

*(check one of the following)*

a driver's license *or*

in the form of \_\_\_\_\_); **or**

(a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated.

Witness my hand and official stamp or seal, this the \_\_\_\_\_ day of February, 2014.

\_\_\_\_\_  
Notary Public

Print: Name: \_\_\_\_\_

*[Note: Notary Public must sign exactly as on notary seal]*

My Commission Expires: \_\_\_\_\_

☞ [NOTARY SEAL] **(MUST BE FULLY LEGIBLE)**

STATE OF NORTH CAROLINA )  
 )  
COUNTY OF MECKLENBURG )

I, a Notary Public of the County and State aforesaid, certify that Allison Lancaster-Poole (the "Signatory") personally came before me this day and acknowledged that she is the Vice President of U.S. Bank National Association, and that by authority duly given and as the act of U.S. Bank National Association, the foregoing instrument was signed in its name by her.

I certify that the Signatory personally appeared before me this day, and  
(check one of the following)

\_\_\_\_\_ (I have personal knowledge of the identity of the Signatory); **or**

\_\_\_\_\_ (I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:

(check one of the following)

\_\_\_ a driver's license *or*

\_\_\_ in the form of \_\_\_\_\_); **or**

\_\_\_\_\_ (a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated.

Witness my hand and official stamp or seal, this the \_\_\_\_\_ day of February, 2014.

\_\_\_\_\_  
Notary Public

Print: Name: \_\_\_\_\_

[**Note:** Notary Public must sign exactly as on notary seal]

My Commission Expires: \_\_\_\_\_

☞ [NOTARY SEAL] (MUST BE FULLY LEGIBLE)

**STATE OF NORTH CAROLINA**     )  
   )  
**COUNTY OF MECKLENBURG**     )

I, a Notary Public of the County and State aforesaid, certify that Scott E. Leo (the "Signatory") personally came before me this day and acknowledged that the foregoing instrument was signed by him.

I certify that the Signatory personally appeared before me this day, and  
*(check one of the following)*  
\_\_\_\_\_(I have personal knowledge of the identity of the Signatory); **or**

\_\_\_\_\_(I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:  
*(check one of the following)*  
\_\_\_\_ a driver's license *or*  
\_\_\_\_ in the form of \_\_\_\_\_); **or**  
\_\_\_\_(a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated.

Witness my hand and official stamp or seal, this the \_\_\_\_ day of February, 2014.

\_\_\_\_\_  
Notary Public  
Print: Name: \_\_\_\_\_  
*[Note: Notary Public must sign exactly as on notary seal]*  
My Commission Expires: \_\_\_\_\_  
☞ [NOTARY SEAL]     **(MUST BE FULLY LEGIBLE)**



**EXHIBIT A**

**[to come]**

## **EXHIBIT B**

“*Additional Permitted Encumbrances*” means the exceptions listed on Schedule B-II of the endorsement to the title insurance policy issued by [Fidelity National Title] in connection with the execution and delivery of the 2014 Bonds which are specifically incorporated herein by reference.