
COUNTY OF MONTGOMERY, NORTH CAROLINA, Grantor
to
_____, Trustee
for the benefit of
MONTGOMERY COUNTY PUBLIC FACILITIES CORPORATION,
Beneficiary

DEED OF TRUST
Dated as of January 1, 2018

Relating to

\$_____

Limited Obligation Bond Anticipation Notes (School Project), Series 2018
Evidencing Proportionate Undivided Interests in
Installment Payments to be Made by the
County of Montgomery, North Carolina with Respect to the
Financing of Certain School Facilities Pursuant to
an Installment Financing Agreement with
Montgomery County Public Facilities Corporation

COLLATERAL IS OR INCLUDES FIXTURES AND THIS
DEED OF TRUST SECURES PRESENT AND FUTURE ADVANCES

After filing, please return to: Russell Hollers, Esq. Montgomery County Attorney Post Office Box 567 Troy, North Carolina 27371	This document was prepared by: Paul C. Jacobson, Esq. Sands Anderson PC 4101 Lake Boone Trail, Suite 100 Raleigh, North Carolina 27607
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STATE OF NORTH CAROLINA

COUNTY OF MONTGOMERY

**DEED OF TRUST
(COLLATERAL INCLUDES FIXTURES)**

THIS DEED OF TRUST, dated as of January 1, 2018, by the County of Montgomery, a political subdivision of the State of North Carolina having its principal place of business in Troy, North Carolina (the "Grantor"), to _____, Trustee, of _____, North Carolina (the "Deed of Trust Trustee"), for the benefit of Montgomery County Public Facilities Corporation, a nonprofit corporation organized and existing under the laws of the State of North Carolina (the "Beneficiary"),

W I T N E S S E T H :

ARTICLE I

RECITALS AND CONVEYANCE

1.1 The Grantor has entered into a Master Installment Financing Agreement, dated as of January 1, 2018 (the "Master Agreement") and a First Supplemental Installment Financing Agreement dated as of January 1, 2018 (the "First Supplemental Agreement" and, together with the Master Agreement, the "Installment Financing Agreement"), with the Beneficiary to finance a portion of the cost of the School Project (as defined in the Installment Financing Agreement). The School Project will be located on certain real property owned by the Grantor and described in Exhibit A attached hereto. That real property and the buildings, structures, improvements and fixtures thereon and all appurtenances thereto of any nature whatsoever, excluding data processing or telecommunications equipment and mobile or modular classrooms, are hereinafter referred to collectively as the "Mortgaged Property".

1.2 The Beneficiary is obtaining funds for the financing of a portion of the cost of the School Project through the execution and delivery of \$_____ Limited Obligation Bond Anticipation Notes (School Project), Series 2018 (the "2018 Notes"), evidencing proportionate undivided interests in certain payments to be made by the Grantor as Installment Payments (as defined in the Installment Financing Agreement) under the Installment Financing Agreement. The 2018 Notes are executed and delivered under and secured by a Master Trust Agreement, dated as of January 1, 2018 (the "Master Trust Agreement") and a First Supplemental Trust Agreement, dated as of January 1, 2018 (the "First Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Trust Agreement"), each between the Beneficiary and U.S. Bank National Association, as trustee (the "Trustee").

1.3 As security for the Notes (as hereinafter defined), the Beneficiary has assigned to the Trustee its interest in all Installment Payments and substantially all of its other rights under the Installment Financing Agreement, except for certain rights specifically reserved, and its rights

under this deed of trust (this "Deed of Trust"), except its right to payments of costs, fees and expenses under **Section 2.7** hereof and its right to receive notices hereunder.

1.4 The Grantor desires to secure its obligations hereunder and under the Installment Financing Agreement by this Deed of Trust on the Mortgaged Property as more fully described herein.

1.5 This Deed of Trust is executed to secure all present and future obligations of the Grantor to the Beneficiary arising under the Installment Financing Agreement and this Deed of Trust. The making of future advances, which advances shall be evidenced by additional notes ("Additional Notes" and, together with the 2018 Notes, "Notes"), is subject to the terms and conditions of the Trust Agreement and the Installment Financing Agreement. The amount of the present obligations secured by this Deed of Trust is _____ Million Dollars (\$_____), and the maximum amount, including present and future obligations, that may be secured by this Deed of Trust at any one time is _____ Million Dollars (\$_____. This Deed of Trust may be modified or amended by a supplemental agreement approved by the Beneficiary, without the consent of the Note owners, for the incurrence of future obligations during the period commencing on the date hereof and ending not more than fifteen (15) years from such date or such lesser or greater period as may hereafter be provided by law.

1.6 Unless the context otherwise requires, the capitalized terms used herein shall, for all purposes of this Deed of Trust, have the meanings specified in the Trust Agreement or the Installment Financing Agreement, either as originally executed or as amended and supplemented from time to time, in accordance with their respective terms. The definitions of the terms "School Project", "2018 Notes", "Additional Notes" and "Notes", as set forth in the Installment Financing Agreement, shall control to the extent that the definitions set forth herein differ in any material respect from those in the Installment Financing Agreement.

NOW, THEREFORE, in consideration of the premises and the indebtedness herein recited and for the sum of Ten Dollars (\$10.00) paid to the Grantor by the Beneficiary, the receipt of which is hereby acknowledged, the Grantor has given, granted, bargained, sold, and conveyed, and by these presents does give, grant, bargain, sell and convey to the Deed of Trust Trustee, his heirs, successors and assigns, in trust, with power of sale, all rights, title and interest of the Grantor now owned or hereinafter acquired in and to the Mortgaged Property, including the property described as follows:

1. The real property described in Exhibit A attached hereto.
2. The buildings, structures and improvements of every kind and description now located or hereafter erected or placed thereon (collectively the "Improvements").
3. All fixtures now acquired and owned by the Grantor thereon, including but not limited to any articles of personal property attached or affixed to the Improvements, including but not limited to all apparatus, machinery, motors, elevators, fittings and all plumbing, heating, lighting, electrical, laundry, ventilating, refrigerating, incinerating, air-conditioning, fire and theft protection and sprinkler equipment, including all renewals and

replacements thereof and all additions thereto, and all articles in substitution thereof, and all proceeds of all the foregoing in whatever form (collectively the "Fixtures").

4. All proceeds of and any unearned premiums on any insurance policies covering the foregoing, including without limitation, the right to receive and apply the proceeds of any insurance, judgment or settlements made in lieu thereof, for damage thereto.

5. All easements, rights-of-way, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the foregoing and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the foregoing to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both in law and in equity, of the Grantor of, in and to the foregoing and every part and parcel thereof, with the appurtenances thereto.

SUBJECT, HOWEVER, to such of the Permitted Encumbrances (as defined in the Installment Financing Agreement and as are set forth in Exhibit B hereto) as are superior to this security interest and excluding data processing or telecommunications equipment and mobile or modular classrooms.

TO HAVE AND TO HOLD the Mortgaged Property, together with all rents, issues and profits thereof, to the Deed of Trust Trustee, his heirs, successors or assigns upon the trust and for the uses and purposes hereinafter set forth, subject to such exceptions and limitations to title as qualify as Permitted Encumbrances.

THIS CONVEYANCE IS MADE UPON THIS SPECIAL TRUST, that if the Grantor shall pay, or cause to be paid, to the Trustee an amount sufficient to provide for the payment of the Notes in accordance with their terms and the terms of the Trust Agreement, together with interest and prepayment premiums, if any, with respect thereto, at the times and places thereto specified for the payment of the same, shall comply with all the covenants, terms and conditions of this Deed of Trust and the Trust Agreement and shall deliver to the Deed of Trust Trustee a release of the Trust Agreement, executed by the Trustee pursuant to Section 14.01 of the Trust Agreement, and all other amounts payable by the Grantor under the Installment Financing Agreement and this Deed of Trust have been paid to the parties entitled thereto, then this conveyance shall be null and void and shall be cancelled or released of record at the request and at the cost of the Grantor.

BUT IF AN EVENT OF DEFAULT should occur under the Trust Agreement and the maturities of the Notes are accelerated as provided in the Trust Agreement, it shall be lawful for, and upon the request of the Beneficiary it shall become the duty of, the Deed of Trust Trustee, to advertise and sell under this Deed of Trust the Mortgaged Property in the manner hereinafter set forth.

ARTICLE II

GRANTOR'S REPRESENTATIONS AND AGREEMENTS

2.1 Title to Mortgaged Property. The Grantor warrants that it has good and marketable title to the Mortgaged Property and is lawfully seized and possessed of the Mortgaged Property and every part thereof in fee simple and has the right to convey the same; that the Mortgaged Property is unencumbered, except for such encumbrances and matters of title as are set forth in Exhibit B hereto; and that the Grantor will forever warrant and defend the title to the Mortgaged Property and the Deed of Trust Trustee against the claims of all persons whomsoever.

2.2 Payment and Performance of Notes, Installment Financing Agreement, Trust Agreement and Deed of Trust. The Grantor shall pay, or cause to be paid, when due, the principal, prepayment premiums, if any, and interest with respect to the Notes, as provided in the Notes, and all other sums required to be paid under this Deed of Trust, the Installment Financing Agreement and the Trust Agreement from funds available to the Grantor pursuant to such documents. The Grantor shall observe and perform all the covenants, provisions, terms and conditions of the Notes, the Installment Financing Agreement and this Deed of Trust, to be observed and performed by the Grantor. All of the covenants, terms, provisions, and conditions of the Notes and the Trust Agreement are incorporated by reference in this Deed of Trust and are made a part of the same as if fully set forth herein.

2.3 Performance of Grantor's Obligations. If at any time the Grantor should neglect, refuse or fail to perform any of its obligations set forth in this Deed of Trust and the Beneficiary performs or causes to be performed such obligations, all expenditures incurred by the Beneficiary shall be part of the obligations secured by this Deed of Trust. All such payments made by the Beneficiary shall constitute payments for the protection and preservation of the Beneficiary's security.

2.4 Further Instruments. Upon demand, the Grantor shall execute and deliver to the Beneficiary and to any subsequent Beneficiary any further instrument or instruments, including, but not limited to, deeds of trust, security agreements, financing statements, assignments, notices of extension, or renewal or substitution obligations necessary to reaffirm, correct or perfect the evidence of the obligations hereby secured and the legal security title and lien of the Deed of Trust Trustee and the Beneficiary to all or any part of the Mortgaged Property intended to be given or conveyed under the Installment Financing Agreement or this Deed of Trust, whether now given or conveyed or acquired and conveyed subsequent to the date of this Deed of Trust.

2.5 Security Interest in Fixtures. This Deed of Trust is intended to be a security agreement pursuant to the North Carolina Uniform Commercial Code for the Fixtures. The Grantor hereby grants to the Beneficiary and the Deed of Trust Trustee a security interest in the Fixtures. The Grantor agrees that the security interest in the Fixtures granted in this paragraph 2.5 shall be in addition to, and not in lieu of, any lien upon and security title in the Fixtures acquired by real property law. The Grantor agrees to execute, deliver and file, or cause to be filed, in such place or places as may be required by law, financing statements (including any continuation statements required by the North Carolina Uniform Commercial Code) in such form as the Beneficiary may require to perfect the security interest hereunder. Upon the occurrence of an

Event of Default under this Deed of Trust, the Beneficiary or Deed of Trust Trustee shall be entitled to exercise all rights and remedies of a secured party under the North Carolina Uniform Commercial Code and may proceed as to the Fixtures in the same manner as provided herein for the real property.

2.6 Grantor and Lien Not Released. The Grantor agrees that its obligations to the Beneficiary will not be diminished, and the responsibility and liability of the Grantor (or any successor thereto) to the Beneficiary for the complete performance of each of the Grantor's obligations hereunder or under the Notes, the Installment Financing Agreement, the Trust Agreement, or any other documents submitted by the Grantor to the Beneficiary in connection with the obligations secured hereby shall not be released, regardless of any (a) release by the Beneficiary of any of the Grantor's successors in title to all or any part of the Mortgaged Property from liability on the Notes or any other liability of the Grantor to the Beneficiary, (b) extension of time for payment of all or any part of the obligations hereby secured, (c) release by the Beneficiary of any portion of the Mortgaged Property from the lien and security title hereof, (d) subordination of lien, (e) forbearance on the part of the Beneficiary to collect on the Notes or other liability of the Grantor to the Beneficiary or any part thereof, (f) waiver of any right granted or remedy available to the Beneficiary or (g) action or omission by the Beneficiary.

2.7 Payment of Costs, Attorneys' Fees and Expenses. To the extent permitted by law, the Grantor shall pay, or cause to be paid, from funds available to the Grantor pursuant to this Deed of Trust, the Installment Financing Agreement and the Trust Agreement, any and all costs, reasonable attorneys' fees and other expenses of whatever kind incurred by the Beneficiary or Deed of Trust Trustee in connection with (a) obtaining possession of the Mortgaged Property, (b) the protection and preservation of the Mortgaged Property, (c) the collection of any sum or sums secured hereby, (d) any litigation involving the Mortgaged Property, this Deed of Trust, any benefit accruing by virtue of the provisions hereof, or the rights of the Beneficiary or Deed of Trust Trustee, (e) the presentation of any claim to be filed under any administrative law, (f) any additional examination of the title to the Mortgaged Property that may reasonably be required by the Beneficiary or Deed of Trust Trustee, or (g) taking any steps whatsoever in enforcing this Deed of Trust, claiming any benefit accruing by virtue of the provisions hereof, or exercising the rights of the Beneficiary or Deed of Trust Trustee hereunder. Nothing contained in this **Section 2.7** shall be construed to limit the Grantor's obligation to pay costs, attorneys' fees, and expenses as provided in the Installment Financing Agreement.

2.8 Grantor's Obligations Limited. NOTWITHSTANDING ANY PROVISIONS HEREIN, IT IS THE INTENT OF THE PARTIES TO COMPLY WITH THE PROVISIONS OF NORTH CAROLINA GENERAL STATUTES SECTION 160A-20. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE GRANTOR IN FAVOR OF THE BENEFICIARY IN VIOLATION OF SECTION 160A-20, INCLUDING, WITHOUT LIMITATION, ANY DEFICIENCY JUDGMENT FOR AMOUNTS THAT MAY BE OWED UNDER THE INSTALLMENT FINANCING AGREEMENT OR THIS DEED OF TRUST WHEN THE SALE OF ALL OR ANY PORTION OF THE MORTGAGED PROPERTY IS INSUFFICIENT TO PRODUCE ENOUGH MONEY TO PAY IN FULL ALL REMAINING OBLIGATIONS UNDER THE INSTALLMENT FINANCING AGREEMENT OR THIS DEED OF TRUST. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE GRANTOR IN ANY ACTION FOR BREACH BY THE GRANTOR OF ITS OBLIGATIONS

UNDER THE INSTALLMENT FINANCING AGREEMENT OR FOLLOWING THE EXERCISE BY THE GRANTOR OF ITS RIGHT IN ITS DISCRETION NOT TO APPROPRIATE FUNDS TO MAKE INSTALLMENT PAYMENTS OR ADDITIONAL PAYMENTS UNDER THE INSTALLMENT FINANCING AGREEMENT. THE TAXING POWER OF THE GRANTOR IS NOT AND MAY NOT BE PLEDGED IN ANY WAY, DIRECTLY OR INDIRECTLY OR CONTINGENTLY TO SECURE ANY MONIES DUE OR SECURED UNDER THIS DEED OF TRUST. TO THE EXTENT OF ANY CONFLICT BETWEEN THIS PARAGRAPH AND ANY OTHER PROVISION OF THIS DEED OF TRUST, THIS PARAGRAPH SHALL TAKE PRIORITY.

ARTICLE III

FORECLOSURE

3.1 Power of Sale. Upon the occurrence of any one or more of the Events of Default under the Trust Agreement (“Events of Default”) and if the maturities of the Notes shall have been accelerated as provided in Section 12.02 of the Master Trust Agreement, all of the obligations hereby secured shall immediately become due and payable, at the option of the Beneficiary, and, upon the direction of the Beneficiary and the Deed of Trust Trustee being indemnified as provided herein, the Deed of Trust Trustee shall sell, and is hereby authorized pursuant to the power of sale hereby granted to sell, all or any part or parts of the Mortgaged Property at public auction for cash after first having given such notice as to commencement of foreclosure proceedings and having obtained such findings and leave of court as may then be required by law and upon such sale and any resale to convey title to the purchaser in fee simple.

3.2 Application of Proceeds. The Deed of Trust Trustee, having retained one-half of one percent (0.5%) of the gross proceeds of such sale as a commission for his services and having retained also all advertising and other expenses incurred by him, including a reasonable attorneys’ fee for legal services actually performed, shall apply the net proceeds first to the payment of any taxes or assessments that may be a lien against the Mortgaged Property superior to this Deed of Trust, unless the Deed of Trust Trustee advertised and sold the same subject to taxes or assessments; then to the sums secured by this Deed of Trust in accordance with the Trust Agreement; then the balance, if any, to the persons entitled thereto under the Trust Agreement unless otherwise provided by law.

3.3 Foreclosure Sale. At such sale, the Beneficiary may bid for and acquire all or any part or parts of the Mortgaged Property and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the sums due and payable under and secured by this Deed of Trust, the net sales price, which shall be the proceeds of sale after deducting therefrom the expenses, taxes and assessments referred to above. The Grantor may bid for all or any part or parts of the Mortgaged Property at any foreclosure sale; provided, however, that the price bid by the Grantor may not be less than an amount sufficient to provide for the payment in full of the Notes, unless the registered owners of not less than fifty-one percent (51%) in aggregate principal amount of the Notes then outstanding consent in writing thereto. At any sale, the Deed of Trust Trustee shall require the successful bidder, if other than the Beneficiary, immediately to deposit with the

Deed of Trust Trustee cash or a certified check in the amount equal to ten percent (10%) of the first One Thousand Dollars (\$1,000.00) of the successful bid and five percent (5%) of any amount in excess thereof, and notice of such requirement shall be included in the advertisement of the notice of such sale.

ARTICLE IV

ADDITIONAL RIGHTS AND REMEDIES OF BENEFICIARY AND DEED OF TRUST TRUSTEE

4.1 Rights Upon Default. Upon the occurrence of an Event of Default, the Beneficiary and the Deed of Trust Trustee shall be entitled (but not required) to exercise all the rights and remedies provided in this Deed of Trust or as otherwise provided by law or in equity, including, without limiting the generality of the foregoing, the right to have judicially appointed a receiver of the Mortgaged Property, the right to judicial foreclosure or mortgage foreclosure under Chapter 45 of the General Statutes of North Carolina and the right to enter the Mortgaged Property and to operate, maintain, control and lease the same. No remedy of the Beneficiary with respect to the Mortgaged Property under this Deed of Trust is intended to be exclusive of any remedy now or hereafter existing at law or in equity, by statute, or under this Deed of Trust or the Trust Agreement. No delay or omission of the Deed of Trust Trustee or the Beneficiary to exercise any right or power accruing upon any Event of Default shall impair such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein. Every power or remedy given by this Deed of Trust to the Deed of Trust Trustee or the Beneficiary may be exercised from time to time as often as may be deemed expedient by the Deed of Trust Trustee or the Beneficiary. The Grantor hereby waives any and all rights to require marshalling of assets in connection with the exercise of any remedies provided herein or as permitted by law.

4.2 Additional Rights upon Default. Upon the occurrence of an Event of Default, the Grantor agrees that the Beneficiary shall have all of the rights and remedies set forth in Section 8.07 of the Master Trust Agreement entitled "Compliance with Environmental Laws" and shall have the right to inspect the Mortgaged Property for the purpose of determining whether the property either is contaminated by any Hazardous Materials, as defined in the Master Trust Agreement, or is being used or has been used for any activity directly or indirectly involving any Hazardous Materials which could result in liability to the trust created by this Deed of Trust or the Beneficiary. The Grantor agrees that in the event of the presence of any Hazardous Materials at the Mortgaged Property in violation of any applicable Environmental Laws, whether or not the same originates or emanates from the Mortgaged Property, the Grantor shall comply with all of the requirements of all Environmental Laws relating to the remediation thereof. If the Grantor fails to do so, then the Beneficiary may at its election, but without an obligation to do so, (i) give notices, (ii) cause such work to be performed at the Mortgaged Property or (iii) take any and all other actions as the Beneficiary or the Deed of Trust Trustee shall deem necessary or advisable in order to abate, remove and clean up the Hazardous Materials or otherwise cure the Grantor's non-compliance.

Any amounts disbursed by the Beneficiary pursuant to provisions of this **Section 4.2**, including but not limited to fees of legal counsel, environmental consultants and remedial contractors incurred either before or after the initiation of enforcement action by any governmental body, shall be payable by the Grantor on demand.

ARTICLE V

RELEASE OF MORTGAGED PROPERTY

5.1 Notwithstanding any other provisions of this Deed of Trust, with the consent of the Beneficiary and at any time so long as there is no Event of Default, the Deed of Trust Trustee shall release the Mortgaged Property or any part thereof from the lien and security interest of this Deed of Trust in accordance with **Section 5.2** of this Deed of Trust.

5.2 So long as any Notes remain Outstanding (as defined in the Trust Agreement) or sufficient funds for their payment in full are not held in trust by the Trustee under the Trust Agreement, a release of all or a part of the Mortgaged Property shall be permitted only when and if the following requirements have been fulfilled:

(a) In connection with any release of the Mortgaged Property or any part thereof, there shall be filed with the Beneficiary a certified copy of the resolution of the Board of Commissioners for the Grantor stating the purpose for which the Grantor desires such release of the Mortgaged Property, giving an adequate legal description of the part of the Mortgaged Property to be released, requesting such release and providing for the payment by the Grantor of all expenses in connection with such release.

(b) In connection with the release of any part of the Mortgaged Property constituting less than all of the Mortgaged Property, the appraised value of the Mortgaged Property remaining after the proposed release is not less than the aggregate principal components of the Installment Payments relating to the Notes then Outstanding.

(c) In connection with the release of all property constituting the Mortgaged Property, there shall have been paid to the Beneficiary an amount sufficient to provide for the payment in full of all Outstanding Notes.

(d) The Beneficiary has requested the Deed of Trust Trustee to make such release.

ARTICLE VI

THE DEED OF TRUST TRUSTEE

6.1 The Deed of Trust Trustee shall be under no duty to take any action hereunder except as expressly required, or to perform any act that would involve him in expense or liability or to institute or defend any suit in respect hereof, unless properly indemnified to his satisfaction.

All reasonable expenses, charges, counsel fees and other disbursements incurred by the Deed of Trust Trustee in and about the administration and execution of the trusts hereby created and the performance of his duties and powers hereunder shall be paid, or caused to be paid, by the Grantor on demand, shall be secured by this Deed of Trust, and shall bear interest at the rate of four percent (4%) per annum. The Beneficiary shall have the irrevocable right to remove the Deed of Trust Trustee herein named at any time without notice or cause and to appoint his successor by an instrument in writing, by duly recording such written instrument in the Office of the Register of Deeds of Montgomery County, North Carolina, and in the event of the death or resignation of the Deed of Trust Trustee herein named, the Beneficiary shall have the right to appoint his successor by recordation of such written instrument, and any trustee so appointed shall be vested with the title to the Mortgaged Property and shall possess all the powers, duties and obligations herein conferred on the Deed of Trust Trustee in the same manner and to the same extent as though he were named herein as Deed of Trust Trustee.

ARTICLE VII

MISCELLANEOUS

7.1 Limitation of Liability of Officers of Grantor. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of a present or future director, officer, employee or agent of the Grantor in his or her individual capacity, and no director, officer, employee or agent thereof shall be liable personally on the Notes or be subject to any personal liability or accountability by reason of the delivery thereof or by virtue of the execution and delivery of this Deed of Trust. No director, officer, employee or agent of the Grantor shall incur any personal liability with respect to any other action or failure to act pursuant to this Deed of Trust, provided such director, officer, employee or agent acts in good faith.

7.2 Notices. All notices, approvals, consents, requests and other communications hereunder shall be in writing and, unless otherwise provided herein, shall be deemed to have been sufficiently given if given by United States mail in certified form, postage prepaid, and shall be deemed to have been received five (5) Business Days after deposit in the United States mail in certified form, postage prepaid, addressed (i) if to the Grantor, to County of Montgomery, North Carolina, 102 East Spring Street, 3rd Floor, Post Office Box 425, Troy, North Carolina 27371, Attention: County Manager, (ii) if to the Deed of Trust Trustee, to _____, _____, North Carolina _____ and (iii) if to the Beneficiary, to Montgomery County Public Facilities Corporation, c/o County of Montgomery, North Carolina, 102 East Spring Street, 3rd Floor, Post Office Box 425, Troy, North Carolina 27371, Attention: County Manager. A copy of any notice required to be given to the Beneficiary shall be sent in the same manner to the Trustee at the following address: U.S. Bank National Association, 214 North Tryon Street, 27th floor, Hearst Tower, Charlotte, North Carolina 28202, Corporate Trust Department, and a copy of any notice required to be given to the Grantor shall be sent in the same manner to: The Montgomery County Board of Education, Montgomery County Schools Administrative Office, 441 Page Street, Post Office Box 427, Troy, North Carolina 27371, Attention: Superintendent. Each party may by notice given hereunder designate any further or

different addresses to which subsequent notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed.

7.3 Amendments. This Deed of Trust may not be amended in any respect except in compliance with the provisions of Article IX of the Trust Agreement.

7.4 Successors and Assigns. This Deed of Trust shall be binding upon, inure to the benefit of, and be enforceable by the Grantor, the Deed of Trust Trustee and the Beneficiary and their respective successors and assigns.

7.5 Applicable Law. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of North Carolina. Jurisdiction for the resolution of any conflict arising from this Deed of Trust shall lie with the General Court of Justice of the State of North Carolina with venue in Montgomery County, North Carolina.

IN WITNESS WHEREOF, the Grantor has caused this Deed of Trust to be executed in its name and its seal to be affixed hereto by its duly authorized officers at the order of its Board of Commissioners and as the act of the Grantor.

COUNTY OF MONTGOMERY,
NORTH CAROLINA

By _____
Chairman of the Board of Commissioners

[SEAL]

ATTEST:

Clerk to the Board of Commissioners

**ACKNOWLEDGEMENT OF EXECUTION ON BEHALF
OF THE GRANTOR**

STATE OF NORTH CAROLINA)
) **ss.**
COUNTY OF MONTGOMERY)

This ____ day of _____, 2018, personally came before me _____, Chairman of the Board of Commissioners for the County of Montgomery, North Carolina, who, being by me duly sworn, says that by authority duly given by, and as act of, said County, the foregoing and annexed Deed of Trust, dated as of January 1, 2018, was signed by him as said Chairman on behalf and in the name of said County, and personally came before me _____, Clerk to the Board of Commissioners for said County, who, being by me duly sworn, says that by authority duly given by said County he impressed the corporate seal of said County upon the foregoing and annexed Deed of Trust in execution thereof for and on behalf of said County and that he attested the same as said Clerk by affixing his signature thereon in attestation thereof, and said Chairman and Clerk further acknowledged that the foregoing and annexed Deed of Trust is the act and deed of said County.

Witness my hand and official seal, this the ____ day of January, 2018.

Notary Public

(SEAL)

My Commission expires: _____

NORTH CAROLINA

MONTGOMERY COUNTY

The foregoing certificate of _____, a Notary Public of Montgomery County, North Carolina is certified to be correct. This the ____ day of January, 2018.

By: _____
Register of Deeds

EXHIBIT A

LEGAL DESCRIPTION

The Mortgaged Property includes the following parcel of land:

Being all that tract or parcel of land in Troy Township, Montgomery County, North Carolina containing 83.040 acres as described in a plat entitled Recombination Survey For Montgomery County Board Of Education Page Road Troy, North Carolina recorded in Plat Cabinet G Slide 1 -C Montgomery County Registry said description is incorporated by reference as if set forth herein. Total acreage 83.040 acres recombining Tract 1: 5.175 acres and Tract 2: 77.865 acres

EXHIBIT B

PERMITTED ENCUMBRANCES

“Permitted Encumbrances” means, as of any particular time: (a) this Deed of Trust; (b) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the Grantor may, pursuant to provisions of Section 7.4(c) of the Installment Financing Agreement, permit to remain unpaid; (c) the Installment Financing Agreement, as it may be amended from time to time; (d) easements, rights of way, mineral rights, drilling rights and other similar rights, reservations, covenants, conditions or restrictions which exist of record as of the Closing Date (as defined in the Installment Financing Agreement) and which the Grantor certifies in writing will not materially impair the use of the Mortgaged Property for its intended purposes by the Grantor; (e) the Trust Agreement; (f) the Lease (as defined in the Installment Financing Agreement) and any lease by the Grantor and any sublease by the Board of Education (as defined in the Installment Financing Agreement), in conformity with the provisions of Section 8.1 of the Installment Financing Agreement; and (g) any other encumbrances described in the policy evidencing the title insurance required pursuant to Section 5.4 of the Installment Financing Agreement.