

FIRST SUPPLEMENTAL TRUST AGREEMENT

Dated as of January 1, 2018

between

MONTGOMERY COUNTY PUBLIC FACILITIES CORPORATION

and

U.S. BANK NATIONAL ASSOCIATION
as Trustee

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FIRST SUPPLEMENT TRUST AGREEMENT

This FIRST SUPPLEMENTAL TRUST AGREEMENT, dated as of January 1, 2018 (**the “First Supplemental Trust Agreement”**), between the Montgomery County Public Facilities Corporation, a nonprofit corporation organized and existing under the laws of the State of North Carolina (**the “Corporation”**) and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America, as trustee (**the “Trustee”**), supplementing the Master Trust Agreement, dated as of January 1, 2018 (**the “Master Trust Agreement”**), between the Corporation and the Trustee;

WITNESSETH:

WHEREAS, the County of Montgomery, North Carolina (**the “County”**) is a political subdivision of the State of North Carolina;

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the County may finance (a) the purchase of real or personal property and (b) the construction of fixtures or improvements on real property by contracts that create in the property so acquired or in the fixtures or improvements, or in all or some portion of the property upon which the fixtures or improvements are located, or in both, a security interest to secure repayment of the moneys advanced or made available for such purchase or construction;

WHEREAS, the County and the Corporation have heretofore executed and delivered a Master Installment Financing Agreement, dated as of January 1, 2018 (**the “Master Agreement”**), setting forth the general terms under which the Corporation will provide financing from time to time to the County to pay certain costs of financing and refinancing certain capital improvements described in the Master Agreement;

WHEREAS, the County desires to acquire, construct and equip certain capital improvements as more particularly described in Exhibit A to the Master Agreement (**the “School Project”**);

WHEREAS, concurrently herewith the County and the Corporation have entered into a First Supplemental Installment Financing Agreement, dated as of January 1, 2018 (**the “First Supplemental Agreement”**), providing for the financing of the School Project;

WHEREAS, the Corporation has determined to execute and deliver the Series 2018 Notes (hereinafter defined) for the purpose of providing funds to the County to be used, together with any other available funds, to (a) pay certain costs of the School Project and (b) pay certain expenses incurred in connection with the execution and delivery of the Series 2018 Notes;

WHEREAS, the Series 2018 Notes evidence proportionate and undivided ownership interests in the Installment Payments made by the County under the Agreement (hereinafter defined);

WHEREAS, the Corporation and the Trustee have each duly authorized the execution and delivery of this First Supplemental Trust Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

ARTICLE I DEFINITIONS; RULES OF CONSTRUCTION

SECTION 1.01 Definitions.

Unless the context otherwise requires, capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Master Trust Agreement, the Master Agreement and the First Supplemental Agreement. In addition to the capitalized terms defined elsewhere in this First Supplemental Trust Agreement, the following capitalized terms shall have the following meanings unless some other meaning is plainly intended:

“2018 Note Payment Date” means each February 1 and August 1, beginning August 1, 2018.

“Closing” means the delivery of and payment for the Series 2018 Notes.

“Original Purchasers” means Robert W. Baird & Co. and PNC Capital Markets LLC, or any successors or assigns thereof, as original purchasers of the Series 2018 Notes.

“School Project” means the design, acquisition, construction and equipping of the new high school facilities described in the Master Agreement.

“Record Date” means the close of business on the fifteenth day of the month preceding the 2018 Note Payment Date, whether or not such fifteenth day is a Business Day.

“Series 2018 Costs of Issuance Subaccount” means the subaccount of the Series 2018 Project Account created and so designated by Section 4.01.

“Series 2018 Notes” means the \$_____ Limited Obligation Bond Anticipation Notes (School Project), Series 2018 executed and delivered pursuant to the Master Trust Agreement and this First Supplemental Trust Agreement.

“Series 2018 Prepayment Account” means the account of the Prepayment Fund created and so designated by Section 3.01.

“Series 2018 Project Account” means the account of the Project Fund created and so designated by Section 4.01.

SECTION 1.02 Rules of Construction. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. The words “hereby,” “herein,” “hereof,” “hereto,” “hereunder” and other words of similar import refer to this First Supplemental Trust Agreement as a whole and not to any

particular Article, Section or subsection hereof. All references herein to “Articles,” “Sections” and other subsections are to the corresponding Articles, Sections or subsections of this First Supplement Trust Agreement unless some other reference is indicated. All references herein to specific sections or chapters of the General Statutes of North Carolina or to specific legislative acts are intended to be references to such section, chapters and acts as amended and as they may be amended from time to time by the General Assembly of North Carolina, or any successor statute.

ARTICLE II AUTHORIZATION AND DETAILS OF SERIES 2018 NOTES

SECTION 2.01 Authorization of Series 2018 Notes.

For the purpose of providing funds, together with any other available funds, to (a) pay certain costs of the School Project and (b) pay certain expenses incurred in connection with the execution and delivery of the Series 2018 Notes, and subject to the conditions herein provided, there shall be executed and delivered under the Master Trust Agreement and this First Supplemental Trust Agreement, Series 2018 Notes in the aggregate principal amount of \$_____, each evidencing proportionate and undivided ownership interests in the right to receive the Installment Payments.

SECTION 2.02 Date.

Each Series 2018 Note shall be dated as of its date of delivery, and interest represented thereby shall be payable from its date.

SECTION 2.03 Maturity; Interest Rates.

The Series 2018 Notes shall mature on _____ in the following year and total principal amount, and interest with respect to the Series 2018 Notes shall be payable at the following rate per annum:

Maturity (_____)	Principal <u>Amount</u>	Interest <u>Rate</u>
20__	_____	_____

SECTION 2.04 Registration; Interest.

The Series 2018 Notes shall be delivered in the form of fully registered Notes, without coupons, in denominations of \$5,000 or any whole multiple thereof. The Series 2018 Notes shall be numbered in consecutive numerical order.

The Series 2018 Notes shall be executed and delivered by means of a book-entry system with no physical distribution of Series 2018 Notes to be made except as hereinafter provided. One 2018 Note with respect to the date on which the Series 2018 Notes are stated to mature, in the aggregate principal amount of the Series 2018 Notes stated to mature on such date and registered

in the name of the Securities Depository Nominee, shall be issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence beneficial ownership of the Series 2018 Notes in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository. The principal and interest with respect to the Series 2018 Notes shall be payable to the Securities Depository Nominee as the registered owner of the Series 2018 Notes, or its registered assigns or legal representatives. Transfer of principal and interest to participants of the Securities Depository shall be the responsibility of such Securities Depository, and transfer of principal and interest to beneficial owners of the Series 2018 Notes by participants of the Securities Depository shall be the responsibility of such participants. The County, the Corporation and the Trustee shall not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by the Securities Depository, its participants or persons acting through such participants.

In the event that (a) the Securities Depository determines not to continue to act as Securities Depository for the Series 2018 Notes or (b) the County determines that continuation of the book-entry system of evidence and transfer of ownership of the Series 2018 Notes would adversely affect the interests of the beneficial owners of the Series 2018 Notes, the County will discontinue the book-entry system with the Securities Depository. If the County identifies another qualified Securities Depository to replace such Securities Depository, the Corporation, the County and the Trustee will make arrangements with the Securities Depository and such successor Securities Depository to effect such replacement and deliver replacement Series 2018 Notes registered in the name of such successor Securities Depository or its Securities Depository Nominee in exchange for the Outstanding Series 2018 Notes. If the County fails to identify another qualified Securities Depository, the County will deliver replacement Series 2018 Notes in the form of fully registered Series 2018 Notes in denominations of \$5,000 or any whole multiple thereof in exchange for the Outstanding Series 2018 Notes as required by the Securities Depository and others.

Interest with respect to the Series 2018 Notes shall be payable on the 2018 Note Payment Date. Said interest shall represent the portion of Installment Payments designated as interest and coming due with respect to the Series 2018 Notes, computed on the basis of a 360-day year consisting of twelve 30-day months. The proportionate share of the portion of Installment Payments designated as interest with respect to any Series 2018 Note shall be computed by multiplying the portion of Installment Payments designated as principal with respect to such Series 2018 Note by the rate of interest applicable to such Series 2018 Note.

SECTION 2.05 Form of 2018 Notes.

The Series 2018 Notes and the assignment to appear thereon and the certificate of authentication to appear thereon shall be substantially in the respective forms set forth in Exhibit A attached hereto and made a part hereof, with such appropriate variations, omissions and insertions as are permitted or required by the Master Trust Agreement.

SECTION 2.06 Conditions to Delivery of the Series 2018 Notes; Application of Proceeds.

When all conditions precedent to the delivery of the Series 2018 Notes set forth in the Master Trust Agreement have been met with respect to the Series 2018 Notes and when the Series 2018 Notes shall have been executed and authenticated as required by the Master Trust Agreement and this First Supplemental Trust Agreement, the Trustee shall deliver the Series 2018 Notes as provided in Section 2.12 of the Master Trust Agreement. The proceeds derived from the sale of the Series 2018 Notes in the amount of \$_____ (consisting of the aggregate principal amount of the Series 2018 Notes, plus a net original issue premium of \$_____ and less an underwriters' discount of \$_____) shall be deposited as follows:

(a) \$_____ shall be deposited to the credit of the Series 2018 Costs of Issuance Subaccount of the Series 2018 Project Account to provide funds to pay Costs of Issuance as of Closing; and

(b); \$_____ shall be deposited to the credit of the Series 2018 Project Account to pay School Project Costs.

SECTION 2.07. Series 2018 Notes Not Secured by Reserve Account.

The Series 2018 Notes shall not be secured by the Parity Reserve Account and no Special Reserve Account shall be established in connection with the Series 2018 Notes.

ARTICLE III PREPAYMENT OF SERIES 2018 NOTES

SECTION 3.01 Establishment of Series 2018 Prepayment Account.

The Trustee shall establish a special account of the Prepayment Fund designated as the "Montgomery County Public Facilities Corporation Series 2018 Prepayment Account"; shall keep such fund separate and apart from all other funds and moneys held by it; and shall administer such account as herein provided. Moneys to be used for prepayment of the Series 2018 Notes shall be deposited into the Prepayment Fund and used solely for the purpose of prepaying the Series 2018 Notes in advance of their maturity on the date designated for prepayment and upon presentation and surrender of such Series 2018 Notes.

SECTION 3.02 Prepayment From Net Proceeds; Optional Prepayment.

(a) The Series 2018 Notes are subject to prepayment from Net Proceeds in the manner specified in Section 4.02(a) of the Master Trust Agreement.

(b) The Series 2018 Notes are subject to prepayment, in whole or in part (in whole multiples of \$5,000), [on any date on or after _____, 20__,] at the option of the County in the event the County exercises its option under Section 10.2 of the Agreement to prepay in whole or in part the principal components of the Installment Payments relating to the Series 2018 Notes, at a prepayment price equal to 100% of the principal amount of Series 2018 Notes to be prepaid, together with accrued interest to the date fixed for prepayment.

The County shall notify the Trustee in writing, not less than forty-five (45) days prior to any optional prepayment date, of the principal amount of the Series 2018 Notes that the County has chosen to prepay.

SECTION 3.03 [Reserved]

SECTION 3.04 Selection for Prepayment; Notice of Prepayment.

Notice of prepayment of the Series 2018 Note to be prepaid shall be given, at the times and in the manner provided by the Master Trust Agreement.

**ARTICLE IV
SERIES 2018 PROJECT ACCOUNT**

SECTION 4.01 Establishment of Series 2018 Project Account.

The Trustee shall establish a special account within the Project Fund designated as the "Montgomery County Public Facilities Corporation Series 2018 Project Account" and shall keep the Series 2018 Project Account separate and apart from all other funds and moneys held by it. Moneys held in the Series 2018 Project Account shall be applied in accordance with the provisions of Article III of the Master Trust Agreement. The Trustee shall also establish a subaccount within the Series 2018 Project Account designated as the "Series 2018 Costs of Issuance Subaccount."

Expenditures from the Series 2018 Project Account shall be made in a manner so the expenditures for the Series 2018 Project or as otherwise allowed by the Master Agreement and the Master Trust Agreement are allocable to the Series 2018 Notes.

**ARTICLE V
[RESERVED]**

**ARTICLE VI
MISCELLANEOUS PROVISIONS**

SECTION 6.01 Amendments.

This First Supplemental Trust Agreement may be amended in accordance with the provisions of Article IX of the Master Trust Agreement.

SECTION 6.02 County, Corporation, Trustee and Owners Alone Have Rights Under First Supplemental Trust Agreement.

Except as herein otherwise expressly provided, nothing in this First Supplemental Trust Agreement, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the County, the Corporation, the Trustee and the Owners, any right, remedy or claim, legal or equitable, under or by reason of this First Supplemental Trust Agreement or any provision being intended to be and being for the sole and exclusive benefit of the County, the Corporation, the Trustee and the Owners.

SECTION 6.03 Effect of Partial Invalidity.

In case any one or more of the provisions of this First Supplemental Trust Agreement or the Series 2018 Notes shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this First Supplemental Trust Agreement or the Series 2018 Notes, but this First Supplemental Trust Agreement and the Series 2018 Notes shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in this First Supplemental Trust Agreement or the Series 2018 Notes shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Corporation to the full extent permitted by law.

SECTION 6.04 Effect of Covenants; Governing Law.

All covenants, stipulations, obligations and agreements of the Corporation contained in this First Supplemental Trust Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent permitted by the laws of the State. This First Supplemental Trust Agreement is executed and delivered with the intent that the laws of the State shall govern this construction.

SECTION 6.05 Headings.

Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this First Supplemental Trust Agreement, nor shall they affect its meaning, construction or effect.

SECTION 6.06 Payment Due on Holidays.

If the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this First Supplemental Trust Agreement is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this First Supplemental Trust Agreement.

SECTION 6.07 Multiple Counterparts.

This First Supplemental Trust Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

SECTION 6.08 Confirmation of Master Trust Agreement.

Except as amended and supplemented hereby or by any other trust agreement supplementing or amending the Master Trust Agreement, the terms and provisions of the Master Trust Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the Corporation and the Trustee have caused this First Supplemental Trust Agreement to be executed in their respective names by their respective duly authorized representatives all as of the date first written above.

MONTGOMERY COUNTY PUBLIC FACILITIES
CORPORATION

[SEAL]

By: _____
President

Attest:

Secretary/Treasurer

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Vice President

Attest:

Assistant Secretary

FORM OF SERIES 2018 NOTE

RA-__

LIMITED OBLIGATION BOND ANTICIPATION NOTE
(SCHOOL PROJECT)
SERIES 2018

Evidencing the Proportionate and Undivided Interest
of the Owner Hereof in the Right to Receive
Installment Payments to be Made by the

COUNTY OF MONTGOMERY, NORTH CAROLINA

Pursuant to a Master Installment Financing Agreement with
MONTGOMERY COUNTY PUBLIC FACILITIES CORPORATION

Interest Rate

Maturity Date

CUSIP

_____, ____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THIS IS TO CERTIFY THAT the registered owner named above, or registered assigns, as the Registered Owner of this Series 2018 Limited Obligation Bond Anticipation Note (the "Series 2018 Note") is the owner of a proportionate and undivided interest in the right to receive Installment Payments (hereinafter defined) pursuant to a Master Installment Financing Agreement, dated as of January 1, 2018 (the "Master Agreement"), between the County of Montgomery, North Carolina, a political subdivision of the State of North Carolina (the "County"), and Montgomery County Public Facilities Corporation, a nonprofit corporation organized and existing under the laws of the State of North Carolina (the "Corporation"), as supplemented by a First Supplemental Installment Financing Agreement, dated as of January 1, 2018 (the "First Supplemental Agreement" and, together with the Master Agreement, the "Agreement"), between the County and the Corporation, which right to receive the Installment Payments has been assigned to U.S. Bank National Association, as trustee (the "Trustee"), having its designated corporate trust office in Charlotte, North Carolina (said office sometimes being herein referred to as the "Designated Office").

The registered owner of this Series 2018 Note is entitled to receive, subject to the terms of the Agreement, on the Maturity Date specified above (or earlier as hereinafter referred to), upon presentation and surrender hereof at the Designated Office of the Trustee, the Principal Amount

specified above, representing the portion of the Installment Payments designated as principal coming due, and the registered owner's portion of the Installment Payments designated as interest due as of that date. Interest represented hereby shall be payable from the date of this Series 2018 Note. The portion of the Installment Payments designated as interest is computed on the basis of a 360-day year consisting of twelve 30-day months and is the result of the multiplication of the aforesaid portion of the Installment Payments designated as principal by the Interest Rate specified above. Payment of interest with respect to this Series 2018 Note on any 2018 Note Payment Date shall be made to the person appearing on the registration books of the Trustee as the registered owner hereof as of the close of business on the fifteenth day of the month immediately preceding such 2018 Note Payment Date. Said amounts are payable in lawful money of the United States of America.

THE OBLIGATION OF THE COUNTY TO MAKE INSTALLMENT PAYMENTS AND ADDITIONAL PAYMENTS IS A LIMITED OBLIGATION OF THE COUNTY, PAYABLE SOLELY FROM CURRENTLY BUDGETED APPROPRIATIONS OF THE COUNTY; DOES NOT CONSTITUTE A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF NORTH CAROLINA; AND DOES NOT CONSTITUTE A DIRECT OR INDIRECT PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF NORTH CAROLINA.

The Series 2018 Notes are being issued by means of a book-entry system with no physical distribution of Series 2018 Notes to be made except as provided in the Trust Agreement. One Series 2018 Note with respect to each date on which the Series 2018 Notes are stated to mature, in the aggregate principal amount of the Series 2018 Notes stated to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), is being delivered and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Series 2018 Notes in the principal amount of \$5,000 or any multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal, interest or any prepayment premium to beneficial owners of the Series 2018 Notes by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Corporation, the County or the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. While Cede & Co. is the Registered Owner of this Series 2018 Note, notwithstanding any of the provisions hereinabove contained, payments of principal and interest and any prepayment premium with respect to this Series 2018 Note shall be made in accordance with the existing arrangements among the Corporation, the County, the Trustee and DTC.

This Series 2018 Note is one of a series of Series 2018 Notes designated as "Limited Obligation Bond Anticipation Notes (School Project), Series 2018" in the original aggregate principal amount of \$_____ (the "Series 2018 Notes"). The Series 2018 Notes have been executed and delivered pursuant to the terms of a Master Trust Agreement, dated as of January 1, 2018 (the "Master Trust Agreement"), between the Corporation and the Trustee, as

supplemented by 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”), between the Corporation and the Trustee, for the purpose of providing funds to the Corporation to advance to the County to (a) pay the costs of public improvements as described in the Trust Agreement and (b) pay the costs incurred in connection with the execution and delivery of the Series 2018 Notes. Under the terms of the Agreement, the County has agreed to repay the advance, with interest, in installments (“Installment Payments”). As security for the payment of the Installment Payments and the performance by the County of its other obligation under the Agreement, the County has executed and delivered a Deed of Trust, dated as of January 1, 2018 (together with any other deed of trust granting a lien on the Mortgaged Property (as defined in the Master Agreement) in favor of the Corporation, the “Deed of Trust”), to the Deed of Trust trustee named therein, for the benefit of the Corporation, granting to the Corporation a lien on the Mortgaged Property, subject only to Permitted Encumbrances. Pursuant to the Master Trust Agreement, the Corporation has assigned to the Trustee all of its rights, title and interest in and to the Agreement (except for certain reserved rights) and all of its rights, title and interest in and to the Deed of Trust.

The Master Trust Agreement permits the execution and delivery from time to time, under the conditions and limitations set forth in the Master Trust Agreement, of Additional Notes which shall be equally and ratably secured with the Series 2018 Notes and any other Additional Notes theretofore executed and delivered pursuant to the Master Trust Agreement (the Series 2018 Notes and any Additional Notes herein referred to as the “Notes”). Reference is hereby made to the Agreement, the Deed of Trust and the Trust Agreement (copies of which are on file at the Designated Office) for a description of the terms on which the Notes are delivered, the rights thereunder of the Owners of the Notes, the rights, duties and immunities of the Trustee and the rights and obligations of the County under the Agreement and the Deed of Trust, to all of the provisions of such Trust Agreement, Agreement and Deed of Trust the Registered Owner of this Note, by acceptance hereof, assents and agrees.

The Series 2018 Notes are not secured by the Parity Reserve Account (as defined in the Master Trust Agreement), and no Special Reserve Account will be established in connection with the Series 2018 Notes.

The Series 2018 Notes are subject to prepayment, in whole or in part (in whole multiples of \$5,000), on any date [on or after _____, 20__,] at the option of the County in the event the County exercises its option under the Agreement to prepay in whole or in part the principal components of the Installment Payments relating to the Series 2018 Notes, at a prepayment price equal to 100% of the principal amount of Series 2018 Notes to be prepaid, together with accrued interest to the date fixed for prepayment.

If, on the date fixed for prepayment, moneys for the prepayment of this Series 2018 Note or portion thereof to be prepaid, together with interest to said date of prepayment, shall be held by the Trustee so as to be available therefor on such prepayment date, and, if notice of prepayment thereof shall have been given as provided in the Trust Agreement, then, from and after said prepayment date, interest with respect to such Series 2018 Notes or portions thereof shall cease to accrue and be payable.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended or supplemented by the parties thereto with the written consent of the Owners of at least a majority in aggregate principal amount of the Notes then Outstanding, and may be amended or supplemented without such consent under certain circumstances described in the Trust Agreement. No such amendment or supplement shall (a) extend or have the effect of extending the stated maturity of any Note or reducing the interest rate represented thereby or extending the time of payment of interest, or reducing the amount of principal thereof or reducing any premium payable upon the prepayment thereof, without the express written consent of the registered owner of such Note; (b) reduce or have the effect of reducing the percentage of Notes required for the affirmative vote or written consent to an amendment or supplement to the Trust Agreement, the Agreement, the Security Agreement or the Deed of Trust; or (c) modify any of the rights or obligations of the Trustee without the Trustee's written assent thereto.

This Series 2018 Note is transferable by the registered owner hereof, in person or by his duly authorized attorney, at the Designated Office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement and upon surrender and cancellation of this Series 2018 Note. Upon such transfer, a new Series 2018 Note or Series 2018 Notes, of authorized denomination or denominations, for the same aggregate principal amount, Series, maturity and interest rate, will be delivered to the transferee. This Series 2018 Note also may be exchanged for a like aggregate principal amount of Series 2018 Notes of other authorized denominations as prescribed in the Trust Agreement. The County, the Corporation and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Series 2018 Note shall be overdue, and the County, the Corporation and the Trustee shall not be affected by any notice to the contrary.

Capitalized terms used herein which are not otherwise defined shall have the respective meanings given such terms in the Agreement and the Trust Agreement.

The Corporation hereby certifies that all acts, conditions and things required by the laws of the State of North Carolina and the Trust Agreement to exist, to have happened and to have been performed precedent to and in connection with the execution, authentication and delivery of this Series 2018 Note do exist, have happened and have been performed in regular and due time, form and manner as required by law, and that the Trustee is duly authorized to authenticate and deliver this Series 2018 Note, and that the amount of this Series 2018 Note, together with all other Series 2018 Notes executed and delivered under the Trust Agreement, is not in excess of the amount of Series 2018 Notes authorized to be executed and delivered thereunder.

This Series 2018 Note shall not become valid until the Trustee shall have executed the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, Montgomery County Public Facilities Corporation has caused this Series 2018 Note to be executed by the manual signatures of its President and its Secretary and its corporate seal to be impressed hereon all as of _____, 2018.

MONTGOMERY COUNTY PUBLIC FACILITIES
CORPORATION

[SEAL]

By: _____
President

Attest:

Secretary/Treasurer

CERTIFICATE OF AUTHENTICATION

This Note is a Note of the Series designated therein and delivered under the provisions of the within-mentioned Master Trust Agreement.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Signatory

Date of Authentication: _____