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**COUNTY OF BUNCOMBE, NORTH CAROLINA**

and

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

as Trustee

**SUPPLEMENTAL INDENTURE**

Dated as of  
June 1, 2012

*County of Buncombe, North Carolina  
Project Development Financing Bonds  
(Woodfin Downtown Corridor Development), Series 2008*

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## SUPPLEMENTAL INDENTURE

*THIS SUPPLEMENTAL INDENTURE* dated as of June 1, 2012 (together with any supplements and amendments hereto made in accordance herewith, the “*Second Supplement*”) is by and between the **COUNTY OF BUNCOMBE, NORTH CAROLINA** (the “*County*”), a political subdivision of the State of North Carolina and **U.S. BANK NATIONAL ASSOCIATION**, as trustee (the “*Trustee*”), duly organized and existing under the laws of the United States of America, being authorized to accept and execute trust of the character herein set out under and by virtue of the laws of the State of North Carolina (the “*State*”).

### WITNESSETH :

*WHEREAS*, the County has previously issued bonds (the “*2008 Bonds*”) under the General Trust Indenture dated as of August 1, 2008 (the “*General Indenture*”) between the County and the Trustee and Series Indenture, Number 1 dated as of August 1, 2008 (the “*First Series Indenture*”) between the County and the Trustee, and applied the proceeds of the 2008 Bonds (1) to finance certain roadway, sidewalk, water and sewer infrastructure and other improvements within the Woodfin Downtown Corridor Development Financing District (the “*Project*”), (2) to fund reserves for the 2008 Bonds, (3) to pay interest on the 2008 Bonds through August 1, 2013 and (4) to pay the costs of issuing the 2008 Bonds;

*WHEREAS*, the County has executed and delivered a Supplemental Indenture dated as of June 1, 2011 (the “*First Supplement*”) between the County and the Trustee in order to amend certain provisions of the First Series Indenture.

*WHEREAS*, the County and the Trustee, with the written consent of all of the Owners of the 2008 Bonds Outstanding as required by the General Indenture and the First Series Indenture, have agreed to enter into this Supplemental Indenture, which further amends certain provisions of the First Series Indenture and the General Indenture;

*NOW THEREFORE*, in consideration of the mutual covenants and agreements contained herein it is agreed as follows:

### ARTICLE I

Section 1.1. *Amendments to First Series Indenture*. Pursuant to Article IV of the First Series Indenture, the County and the Trustee hereby agree to amend the First Series Indenture as follows:

- (a) The definition of “*2008 Bonds Reserve Requirement*” is replaced with the following:

““*2008 Bonds Reserve Requirement*” means \$648,000.00.”

- (b) The first paragraph of Section 2.4(a) of the First Series Indenture is replaced with the following:

“Section 2.4. *Details of 2008 Bonds; Payment*.

- (a) The 2008 Bonds will mature on August 1 of the years and in the amounts and will bear interest (computed on the basis of a 360-day year of twelve 30-day months) as follows:

<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
2029	\$4,490,000	6.75%	2036	\$8,470,000	7.25%

(c) Sections 3.1 and 3.2(a) of the First Series Indenture are replaced with the following:

“Section 3.1. **Optional Redemption of 2008 Bonds.** The 2008 Bonds may be redeemed prior to their maturities, at the option of the County, from any funds that may be available for such purpose, either in whole or in part on any date on or after August 1, 2022. The 2008 Bonds called for redemption under this Section shall be redeemed at a Redemption Price equal to the par amount of the 2008 Bonds plus accrued interest thereon to the date of redemption.

Section 3.2. **Sinking Fund Redemption.**

(a) The 2008 Bonds maturing on August 1, 2029 (the “2029 Term Bonds”), are subject to mandatory redemption prior to maturity, in part, on each August 1, with the 2008 Bonds to be redeemed being selected pursuant to the Section 3.4, at the Redemption Price of 100% of the principal amount thereof, without premium, in amounts and in the years as follows:

<u>REDEMPTION DATE</u>	<u>PRINCIPAL AMOUNT</u>	<u>REDEMPTION DATE</u>	<u>PRINCIPAL AMOUNT</u>
2018	\$100,000	2024	\$400,000
2019	150,000	2025	450,000
2020	200,000	2026	500,000
2021	250,000	2027	550,000
2022	300,000	2028	600,000
2023	350,000	2029*	700,000

\*Maturity

The 2008 Bonds maturing on August 1, 2036 (the “2036 Term Bonds,” and together with the 2029 Term Bonds, the “Term Bonds”), are subject to mandatory redemption prior to maturity, in part, on each August 1, with the 2008 Bonds to be redeemed being selected pursuant to Section 3.4, at the Redemption Price of 100% of the principal amount thereof, without premium, in amounts and in the years as follows:

<u>REDEMPTION DATE</u>	<u>PRINCIPAL AMOUNT</u>	<u>REDEMPTION DATE</u>	<u>PRINCIPAL AMOUNT</u>
2030	\$800,000	2034	\$1,350,000
2031	900,000	2035	1,500,000
2032	1,050,000	2036*	1,610,000
2033	1,200,000		

\*Maturity”

(d) Section 5.4(a) of the First Series Indenture is replaced with the following:

“Section 5.4. ***Application of Reserve Fund.***

(a) There will be deposited in the 2008 Bonds Account an amount equal to the 2008 Bonds Reserve Requirement. Any amount on deposit in the 2008 Bonds Account in excess of the 2008 Bonds Reserve Requirement shall be transferred to the Bond Fund and used to pay Interest on the 2008 Bonds.”

(e) Section 5.3(c) of the First Series Indenture is replaced with the following:

“(c) The 2008 Working Capital Account will be applied to pay, without requisition therefor, interest on the 2008 Bonds during construction in the Development Financing District from August 2, 2011 through August 1, 2013. Any balance remaining in the 2008 Working Capital Account after August 1, 2013 shall be transferred to the Bond Fund and used to pay Interest on the 2008 Bonds.”

(f) The form of 2008 Bond included as Appendix A to the First Series Indenture is replaced with the form of 2008 Bond attached hereto as Appendix A.

Section 1.2. ***Amendments to General Indenture.*** Pursuant to Article VII of the General Indenture, the County and the Trustee hereby agree to amend the General Indenture as follows:

(a) Section 6.7(a) of the General Indenture is replaced with the following:

“Section 6.7. ***Issuance of Additional Bonds.***

(a) The County will not issue any other obligations, except on the conditions and in the manner provided in this Indenture, payable from the Pledged Revenues, having priority to or being on a parity with the lien of the Bonds issued pursuant to this Indenture, nor voluntarily create or cause to be or suffer to be created any debt, lien, pledge, assignment, encumbrance or any other charge having priority to or being on a parity with the lien of the Bonds issued pursuant to this Indenture. Any Additional Bonds issued in accordance with this Section, other than Additional Bonds issued pursuant to paragraph (b) below which defease 100% of the 2008 Bonds and result in debt service savings, must, in addition to meeting the conditions herein, receive consent of the Owners of the 2008 Bonds.”

Section 1.3. ***Conditions Precedent to Delivery of Supplemental Indenture.*** Pursuant to Article IV of the First Series Indenture and Article VII of the General Indenture, the Trustee must receive the following in order to execute and deliver this Supplemental Indenture:

(a) a certified copy of written consent from all of the Owners of the aggregate Principal amount of the 2008 Bonds Outstanding, and

(b) an opinion of Bond Counsel stating that the Supplemental Indenture is authorized by the General Indenture and the First Series Indenture, complies with the terms thereof, will, upon the execution and delivery thereof, be valid and binding upon the County in accordance with its terms and will not adversely affect the exclusion from the gross income of the recipients thereof of interest on the 2008 Bonds for federal income tax purposes.

Section 1.3. ***Undefined Capitalized Terms.*** All undefined capitalized terms used herein have the meaning given them in the General Indenture and the First Series Indenture.

***IN WITNESS WHEREOF***, the County and the Trustee have caused this Supplemental Indenture to be executed in their respective names and their respective seals to be hereto affixed and, for the County, attested by their duly authorized official or officer, all as of the date first above written.

**COUNTY OF BUNCOMBE, NORTH CAROLINA**

[SEAL]

Attest:

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

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

[Signatures Continued on the Following Page]

[Counterpart signature page to the Supplemental Indenture dated as of June 1, 2012 between the County of Buncombe, North Carolina and U.S. Bank National Association]

**U.S. BANK NATIONAL ASSOCIATION**

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

APPENDIX A

FORM OF 2008 BOND

COUNTY OF BUNCOMBE, NORTH CAROLINA  
PROJECT DEVELOPMENT FINANCING BONDS  
(WOODFIN DOWNTOWN CORRIDOR DEVELOPMENT),  
SERIES 2008

No. R-

\$

INTEREST RATE  
%

DATED DATE  
August 19, 2008

MATURITY DATE  
August 1, 20\_\_

CUSIP

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT:

DOLLARS

*The County of Buncombe, North Carolina (the "County")*, a political subdivision of the State of North Carolina (the "State"), for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the Owner named above the Principal Amount stated above on the Maturity Date set forth above (or earlier as hereinafter described), and to pay such Owner at the address as it appears on the registration books kept by U.S. Bank National Association, the Registrar, the Trustee and the Paying Agent for the 2008 Bonds (the "Registrar," the "Paying Agent" and the "Trustee"), at the close of business on the 15<sup>th</sup> day of the month preceding each hereinafter-described Interest Payment Date (each, a "Record Date"), interest on such Principal Amount at the Interest Rate set forth above from the Interest Payment Date next preceding the date of authentication (unless (i) the date of authentication precedes January 15, 2009 in which case this 2008 Bond will bear interest from the date of its delivery, or (ii) the date of authentication is an Interest Payment Date, in which case this 2008 Bond will bear interest from such date) until the principal hereof shall have been paid or provided for in accordance with the Indenture hereinafter referred to, payable February 1, 2009 and thereafter semiannually on August 1 and February 1 in each year (each an "Interest Payment Date"). Both principal and interest and any premium on the redemption before the maturity of all or part hereof are payable in lawful coin or currency of the United States of America and (except for interest which is payable by check or draft as stated above) are payable at the corporate trust office of the Paying Agent in Charlotte, North Carolina.

THE 2008 BONDS ARE SPECIAL OBLIGATIONS OF THE COUNTY. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE 2008 BONDS ARE NOT PAYABLE FROM THE GENERAL FUNDS OF THE COUNTY, NOR DO THEY CONSTITUTE A LEGAL OR EQUITABLE PLEDGE, CHARGE, LIEN, OR ENCUMBRANCE UPON ANY OF ITS PROPERTY OR UPON ANY OF ITS INCOME, RECEIPTS, OR REVENUES EXCEPT THE FUNDS WHICH ARE PLEDGED UNDER THE INDENTURE (HEREINAFTER DEFINED). NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR THE COUNTY ARE PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2008 BONDS, AND NO OWNER OF THIS 2008 BOND HAS THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER BY THE STATE OR THE COUNTY OR THE FORFEITURE OF ANY OF ITS PROPERTY IN CONNECTION WITH ANY DEFAULT.

The 2008 Bonds will be initially delivered by means of a book-entry system with no physical distribution of definitive 2008 Bonds made to the public. One definitive 2008 Bond for each maturity will be delivered to The Depository Trust Company, New York, New York ("DTC"), and immobilized in

its custody. A book-entry system will be employed, evidencing ownership of the 2008 Bonds in Authorized Denominations (\$100,000 plus any integral multiple of \$5,000 in excess thereof until such time that the 2008 Bonds carry an Investment Grade Rating and may be reduced to \$5,000 of any integral multiple thereof) with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Principal of, premium, if any, and interest on this 2008 Bond will be payable to DTC or its nominee as registered owner of the 2008 Bonds by wire transfer in immediately available funds. The County, the Paying Agent and the Trustee are not responsible or liable for maintaining, supervising, or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If (a) DTC determines not to continue to act as securities depository for the 2008 Bonds or (b) the Trustee and the County determine to discontinue the book-entry system in accordance with DTC's rules and the County fails to identify another qualified securities depository to replace DTC, the County will deliver fully registered definitive 2008 Bonds in accordance with DTC's rules and procedures.

The County, the Paying Agent, the Registrar and the Trustee have no responsibility or obligation with respect to (a) the accuracy of any records maintained by DTC; (b) the payment by DTC of any amount in respect of the principal of and premium, if any, and interest on the 2008 Bonds; (c) the delivery or timeliness of delivery by DTC of any notice which is required or permitted under the terms of the Indenture (hereinafter defined) to be given to Owners; (d) the selection of Owners to receive payments in the event of any partial redemption of the 2008 Bonds; or (e) any consent given or other action taken by DTC, or its nominee.

This Bond is one of an issue of Bonds designated "*Project Development Financing Bonds, Series 2008*" (the "*2008 Bonds*") issued under a General Trust Indenture dated as of August 1, 2008 (the "*General Indenture*") between the County and the Trustee, and Series Indenture, Number 1 dated as of August 1, 2008 (the "*Series Indenture*" and, together with the General Indenture and all supplements thereto, being hereinafter referred to collectively as the "*Indenture*") between the County and the Trustee. Unless the context indicates otherwise, all capitalized, undefined terms used herein have the meanings ascribed to them in the Indenture. The 2008 Bonds are being issued to (1) finance certain roadway and water and sewer infrastructure improvements within the Woodfin Downtown Corridor Development Financing District (the "*Development Financing District*"), (2) fund a debt service reserve fund, (3) to pay interest on the 2008 Bonds through August 1, 2013 and (4) pay the costs of issuing the 2008 Bonds.

The 2008 Bonds, together with interest thereon, are special obligations of the County payable solely from Pledged Revenues (except to the extent paid out of moneys attributable to Bond proceeds or the income from the temporary investment thereof and, under certain circumstances, proceeds from insurance and condemnation awards) and constitute a valid claim of the respective Owners thereof only against the funds and other moneys held by the Trustee for the benefit of the Owners of the 2008 Bonds, which amounts are pledged and assigned pursuant to the Indenture for the equal and ratable payment of the 2008 Bonds and will be used for no other purpose than to pay the principal of, premium, if any, and interest on the 2008 Bonds, except as may be otherwise expressly authorized in the Indenture.

As used herein, "*Pledged Revenues*" means (1) that portion, if any, of *ad valorem* property taxes arising from the levies on taxable property in the Development Financing District which are required by the Bond Act to be deposited in the Incremental Revenue Fund, including amounts payable under the Minimum Assessment Agreement in each Fiscal Year during which any Bonds are Outstanding under this Indenture and (2) all Investments Earnings on the foregoing. "*Minimum Assessment Agreement*" means the Minimum Assessment Agreement dated as of August 1, 2008, among the Developer, the Town and the County.



Pursuant to the Indenture the County has, for the benefit of the Owners of the 2008 Bonds, assigned the County's rights to all Pledged Revenues and the Minimum Assessment Agreement and to all moneys and securities held by the Trustee, the County or any other depositaries in any and all of the funds and accounts established under the Indenture to the Trustee in trust. The 2008 Bonds are also secured by the Reserve Fund in an amount equal to the 2008 Bonds Reserve Requirement deposited in the 2008 Bonds Account of the Reserve Fund.

Reference is made to the Indenture for a more complete statement of the provisions thereof and of the rights of the County, the Trustee and the Owners of the Bonds. Copies of the Indenture are on file and may be inspected at the office of the Trustee in Charlotte, North Carolina. By the purchase and acceptance of this Bond, the Owner hereof signifies assent to all of the provisions of the aforementioned documents.

This Bond is issued and the General Indenture and the Series Indenture were each made and entered into under and pursuant to the Constitution and laws of the State, and particularly in conformity with the provisions, restrictions and limitations of General Statutes of North Carolina Section 159, Article 6, as amended.

This Bond is exchangeable upon the presentation and surrender hereof at the designated corporate trust office of the Registrar for a 2008 Bond or 2008 Bonds of other Authorized Denominations. Upon surrender for registration of transfer, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner hereof or his or her attorney duly authorized in writing, the Registrar will authenticate and deliver in the name of the transferee or transferees a new fully registered 2008 Bond or 2008 Bonds. The Registrar may require the payment by any Owner requesting registration of transfer or exchange of 2008 Bonds of any tax, fee or other governmental charge required to be paid with respect to such registration of transfer or exchange. The Registrar is not required to register the transfer of or exchange any 2008 Bonds selected, called or being called for redemption in whole or in part. The person in whose name this Bond is registered will be deemed and regarded as the absolute owner hereof for all purposes, and payment of this Bond will be made only to or upon the written order of the Owner hereof to his or her legal representative. All such payments will be valid and effectual to satisfy and discharge this Bond to the extent of the sum or sums paid.

**UNTIL THIS BOND CARRIES AN INVESTMENT GRADE RATING, IT MAY ONLY BE TRANSFERRED TO A "QUALIFIED INSTITUTIONAL BUYER," OTHER THAN INDIVIDUALS, PURSUANT TO RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

Notwithstanding anything provided above, payment of interest on the 2008 Bonds may, at the option of any Owner in an aggregate principal amount of at least \$1,000,000, be transmitted by wire transfer to such Owner to the address specified in writing by the Owner by the relevant Record Date.

The 2008 Bonds may be redeemed prior to their maturities, at the option of the County, from any funds that may be available for such purpose, either in whole or in part on any date on or after August 1, 2022. The 2008 Bonds called for redemption under this Section shall be redeemed at a Redemption Price equal to the par amount of the 2008 Bonds plus accrued interest thereon to the date of redemption.

The 2008 Bonds maturing on August 1, 2029 (the "2029 Term Bonds"), are subject to mandatory redemption prior to maturity, in part, on each August 1, with the 2008 Bonds to be redeemed being selected pursuant to the Series Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, in amounts and in the years as follows:

<b>REDEMPTION DATE</b>	<b>PRINCIPAL AMOUNT</b>	<b>REDEMPTION DATE</b>	<b>PRINCIPAL AMOUNT</b>
2018	\$100,000	2024	\$400,000
2019	150,000	2025	450,000
2020	200,000	2026	500,000
2021	250,000	2027	550,000
2022	300,000	2028	600,000
2023	350,000	2029*	700,000

\*Maturity

The 2008 Bonds maturing on August 1, 2036 (the “2036 Term Bonds,” and together with the 2029 Term Bonds, the “Term Bonds”), are subject to mandatory redemption prior to maturity, in part, on each August 1, with the 2008 Bonds to be redeemed being selected pursuant to Section 3.4, at the Redemption Price of 100% of the principal amount thereof, without premium, in amounts and in the years as follows:

<b>REDEMPTION DATE</b>	<b>PRINCIPAL AMOUNT</b>	<b>REDEMPTION DATE</b>	<b>PRINCIPAL AMOUNT</b>
2030	\$800,000	2034	\$1,350,000
2031	900,000	2035	1,500,000
2032	1,050,000	2036*	1,610,000
2033	1,200,000		

\*Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory redemption date, the County may (a) deliver to the Trustee, for cancellation, Term Bonds or portions thereof (in Authorized Denominations) in any aggregate principal amount desired, or (b) receive a credit in respect of its mandatory redemption obligation for any Term Bonds (in Authorized Denominations) which prior to said date have been purchased or redeemed (otherwise than through mandatory redemption pursuant to this Section) and canceled by the Trustee and not theretofore applied as a credit against any mandatory redemption obligation. Each such Term Bond or portion thereof so delivered or previously purchased or redeemed and canceled by the Trustee shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the County to redeem Term Bonds on such mandatory redemption date, and any excess over such amount shall be credited against future mandatory redemption obligations as the County directs in writing, and the principal amount of Term Bonds so to be redeemed shall be accordingly reduced.

The County will on or before the 45th day next preceding each such mandatory redemption date furnish the Trustee with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be availed of with respect to such mandatory redemption payment.

Notice of redemption will be given by the Trustee not less than 30 days nor more than 60 days before the Redemption Date (1) to the North Carolina Local Government Commission by Mail, (2)(a) to DTC or its nominee by registered or certified mail at the address provided to the Trustee by DTC or (b) if DTC or its nominee is no longer the Owner of the 2008 Bonds, by Mail to the then-registered Owners of 2008 Bonds or portions thereof to be redeemed at the last address shown on the registration books kept by the Registrar, (3) to then-existing securities depositories, by Mail or facsimile transmission and (4) to at least two of then-existing national information services by Mail.

Such notice must (1) specify the 2008 Bonds to be redeemed, the Redemption Date, the Redemption Price and the place or places where amounts due on such redemption must be payable (which must be the principal office of the Paying Agent) and if less than all of the 2008 Bonds are to be redeemed, the numbers of the 2008 Bonds and the portions of 2008 Bonds to be redeemed, and (2) state that on the Redemption Date, the 2008 Bonds to be redeemed will cease to bear interest and (3) state, if the redemption is conditional on the occurrence of one or more events, what the conditions for redemption are and the manner in which Owners will be notified if the conditions precedent to a redemption do not occur. If notice is given, the failure to receive such notice or any defect therein will not affect the validity of any proceedings for such redemption, and failure to give notice to all Owners will not affect the validity of any proceedings with respect to any Owner to whom such notice is properly given. Any notice mailed as provided in the Series Indenture will be conclusively presumed to have been given, whether or not the Owner receives the notice. If at the time of mailing of notice of redemption there is not on deposit with the Trustee moneys sufficient to redeem the 2008 Bonds called for redemption, which moneys are or will be available for redemption of the 2008 Bonds, such notice will state that it is conditional on the deposit of the redemption moneys with the Trustee not later than the opening of business on the Redemption Date. Any notice, once given, may be withdrawn by notice delivered in the manner set forth above, on receipt by the Trustee of written instructions from the County with respect to such withdrawal.

In the case of any partial redemption of 2008 Bonds, the County will select the maturity or maturities of the 2008 Bonds to be redeemed, and DTC will select the 2008 Bonds within the same maturity pursuant to its rules and procedures or, if the book-entry system with DTC or any other securities depository has been discontinued, the Trustee will select the 2008 Bonds to be redeemed by lot in such manner as the Trustee in its discretion may deem proper.

If a 2008 Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2008 Bond may be redeemed, but only in a principal amount such that the deemed portion of such 2008 Bond is equal to an Authorized Denomination. For any 2008 Bond denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2008 Bond as representing a single 2008 Bond in the minimum Authorized Denomination plus that number of 2008 Bonds that is obtained by dividing the remaining principal amount of such 2008 Bond by the minimum Authorized Denomination

If it is determined that one or more, but not all, of the Authorized Denominations of principal represented by any 2008 Bond is to be called for redemption, then, upon written notice of intention to redeem such Authorized Denominations of principal amount of such 2008 Bond, the Owner of such 2008 Bond, upon surrender of such 2008 Bond to the Paying Agent for payment of the principal amount of the 2008 Bond, will be entitled to receive new 2008 Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2008 Bond. New 2008 Bonds representing the unredeemed balance of the principal amount of such 2008 Bonds will be issued to the Owner thereof without charge therefor.

If the Owner of any 2008 Bond of a denomination greater than the amount being redeemed fails to present such 2008 Bond to the Paying Agent for payment and exchange as aforesaid, such 2008 Bond will, nevertheless, become due and payable on the date fixed for redemption to the extent of the denomination being redeemed and to that extent only.

The Indenture permits amendment thereto on the agreement of the County and the Trustee and with the approval of the registered Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding. The Indenture also contains provisions permitting the County and the

Trustee to enter into amendments to the Indenture without the consent of the Owners of the Bonds for certain purposes.

Any consent or request by the Owner of this Bond is conclusive and binding on such Owner and on all future Owners of this Bond and of any Bond issued on the transfer of this Bond whether or not notation of such consent or request is made on this Bond.

This Bond is issued with the intent that the laws of the State of North Carolina govern its legality, validity, enforceability and construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Indenture have happened, existed and have been performed as so required.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Authenticating Agent (as defined in the Indenture) of the certificate of authentication endorsed hereon.

*IN WITNESS WHEREOF*, the County of Buncombe, North Carolina has caused this Bond to be executed with the manual or facsimile signatures of the Chairman of the Board of Commissioners and the Clerk to the Board of Commissioners, and has caused the County's official seal or a facsimile thereof to be impressed or imprinted hereon.

**COUNTY OF BUNCOMBE, NORTH CAROLINA**

By: \_\_\_\_\_  
Chairman

[SEAL]

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

The issue hereof has been approved under the provisions of The State and Local Government Revenue Bond Act.

\_\_\_\_\_  
T. VANCE HOLLOMAN  
Secretary of the Local Government Commission

**CERTIFICATE OF AUTHENTICATION**

Date of Authentication: [    ], 2012

This Bond is one of the Project Development Financing Bonds (Woodfin Downtown Corridor Development), Series 2008 designated herein issued under the provisions of the within-mentioned Indenture.

**U.S. BANK NATIONAL ASSOCIATION,**  
as Registrar and Paying Agent

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

**ASSIGNMENT**

*FOR VALUE RECEIVED* the undersigned hereby sells, assigns and transfers unto:

(Please print or typewrite Name, Address,  
including Zip Code, and Federal Taxpayer Identification or  
Social Security Number of Assignee)

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the within 2008 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

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Attorney to register the transfer of the within 2008 Bond on the books kept for registration thereof,  
with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed by:

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**NOTICE:** Signature must be guaranteed by a participant of the Securities Transfer Agent Medallion Program (“*STAMP*”) or similar program.

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**NOTICE:** The signature to this assignment must correspond with the name as it appears on the face of the within 2008 Bond in every particular, without alteration, enlargement or any change whatever.

**TRANSFER FEE MAY BE REQUIRED**