

**Drawn by and Mail To:
Rebecca B. Joyner, Esq.
Parker Poe Adams & Bernstein LLP
150 Fayetteville Rd, Suite 1400
Raleigh, NC 27601**

**STATE OF NORTH CAROLINA
COUNTY OF DURHAM**

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

THIS NOTICE OF EXTENSION (this “*Notice*”) is given as of the [] day of October, 2013, by the **CITY OF DURHAM, NORTH CAROLINA**, a municipal corporation regularly created and validly existing under the laws of the State of North Carolina (the “*Grantor*”), to **ASHLEY L. HOGWOOD, JR.**, as Trustee (the “*Trustee*”) for the benefit of **NEW DURHAM CORPORATION**, a nonprofit corporation duly created, existing and in good standing under the laws of the State of North Carolina (the “*Corporation*”) and together with its successors and assigns, the “*Beneficiary*”), and assigned by the Corporation as grantor under the Indenture of Trust dated as of January 1, 2007 (the “*Indenture*”), between the Corporation and Deutsche Bank National Trust Company (“*Deutsche Bank*”), the successor to which is U.S. Bank National Association (“*U.S. Bank*”);

WITNESSETH:

WHEREAS, Grantor executed and delivered to Trustee for the benefit of Beneficiary a Deed of Trust and Security Agreement (the “*Deed of Trust*”) dated January 1, 2007, which Deed of Trust was duly recorded in Book 5487, Pages 199-219 of the office of the Register of Deeds, Durham County, North Carolina, (the “*Registry*”) encumbering the Premises (as such term is defined in the Deed of Trust) and securing the Grantor’s obligations (the “*Indebtedness*”) under the Installment Purchase Contract dated as of January 1, 2007 (the “*Contract*”) and the Deed of Trust, including future advances which may be made from time to time; and executed and delivered to Trustee for the benefit of Beneficiary. For the purposes this Notice, the term Beneficiary shall be deemed to include all interests, whatsoever, of New Durham Corporation, and its assign U.S. Bank, as successor to Deutsche Bank, as trustee, by, and through the Deed of Trust and the obligations secured by said Deed of Trust; and

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

WHEREAS, the City has negotiated a certain Development Agreement (the “*Development Agreement*”) involving various legal entities owned and/or controlled by Capital Broadcasting Company,

Incorporated (“*CBC*”). Such entities are collectively hereinafter referred to as the “*Developer*.” In connection with the execution and delivery of the Development Agreement, the City expects to receive from the Developer small portions of adjoining properties and various easement rights sufficiently related or appurtenant to the Premises (collectively, the “*Additional Premises*”) that, pursuant to the Deed of Trust, they must be made subject to the lien created thereunder;

WHEREAS, in connection with the execution and delivery of the Development Agreement, Grantor and Beneficiary have agreed that the lien of the Deed of Trust be extended, modified and spread to cover and create a lien on not only the Premises and Additional Premises as described herein, so that together the Deed of Trust shall constitute in law one mortgage and a single lien on the Premises and the Additional Premises described herein securing the Indebtedness; and

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

NOW, THEREFORE, in consideration of the premises and for the purposes aforesaid, and in further consideration of the sum of Ten Dollars (\$10.00) paid to the Grantor by the Trustee and other valuable considerations, receipt of which is hereby acknowledged, the Grantor has given, granted, bargained and sold, and by these presents does give, grant, bargain, sell and convey unto the Trustee, its heirs, successors and assigns for the benefit of Beneficiary, the following property interests lying and being in Durham County, North Carolina of the Grantor, referenced herein as Additional Premises, more particularly described on Exhibit A, attached hereto.

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

1. The foregoing recitals are true and correct.
2. The term Premises as defined in the Deed of Trust is hereby amended to include the Additional Premises, and the lien of the Deed of Trust is hereby extended, modified and spread to cover and include the Additional Premises as described herein and the Premises so as to constitute a single lien upon the Additional Premises described herein and the Premises.
3. All references to the Premises in the Deed of Trust shall hereinafter be deemed to include the Premises and the Additional Premises described herein.
4. Grantor hereby agrees that all terms, representations, warranties, covenants and agreements contained in the Deed of Trust shall hereinafter be deemed to apply to the Premises and the Additional Premises described herein.
5. Grantor ratifies and confirms the lien and security interests of the Deed of Trust on the Premises and the Additional Premises described herein, and in any and all property, real, personal or mixed, tangible or intangible, and fixtures, now or hereafter acquired by Grantor and encumbered by the Deed of Trust and Grantor transfers, assigns, grants to Beneficiary the benefit of a lien on and security interest in all such property now owned or hereafter acquired as security for the Indebtedness.
6. Grantor hereby covenants, represents and warrants that Grantor has good and clear record and marketable title to the Additional Premises described herein, subject to the Permitted Encumbrances

(as defined in the Deed of Trust) and the “*Additional Permitted Encumbrances*” (as set forth on Exhibit B attached hereto).

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

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

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

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

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

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

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

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

[Remainder of Page Intentionally Blank]

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

GRANTOR:

CITY OF DURHAM, NORTH CAROLINA

[SEAL]

By: _____
City Manager

ATTEST:

By: _____
City Clerk

STATE OF NORTH CAROLINA)
)
COUNTY OF DURHAM)

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

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

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

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

(check one of the following)

___ a driver's license *or*

___ in the form of _____); **or**

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

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

Witness my hand and official stamp or seal, this the _____ day of _____, 2013.

Notary Public

Print: Name: _____
[Note: Notary Public must sign exactly as on notary seal]

My Commission Expires: _____

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

EXHIBIT A

LEGAL DESCRIPTION OF ADDITIONAL PREMISES

[to come]

EXHIBIT B

ADDITIONAL PERMITTED ENCUMBRANCES

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