

EXTRACT FROM MINUTES  
OF MEETING OF CITY COUNCIL OF  
THE CITY OF CHARLOTTE

A special meeting of the City Council of the City of Charlotte, North Carolina, was held at the Meeting Chamber, the Charlotte-Mecklenburg Government Center in Charlotte, North Carolina, the regular place of meeting, at 6:00 p.m., on August 17, 1992.

Present: Mayor Richard Vinroot, presiding, and  
Councilmembers Campbell, Hammond, McCrory, Majeed, Mangum, Martin,  
Patterson, Reid, Scarborough and Wheeler

Absent: Councilmember Clodfelter

Also present: O. Wendell White, City Manager, Henry W. Underhill, Jr., City Attorney, Nancy Gilbert, Deputy City Clerk, and Greg C. Gaskins, Deputy Director of Finance.

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Councilmember Hammond introduced the following order authorizing bonds, a copy of which had been provided to each member of the City Council, which were read by title and summarized by the City Attorney:

ORDER AUTHORIZING \$4,000,000  
COLISEUM RENOVATION BONDS

BE IT ORDERED by the City Council of the City of Charlotte:

1. That, pursuant to The Local Government Bond Act, as amended, the City of Charlotte, North Carolina, is hereby authorized to contract a debt, in addition to any and all other debt which said City may now or hereafter have power or authority to contract, and in evidence thereof to issue Coliseum Renovation

Bonds in an aggregate principal amount not exceeding \$4,000,000 for the purpose of providing funds, with any other available funds, for enlarging, remodeling, renovating and improving Independence Arena, including planning, designing, constructing, reconstructing, equipping and furnishing such coliseum facility, together with any necessary equipment, land and rights of way.

2. That taxes shall be levied in an amount sufficient to pay the principal of and the interest on said bonds.

3. That a sworn statement of the debt of said City has been filed with the City Clerk and is open to public inspection.

4. That this order shall take effect when approved by the voters of said City at a referendum as provided in said Act.

The City Council thereupon designated either the Director of Finance, the Deputy Director of Finance or the City Treasurer as the officer whose duty it shall be to make and file with the City Clerk the sworn statement of debt of the City which is required by The Local Government Bond Act, as amended, to be filed before the public hearing on the order which was introduced at this meeting.

Thereupon the Director of Finance filed with the City Clerk, in the presence of the City Council, the sworn statement of debt as so required.

Thereupon the order entitled: "ORDER AUTHORIZING \$4,000,000 COLISEUM RENOVATION BONDS" was passed on first reading.

On motion duly made, seconded and unanimously carried, the City Council ratified and approved (i) the publication on behalf of the City of a Notice of Intent to Apply to the Local

Government Commission for Approval of Bonds and (ii) the filing of an Application on behalf of the City by the Director of Finance for approval by the Local Government Commission of the issuance of such bonds.

On motion duly made, seconded and unanimously carried, the City Council fixed 7:00 p.m., August 24, 1992, at the Meeting Chamber, the Charlotte-Mecklenburg Government Center in Charlotte, North Carolina, as the hour, day and place for the public hearing upon the foregoing order and directed that the City Clerk publish said order, together with the appended statement giving notice of said hearing as required by The Local Government Bond Act, as amended, once in The Charlotte Observer not later than the sixth day before said date.

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I, Nancy Gilbert, Deputy City Clerk of the City of Charlotte, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said City Council at a special meeting held on August 17, 1992 as relates in any way to the introduction and passage on first reading of an order authorizing bonds of said City and the calling of a public hearing upon such order and that said proceedings are recorded in Minute Book No. 99 of the minutes of said City Council, on page(s) \_\_\_\_\_ and a full copy of the foregoing order is recorded in Resolution Book 29 on page(s) 325-328.

I HEREBY FURTHER CERTIFY that such special meeting was held pursuant to a motion scheduling the time, place and purpose of

such special meeting, which motion was duly adopted in open session at a regular meeting of City Council on July 27, 1992.

I FURTHER CERTIFY that written notice of the special meeting stating its purpose was (i) posted on the principal bulletin board of the City Council, (ii) mailed or delivered to each newspaper, wire service, radio station, and television station, which has filed a written request for such notice with the City and (iii) mailed or delivered to any person, in addition to the representatives of the media listed above, who has filed a written request for such notice with the City. Such notice was posted and mailed or delivered at least 48 hours before the time of the special meeting.

WITNESS my hand and the corporate seal of said City, this 17th day of August, 1992.

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Deputy City Clerk

(SEAL)

EXTRACT FROM MINUTES OF SPECIAL  
MEETING OF CITY COUNCIL OF THE  
CITY OF CHARLOTTE, NORTH CAROLINA

A special meeting of the City Council of the City of Charlotte, North Carolina, was held in the Meeting Chamber at the Charlotte-Mecklenburg Government Center in Charlotte, North Carolina at 6:00 P.M. on August 17, 1992.

Present: Mayor Richard Vinroot, presiding, and  
Councilmembers Campbell, Hammond, McCrory, Majeed, Mangum, Martin,  
Patterson, Reid, Scarborough and Wheeler

Absent: Councilmember Clodfelter

Also Present: O. Wendell White, City Manager; Henry W.  
Underhill, Jr., City Attorney; Nancy Gilbert, Deputy City Clerk;

\* \* \* \* \*

Councilmember Hammond introduced the following  
resolution, a summary of which had been provided to each  
Councilmember, which was read by title:

RESOLUTION DECLARING OFFICIAL INTENT TO  
REIMBURSE CAPITAL EXPENDITURES WITH RESPECT  
TO THE DESIGN, CONSTRUCTION AND EQUIPPING OF  
CERTAIN CAPITAL IMPROVEMENTS WITH PROCEEDS OF  
DEBT

RESOLVED, by the City Council (the "City Council") of the  
City of Charlotte (the "Issuer") that the Issuer hereby finds,  
represents and covenants:

1. The Issuer intends to pay after the adoption of this resolution certain capital expenditures (hereinafter sometimes called "reimbursement expenditures") incurred or to be incurred with respect to capital projects and, subject to authorization by referendum as to obligations requiring voter approval, to reimburse the payment of such capital expenditures with proceeds of borrowing(s) by incurring debt (hereinafter sometimes called "reimbursement obligations").

2. The City Council has determined that the funds to be advanced to pay the reimbursement expenditures will be available on a temporary basis and that it is necessary and desirable to declare the "official intent" of the Issuer with respect to the proposed reimbursement (hereinafter sometimes called the "reimbursement" or the "reimbursement allocation") of the reimbursement expenditures with the proceeds of the reimbursement obligations and otherwise to meet the requirements of Treas. Reg. §§ 1.103-18 (or successor provisions).

3. This resolution is a declaration of official intent under Treas. Reg. § 1.103-18 (or successor provisions).

4. The Issuer reasonably expects, subject to authorization by referendum as to obligations requiring voter approval, to reimburse the payment of the reimbursement expenditures with proceeds of borrowing(s) by incurring debt which will constitute reimbursement obligations.

5. The reimbursement expenditures will be paid for the following project: enlarging, remodeling, renovating and improving Independence Arena, including planning, designing, constructing, reconstructing, equipping and furnishing such coliseum facility, together with any necessary equipment, land and rights of way. The maximum principal amount of reimbursement obligations expected to be issued for such purposes is \$250,000.

6. These proceedings will be reasonably available for public inspection within a reasonable period of time after the adoption of the declaration of official intent herein. In particular, within 30 days after the date of this declaration of official intent by adoption of this resolution, these proceedings will be available for public inspection at the main administrative office of the Issuer at the Charlotte-Mecklenburg Government Center, 600 East Fourth Street, Charlotte, North Carolina 28202, in the office of the City Clerk, and they will remain available for public inspection on a reasonable basis until the date of issue of the reimbursement obligations.

7. This declaration of official intent to reimburse expenditures is consistent with the budgetary and financial circumstances of the Issuer (and of any other entity that is part of the same controlled group of entities of which the Issuer is a part within the meaning of Treas. Reg. § 1.150-1(f)) as of the date of this declaration of official intent. Specifically, the Issuer does not intend to reimburse an expenditure for which

funds (from sources other than the reimbursement obligations), at the time of this declaration of official intent, are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the Issuer or by any member of the same controlled group as the Issuer pursuant to their budget or financial policies. The Issuer does not have a pattern of failing to reimburse expenditures for which official intent was declared and that were actually paid by the Issuer other than in circumstances that were beyond the control of the Issuer and could not have been foreseen.

8. This declaration of official intent is occurring on or before the date any related reimbursement expenditure is paid by the Issuer, except as otherwise provided in Treas. Reg. § 1.103-18(i)(1) [relating to certain unforeseeable expenditures] or (2) [relating to certain preliminary expenditures].

9. The reimbursement allocation contemplated hereby will occur not earlier than the date on which the reimbursement expenditure is paid and not later than one year after the later of (a) the date on which the reimbursement expenditure is paid, or (b) the date on which the property for which the reimbursement expenditure is paid is placed in service. However, the reimbursement allocation for reimbursement expenditures paid with respect to a project abandoned prior to completion will be made by the later of (i) the date one year after the project is abandoned, or (ii) the date two years after the last payment of

an expenditure with respect to the abandoned project that is not less than the lesser of \$25,000 or five percent (5%) of the cost of the project.

10. The reimbursement allocation contemplated hereby will be an allocation of reimbursement obligation proceeds evidenced by an entry on the books or records of the Issuer maintained with respect to the reimbursement obligations, specifically identifying an actual prior expenditure to be reimbursed or, in the case of a reimbursement of a fund or an account, the fund or account from which the expenditure was paid. As a result of the allocation, the allocated reimbursement obligation proceeds covered by the entry will be relieved from any restrictions under the relevant legal documents and applicable state laws that apply to unspent proceeds of such obligations.

11. The reimbursement expenditures will be capital expenditures (as defined in Treas. Reg. § 1.150-1(h)). Generally, the term "capital expenditure" means any cost of a type that is properly chargeable to capital account (or would be so chargeable with a proper election) under general federal income tax principles. For purposes of this resolution, costs of issuing reimbursement obligations paid out of reimbursement obligation proceeds that are properly allocable to the reimbursement are treated as capital expenditures.

12. No action or inaction by the Issuer with respect to a reimbursement allocation will be an artifice or device under Treas. Reg. § 1.103-13(j) or Temp. Treas. Reg. § 1.148-9T(g) to avoid, in whole or in part, arbitrage yield restrictions or arbitrage rebate requirements.

13. The reimbursement obligation proceeds will not be used directly or indirectly --

a. within one year of the date of the reimbursement allocation, to "refund" another issue of governmental obligations within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

b. within one year of the date of the reimbursement allocation, to create or increase the balance in a "sinking fund" within the meaning of Treas. Reg. § 1.103-13(g), with respect to any obligation of the Issuer, or to replace funds that have been, are being, or will be so used for sinking fund purposes;

c. within one year of the date of the reimbursement allocation, to create or increase the balance in a "reserve or replacement fund" within the meaning of Treas. Reg. § 1.103-14(d), with respect to any obligation of the Issuer, or to replace funds that have been, are being, or will be so used for reserve or replacement fund purposes; or

d. to reimburse any person for any expenditure or any payment that was originally paid with proceeds of any obligation of the Issuer (other than a borrowing by the Issuer from one of its own funds or the funds of a member of the same controlled group).

Notwithstanding the above provisions of this paragraph, the moneys from the reimbursement allocation may be deposited in a bona fide debt service fund (as defined in Treas. Reg. § 1.103-13(b)(12)) or otherwise used to pay current debt service coming due within the next succeeding one-year period on any obligation of the Issuer (other than the reimbursement obligations). Subparagraphs (a) and (d) above shall not apply if, as of the date of issue of the obligation originally used to pay the expenditure for which a reimbursement allocation is made (the "original financing"), the Issuer did not reasonably expect to finance the reimbursement expenditure with the proceeds of the original financing as provided in Treas. Reg. § 1.103-18(k)(5).

14. The Issuer may rely from time to time upon an opinion of its bond counsel or other nationally recognized bond counsel to the effect that the Issuer need not comply with any requirement or requirements of any of the provisions of this resolution, or that the Issuer must comply with a requirement or requirements not contained in this resolution, in order to comply with the provisions of Treas. Reg. § 1.103-18 (or successor provisions), as may be amended or otherwise changed with any

requirement or requirements inconsistent with the provisions of this resolution.

15. This resolution shall take effect upon its passage.

Upon motion of Councilmember Hammond, seconded by Councilmember Patterson, the foregoing resolution entitled: "RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE CAPITAL EXPENDITURES WITH RESPECT TO THE DESIGN, CONSTRUCTION AND EQUIPPING OF CERTAIN CAPITAL IMPROVEMENTS WITH PROCEEDS OF DEBT" was passed by the following vote:

Ayes: Councilmembers Campbell, Hammond, McCrory, Mangum, Martin, Patterson, Reid, Scarborough and Wheeler

Noes: Councilmember Majeed

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I, Nancy Gilbert, Deputy City Clerk of the City of Charlotte, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and complete copy of so much of the proceedings of said City Council at a special meeting held August 17, 1992, as relates in any way to the passage of a resolution declaring official intent to reimburse certain capital expenditures with proceeds of certain reimbursement obligations, that all required notices of such meeting were given and that a reference regarding said proceedings is recorded in Minute Book 99 of the minutes of said City Council on page(s) \_\_\_\_\_ and a full copy of the foregoing resolution is recorded in Resolution Book 29 on page(s) 329-338.

I HEREBY FURTHER CERTIFY that such special meeting was held pursuant to a ~~motion~~ scheduling the time, place and purpose of such special ~~meeting~~, which motion was duly adopted in open session at a regular meeting of City Council on July 27, 1992.

I FURTHER CERTIFY that written notice of the special meeting stating its purpose was (i) posted on the principal bulletin board of the City Council, (ii) mailed or delivered to each newspaper, wire service, radio station, and television station, which has filed a written request for such notice with the City and (iii) ~~mailed or delivered~~ to any person, in addition to the representatives of the media listed above, who has filed a written request for such notice with the City. Such notice was posted and mailed or delivered at least 48 hours before the time of the special meeting.

WITNESS my hand and the corporate seal of said City, this  
17th day of August, 1992.

\_\_\_\_\_  
Deputy City Clerk

(SEAL)