

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

The City Council (the "City Council") of the City of Charlotte, North Carolina (the "City"), met in regular session at the Conference Center in the Charlotte-Mecklenburg Government Center in Charlotte, North Carolina, the regular place of meeting, at 5:00 p.m. on January 4, 1993. The following were:

PRESENT: Mayor Richard Vinroot, presiding, and Councilmembers: Clodfelter, Hammond, McCrory, Majeed, Mangum, Martin, Patterson, Reid, Scarborough and Wheeler.

ABSENT: Councilmembers: Campbell

ALSO PRESENT: City Manager, O. Wendell White; City Attorney, Henry Underhill and City Clerk, Brenda Freeze

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Mayor Vinroot announced that this was the date and hour fixed for the public hearing for the purpose of considering whether the City Council should approve a proposed Installment Payment Contract between the City and First Union Securities, Inc. (the "Contract") and certain related documents under which the City would obtain financing/refinancing from funds raised from the sale of Certificates of Participation in the Contract pursuant to North Carolina General Statutes § 160A-20, as amended, for the acquisition of certain buildings on and other improvements (the "Municipal Facilities") to real property owned by the City and the acquisition of certain unimproved real property (the "Land"), which Municipal Facilities and Land were described in the notice of such public hearing which was published in The Charlotte Observer on December 21, 1992 (the "Notice"), and under which the City would secure the repayment by it of moneys advanced pursuant to such Contract by granting a security interest in and lien on the Municipal Facilities and certain related property.

The Director of Finance informed City Council that the Municipal Facilities were presently being leased from Citicorp Industrial Credit, Inc. pursuant to a Municipal Facilities Lease Agreement dated as of August 1, 1986 (the "Lease"), which instrument granted the City an option to purchase the Municipal Facilities (the "Purchase Option"). The proposed purchase and financing/refinancing of the Municipal Facilities would result in a lower overall interest cost to the City and would release moneys held in a debt service reserve fund established as a result of the Lease to be used for another needed City capital

project, the acquisition of the Land for noise abatement at Charlotte/Douglas International Airport.

The City Council first ratified and approved the designation of the meeting as a public hearing on the proposed plan of financing, the call of the public hearing and publication of the Notice.

It was then announced that the City Council would immediately hear anyone who might wish to be heard on such matter.

No one appeared, either in person or by attorney, to be heard on such matter and the Clerk to the City Council announced that no written statement relating to such matter had been received other than the following:

It was then announced that the public hearing was closed.

Thereupon, the City Council determined, subject to the approval of the Local Government Commission of North Carolina, to proceed with the proposed financing of the acquisition of the Municipal Facilities as currently proposed pursuant to such Contract. The City Manager, Director of Finance and other officers of the City were authorized to take all steps necessary or appropriate (i) to exercise the Purchase Option, (ii) acquire the Municipal Facilities, (iii) to terminate the Lease and (iv) to redeem all outstanding certificates of participation issued in connection with the Lease.

Thereupon Councilmember Mangum introduced the following resolution which was read by title and summarized by the City Attorney:

RESOLUTION APPROVING AN INSTALLMENT CONTRACT FINANCING IN A PRINCIPAL AMOUNT UP TO \$8,500,000 AND THE SALE OF CERTIFICATES OF PARTICIPATION THEREIN AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS IN CONNECTION THEREWITH TO FINANCE/REFINANCE THE PURCHASE OF CERTAIN MUNICIPAL FACILITIES AND CERTAIN LAND

WHEREAS, by resolutions adopted on December 14, 1992, the City Council took official action and approved in principle installment contract financing(s) for the purchase of certain buildings on and other improvements (the "Municipal Facilities") to real property owned by the City and the acquisition of certain unimproved real property (the "Land") for noise abatement at Charlotte/Douglas International Airport and authorized the City staff to proceed with plans and to investigate and negotiate the selection and terms for such financing; and

WHEREAS, the proposed financing of the acquisition of the Municipal Facilities and the Land involves a plan of financing/refinancing (the "Plan of Financing") with respect to a prior financing (the "Prior Financing") pursuant to a Municipal Facilities Lease Agreement, dated as of August 1, 1986, which was in an original aggregate face amount of \$15,955,000, the proceeds of which have been or, in case of funds on deposit in a debt service reserve fund, will be used to finance the Municipal Facilities and the Land; and

WHEREAS, the general functional description and street address and the approximate face amount of the Prior Financing with respect to the Municipal Facilities and the Land are as follows:

<u>Parcel No.</u>	<u>Municipal Facility/Land</u>	<u>Address</u>	<u>Approximate Face Amount of Prior Financing</u>
A.	Heavy Equipment Repair Facility	4600 Sweden Road	\$ 425,000
B.	Charlotte-Mecklenburg Government Center (two floors for governmental offices)	600 East Fourth Street	3,740,000
C.	Operations Facility (special transit service, engineering and surveying)	531 Spratt Street	1,375,000
D.	"Old City Hall" Renovation (governmental offices)	600 East Trade Street	1,660,000
E.	Fire Station No. 1 Relocation	221 North Myers Street	1,610,000
F.	New Fire Stations		2,190,000
	Coulwood Area - No. 25	6741 Pleasant Grove Road	
	Arrowood Area - No. 26	9231 York Road	
	University Area - No. 27	111 Ken Hoffman Road	
	I-77 Corridor - No. 28	8031 Old Statesville Road	
G.	Spirit Square Renovation (cultural facilities complex)	345 North College Street	2,560,000

- H. Approximately 89 acres 6900 Wilkinson Boulevard 2,395,000
 of unimproved real
 property (noise
 abatement buffer for
 Charlotte/Douglas
 International Airport)

WHEREAS, the Plan of Financing involves the entry by the City into an installment payment agreement with a third party to provide the City with up to \$8,500,000, which will be the maximum amount of the obligation(s) of the City pursuant to the agreement and which will be applied pro rata to the Municipal Facilities and the Land; and

WHEREAS, the initial and present owner of the Municipal Facilities other than Spirit Square is the City; the City shares ownership of Spirit Square with Mecklenburg County; Spirit Square is presently leased to Spirit Square Center for the Arts, Inc., a non-profit corporation; and the City is to be the initial owner of the Land; and

WHEREAS, there have been available at this meeting forms of the following documents (the "Financing Documents") with respect to such financing:

(1) Installment Payment Contract dated as of January 1, 1993 (the "Contract") between the City and First Union Securities, Inc., as counterparty (the "Counterparty"), pursuant to which the Counterparty causes funds to be advanced to the City and the City agrees to make installment payments (the "Installment Payments") to repay the amount so advanced, with interest;

(2) Trust Agreement dated as of January 1, 1993 (the "Trust Agreement") between the Counterparty and NationsBank of North Carolina, National Association, as trustee (the "Trustee"), pursuant to which there are to be issued Certificates of Participation ("COPs") representing interests in the Installment Payments under the Contract;

(3) Deed of Trust and Security Agreement dated as of January 1, 1993 from the City to Stephen M. Johns (the "Deed of Trust Trustee") covering the Selected Facilities (as described in the Contract) (the "Selected Facilities Deed of Trust");

(4) Deed of Trust and Security agreement dated as of January 1, 1993 from the City to the Deed of Trust Trustee covering the Additional Facilities (as described in the Contract) (the "Additional Facilities Deed of Trust" and, collectively with the Selected Facilities Deed of Trust, the "Deeds of Trust");

(5) Preliminary Official Statement to be dated on or about January 11, 1993 (the "Preliminary Official Statement") which, as

to be supplemented with certain pricing information, is to be the Official Statement to be dated on or about January 21, 1993 (the "Official Statement"), pursuant to which the COPs are offered and sold to the public;

(6) Contract of Purchase to be dated on or about January 21, 1993 (the "Purchase Contract") between Interstate/Johnson Lane Corporation, First Union Securities, Inc., NationsBanc Capital Markets, Inc. and First Charlotte Company, a Division of J.C. Bradford & Co. (the "Underwriters") and the Counterparty pursuant to which the Underwriters agree to purchase the COPs for sale to the public;

(7) Letter of Representation to be dated on or about January 21, 1993 (the "Letter of Representation"), which is an Exhibit to the Contract of Purchase, from the City to the Underwriters regarding certain matters in connection with the financing and information about the City in the Official Statement;

WHEREAS, the obligation of the City to make Installment Payments and other payments pursuant to the Contract shall constitute a limited obligation of the City payable solely from currently budgeted appropriations of the City and shall not constitute a pledge of the faith and credit of the City within the meaning of any constitutional debt limitation;

WHEREAS, no deficiency judgment may be rendered against the City in any action for breach of a contractual obligation under the Contract, and the taxing power of the City is not and may not be pledged in any way directly or indirectly or contingently to secure any moneys due under the Contract; and

WHEREAS, the City Council wants to approve the Financing Documents and to authorize other actions in connection therewith;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City, as follows:

Section 1. The Plan of Financing provided by the Financing Documents and all actions of the City to effectuate the proposed financing, including the selection of the Underwriters, are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by such documents.

Section 2. Each of the Contract, the Deeds of Trust, and the Letter of Representation is hereby approved in substantially the forms submitted to this meeting, and the Mayor or the City Manager and the City Clerk are hereby authorized and directed to execute and deliver each of those documents on behalf of the City, with such changes, insertions or omissions as the persons executing such documents may approve, their execution and delivery thereof to constitute conclusive evidence of such

approval. The City Clerk is hereby directed to affix the official seal of the City to said documents as may be appropriate and to attest the same.

Section 3. Each of the Trust Agreement and the Purchase Contract is hereby approved in substantially the form submitted to this meeting, with such changes, insertions or omissions as appropriate and as the officers of the City executing the Contract may approve, their execution and delivery of the Contract to constitute conclusive evidence of such approval.

Section 4. Each of the Preliminary Official Statement and the Official Statement in the form of the Preliminary Official Statement submitted to this meeting, is hereby approved in substantially such form, with such changes, insertions and omissions as appropriate, and the use thereof by the Underwriters in connection with the public offering and sale of the COPs is hereby authorized. The Mayor or the City Manager is hereby authorized and directed to execute and deliver on behalf of the City the final Official Statement in substantially such form, with such changes, insertions and omissions as he may approve, the execution and delivery thereof to constitute conclusive evidence of such approval.

Section 5. The City Clerk, the Mayor, the City Manager, the Director of Finance and the City Attorney are hereby authorized to take any and all such further action, including the approval of modifications to the Financing Documents, and to execute and deliver for and on behalf of the City such assignments and other documents and certificates (including appropriate tax certificates and agreements) as may be necessary or advisable to carry out the intent of this resolution and to effect the installment financing pursuant to the Contract and the other Financing Documents. Without limiting the generality of the foregoing, the City Manager and the Director of Finance are authorized to approve all details of the financing, including without limitation the amount advanced under the Contract (which shall not exceed a maximum amount of \$8,500,000), the annual amount of Installment Payments under the Contract (the particular annual amounts of which shall not exceed \$3,000,000), the maturities, the principal amounts and the interest amounts of the Installment Payments (which shall not exceed 7.0% per annum), the term of the Contract (which shall not be less than 2 years nor equal or exceed 6 years), the discount below the principal amount of the COPs at which the COPs are sold to the Underwriters (which shall not exceed 1.5%) and the final determination of the Selected Facilities and the Additional Facilities. Execution of the Contract by the Mayor or the City Manager shall conclusively evidence such approval of all such details of the financing. In addition, said officers are hereby authorized to cooperate with the Underwriters in preparing and filing such filings under state security or "blue sky" laws as the Underwriters may request and as the City Manager or the Finance Director shall determine.

Section 6. This Resolution shall become effective immediately upon its adoption.

Thereupon, upon motion of Councilmember Mangum, seconded by Councilmember Scarborough, the foregoing resolution was adopted and passed by the following vote:

AYES: Clodfelter, Hammond, McCrory, Majeed, Mangum, Martin, Patterson, Reid, Scarborough and Wheeler.

NOES: None.

* * * * *

I, Brenda R. Freeze, 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 regular meeting held on January 4, 1993 as relates in any way to the conduct of a public hearing and subsequent related authorization of an installment contract financing by said City, that such public hearing was duly called, that all required notices of such meeting were given and that references regarding said proceedings are recorded in Minute Book 100 of the minutes of said City Council, on pages and a full copy of the foregoing resolution is recorded in Resolution Book 30 on page(s) 255-261.

I HEREBY FURTHER CERTIFY that a schedule of regular meetings of said City Council, stating that regular meetings of said City Council are held (with certain exceptions not applicable to said meeting) at the Charlotte-Mecklenburg Government Center in Charlotte, North Carolina in the Conference Center on the first Monday of each month at 5:00 P.M. (workshop); and in the Meeting Chamber on the second Monday of each month at 7:00 P.M., on the third Monday of each month at 6:00 P.M. (zoning), and the fourth Monday of each month at 7:00 P.M., has been on file in the office of the City Clerk pursuant to North Carolina General Statutes, Sec. 143-318.12, as of a date not less than seven days before said meeting.

WITNESS my hand and the corporate seal of said City, this 6th day of January, 1993.

Brenda R. Freeze
City Clerk

(SEAL)