

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

A regular meeting of the City Council of the City of Charlotte, North Carolina, was held in the Meeting Chamber at the Charlotte-Mecklenburg Government Center, 600 East Fourth Street, in Charlotte, North Carolina, the regular place of meeting, at 7:00 p.m. on January 16, 1996.

**Present:** Mayor Pat McCrory presiding, and  
**Councilmembers** Al Rousso, Charlie Baker, Patrick Cannon, Malachi Greene,  
Mike Jackson, Nasif Majeed, Don Reid, Ella Scarborough, Tim Sellers, Sara  
Spencer, and Lynn Wheeler.

**Absent:** None.

**Also Present:** O. Wendell White, City Manager, DeWitt F. McCarley, City  
Attorney, and Brenda R. Freeze, City Clerk.

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Councilmember Scarborough introduced the following resolution, a summary of which had been provided to each Councilmember, a copy of which was available with the City Clerk and which was read by title:

RESOLUTION APPROVING INSTALLMENT CONTRACT FINANCING FOR EQUIPMENT IN AN AGGREGATE PRINCIPAL AMOUNT UP TO \$4,800,000 AND THE SALE OF CERTIFICATES OF PARTICIPATION THEREIN AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, by resolution adopted on August 28, 1995, the City Council (the "City Council") of the City of Charlotte (the "City") approved in principle installment contract financing for certain of the City's general equipment requirements (the "Equipment") in an

aggregate principal amount up to \$4,800,000 and authorized the City staff to proceed with plans and to investigate and negotiate the selection and terms for such financing;

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

(1) Installment Payment Contract, to be dated as of February 1, 1996 (the "Contract"), between the City and New Charlotte Corporation (the "Corporation"), as counterparty, pursuant to which the Corporation will advance moneys to the City for the purchase of the Equipment and the City agrees to make periodic installment payments (the "Installment Payments") to repay the moneys so advanced, with interest;

(2) Trust Agreement, to be dated as of February 1, 1996 (the "Trust Agreement"), between the Corporation and First Union National Bank of North Carolina, as trustee (the "Trustee"), pursuant to which there are to be executed and delivered Certificates of Participation, Series 1996A (FY1996 Equipment Acquisition Project) (the "Certificates") representing interests in rights to receive the Installment Payments under the Contract;

(3) Preliminary Official Statement to be dated on or about January 19, 1996 (the "Preliminary Official Statement") which, as supplemented with certain pricing information, is to be the Official Statement to be dated on or about February 1, 1996 (the "Official Statement"), pursuant to which the Certificates are to be offered and sold to the public;

(4) Contract of Purchase to be dated on or about February 1, 1996 (the "Purchase Contract") between First Union Capital Markets Corp., Interstate/Johnson Lane Corporation, NationsBanc Capital Markets, Inc., and First Charlotte Company, Division of J.C. Bradford & Co. (collectively, the "Underwriters") and the Corporation, pursuant to which the Underwriters agree to purchase the Certificates for sale to the public; and

(5) Letter of Representation to be dated on or about February 1, 1996 (the "Letter of Representation"), which is an exhibit to the Purchase Contract, 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 obligations of the City to make Installment Payments and other payments pursuant to the Contract shall constitute limited obligations 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;

WHEREAS, as security for repayment of the moneys advanced to the City and the other obligations of the City under the Contract, the City will grant to the Corporation a security interest in the

Equipment pursuant to the Contract which the Corporation will assign to the Trustee under the Trust Agreement; and

WHEREAS, the City Council desires 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. All actions of the City to effectuate the proposed financing, including the selection of the Underwriters, are hereby ratified, approved and authorized pursuant to and in accordance with the transactions contemplated by the Financing Documents.

Section 2. The acquisition of the Equipment, the financing thereof and the granting of security interests all as provided in the Financing Documents and described in this Resolution and the agreements and documents referenced herein are hereby ratified and approved.

Section 3. The City Council hereby finds and confirms that (i) financing of the Equipment by installment contracts, under the circumstances, is preferable to a bond issue due to time constraints and (ii) the proceeds of the financing will be used exclusively for the acquisition of the Equipment and the costs and expenses of such financing and for no other capital projects of the City.

Section 4. Each of the Contract and the Letter of Representation is hereby approved in substantially the form submitted to this meeting, and each of the Mayor or the City Manager is hereby authorized to execute and deliver each of

those documents in the name and 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 authorized to affix the seal of the City to each of said documents as may be appropriate and to attest to the same.

Section 5. 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, the execution and delivery of the Contract to constitute conclusive evidence of such approval.

Section 6. 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 Certificates is hereby authorized. Each of the Mayor or the City Manager is hereby authorized 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 7. Each of the Mayor, the City Manager and the Director of Finance are authorized to approve all details of the financing of the Equipment, including, without limitation, the amount advanced under the Contract (which shall not exceed \$4,800,000), the maturities, the principal amounts and the interest amounts of the Installment Payments (which annual principal amounts shall not exceed \$1,250,000 and which interest amounts (calculated with respect to the Certificates) shall not exceed 6.50% per annum on a true interest cost basis), the term of the Contract (which shall not be less than two years and shall not equal or exceed five years from its date), and the Underwriters' discount (exclusive of any original issue discount) (which shall not exceed 1.5%). Execution of the Contract by the Mayor or the City Manager shall conclusively evidence such approval of all such details of said financing.

Section 8. The Mayor, the City Manager, the Director of Finance, the City Treasurer and the City Attorney are hereby authorized to take any and all such further action, including approval of modifications to the Financing Documents, and to execute and deliver for and on behalf of the City such other documents and certificates (including financing statements, appropriate tax certificates and agreements and other documents relating to the investment of the proceeds from the execution and delivery of the Certificates) 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. The City Clerk is hereby authorized to affix the seal of the City to such documents and certificates as may be appropriate and to attest to the same and to execute and deliver such certificates as may be needed. In addition, said officers are hereby authorized to cooperate with the Underwriters in preparing and filing such filings under state securities or "blue sky" laws as the Underwriters may request and as the Mayor, the City Manager or the Finance Director shall determine.

Section 9. This Resolution shall become effective immediately upon its adoption.

Thereupon, upon motion of Councilmember Scarborough, seconded by Councilmember Cannon, the foregoing resolution entitled "RESOLUTION APPROVING INSTALLMENT CONTRACT FINANCING FOR EQUIPMENT IN AN AGGREGATE PRINCIPAL AMOUNT UP TO \$4,800,000 AND THE SALE OF CERTIFICATES OF PARTICIPATION THEREIN AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS IN CONNECTION THEREWITH was adopted and passed by the following vote:

AYES: Unanimous

NOES: None

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I, Brenda R. Freeze, \_\_\_\_\_ City Clerk of the City of Charlotte, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the recorded proceedings of the City

Council of said City at a regular meeting held on January 16, 1996, as relates in any way to the authorization of an installment contract financing by said City and that references regarding said proceedings are recorded in Minute Book No. 109 of said City Council, beginning at page      and ending at page     , and a full copy of the foregoing resolution is recorded in Resolution Book No. 34 of said City Council, beginning at page 87 and ending at page 94.

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, 600 East Fourth Street, 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 (the third Tuesday in January 1996) at 7:00 P.M., 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 as of a date not less than seven days before the date of said meeting in accordance with G.S. § 143-318.12.

WITNESS my hand and the seal of said City, this 18th day of January, 1996.

(SEAL)

Brenda R. Freeze  
Brenda R. Freeze, City Clerk

CERTIFICATION

I, Brenda R. Freeze, City Clerk of the City of Charlotte, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 16th day of January, 1996, the reference having been made in Minute Book 109, and recorded in full in Resolution Book 34, Page(s) 87-94.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 18th day of January, 1996.

Brenda R. Freeze  
Brenda R. Freeze, City Clerk