

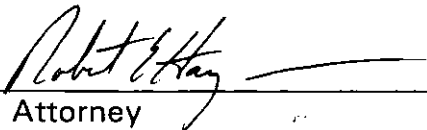
A RESOLUTION AUTHORIZING THE REFUND OF CERTAIN TAXES

Reference is made to the schedule of "Taxpayers and Refunds Requested" attached to the Docket for consideration of the City Council. On the basis of that schedule, which is incorporated herein, the following facts are found:

1. The City-County Tax Collector has collected certain taxes from the taxpayers set out on the list attached to the Docket.
2. The City-County Tax Collector has certified that those taxpayers have made proper demand in writing for refund of the amounts set out on the schedule within the required time limits.
3. The amounts listed on the schedule were collected through either a clerical or assessor error.

NOW, THEREFORE, BE RESOLVED by the City Council of the City of Charlotte, North Carolina, in regular session assembled this 25th day of March, 1996 that those taxpayers listed on the schedule of "Taxpayers and Refunds Requested" be refunded in the amounts therein set ut and that the schedule and this resolution be spread upon the minutes of this meeting.


Approved as to form:


Asst City Attorney

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 25th day of March, 1996, the reference having been made in Minute Book 109, and recorded in full in Resolution Book 34, Page(s) 112.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 28th day of March, 1996.


Brenda R. Freeze, City Clerk

**RESOLUTION DECLARING AN INTENT TO ABANDON AND CLOSE
PORTIONS OF OLD WILMONT ROAD LOCATED
WEST OF OAK LAKE BOULEVARD AND NORTH OF NEW WILMONT ROAD
MECKLENBURG COUNTY, NORTH CAROLINA.**

WHEREAS, Wyndham Charlotte Garden Hotel Limited Partnership has filed a Petition to close a portion of old Wilmont Road in the City of Charlotte; and

WHEREAS, a portion of old Wilmont Road petitioned to be closed lies west of Oak Lake Boulevard and north of new Wilmont Road as more particularly described herein as shown on a map attached hereto and made a part hereof marked Exhibit A and as more particularly described by metes and bounds in documents marked as Exhibit B attached hereto and made a part hereof, both of which are available for inspection in the office of the City Clerk, City Hall, Charlotte, North Carolina.

WHEREAS, the procedure for closing streets and alleys as outlined in North Carolina General Statutes, Section 160A-299, requires that Council first adopt a resolution declaring its intent to close the street and calling a public hearing on the question; said Statute further requires that the resolution shall be published once a week for two successive weeks prior to the hearing, and a copy thereof be sent by registered or certified mail to all owners of the property adjoining the street as shown on the county tax records, and a notice of the closing and public hearing shall be prominently posted in at least two places along said street or alley; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Charlotte, North Carolina, at its regularly scheduled session of March 25, 1996, that it intends to close a portion of old Wilmont Road lying west of Oak Lake Boulevard and north of new Wilmont Road, said street (or portion thereof) being more particularly described on maps and by metes and bounds descriptions available for inspection in the City Clerk's Office, and hereby calls a public hearing on the question to be held at 7:00 P.M., on Monday, the 22nd day of April, 1996, in the CMGC Meeting Chamber, 600 E. Fourth St., Charlotte, NC.

The City Clerk is hereby directed to publish a copy of this resolution in the Mecklenburg Times once a week for two successive weeks next preceding the date fixed here for such hearing, as required by N.C.G.S. 160A-299.

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 25th day of March, 1996, the reference having been made in Minute Book 109, and recorded in full in Resolution Book 34, Page(s) 113.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 28th day of March, 1996.


Brenda R. Freeze, City Clerk

**RESOLUTION DECLARING AN INTENT TO ABANDON AND CLOSE
PORTIONS OF CHINA GROVE CHURCH ROAD AND PACKARD STREET
LOCATED BETWEEN THE OUTERLOOP HIGHWAY 485
RIGHT-OF-WAY AND 10021 RODNEY STREET IN THE CITY OF
CHARLOTTE, MECKLENBURG COUNTY, NORTH CAROLINA**

WHEREAS, Rutland Plastic Technologies, Inc. has filed a Petition to close portions of China Grove Church Road and Packard Street in the City of Charlotte; and

WHEREAS, portions of China Grove Church Road and Packard Street petitioned to be closed lie between the Outerloop Highway 485 right-of-way and 10021 Rodney Street, as shown in a map marked "Exhibit A," and is more particularly described by metes and bounds in a document marked "Exhibit B," both of which are available for inspection in the Office of the City Clerk, City Hall, Charlotte, North Carolina; and

WHEREAS, the petitioner has provided a 25-foot easement to the Charlotte-Mecklenburg Utility Department to maintain their existing sanitary sewer line as shown in the map marked Exhibit A; and

WHEREAS, the procedure for closing streets and alleys as outlined in North Carolina General Statutes, Section 160A-299, requires that Council first adopt a resolution declaring its intent to close the street and calling a public hearing on the question; said Statute further requires that the resolution shall be published once a week for two successive weeks prior to the hearing, and a copy thereof be sent by registered or certified mail to all owners of property adjoining the street as shown on the county tax records, and a notice of the closing and public hearing shall be prominently posted in at least two places along said street or alley;


NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Charlotte, at its regularly scheduled session of March 25, 1996, that it intends to close China Grove Church Road and Packard Street lying between the Outerloop Highway 485 right-of-way and 10021 Rodney Street, said street (or portion thereof) being more particularly described on a map and by a metes and bounds description available for inspection in the City Clerk's office, and hereby calls a public hearing on the question to be held at 7:00 p.m., on Monday, the 22nd day of April, 1996, in the CMGC Meeting Chamber, 600 E. Fourth St., Charlotte, NC.

The City Clerk is hereby directed to publish a copy of this resolution in the Mecklenburg Times once a week for two successive weeks next preceding the date fixed here for such hearing, as required by N.C.G.S. 160A-299.

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 25th day of March, 1996, the reference having been made in Minute Book 109, and recorded in full in Resolution Book 34, Page(s) 114.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 28th day of March, 1996.


Brenda R. Freeze, City Clerk

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

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 March 25, 1996.

Present: Mayor Patrick McCrory, presiding, and Councilmembers Mayor Pro Tem Rousso, Councilmembers Baker, Cannon, Greene, Jackson, Majeed, Reid, Scarborough, Sellers, Spencer, and Wheeler

Absent: None

Also Present: Pam Syfert, Acting City Manager, DeWitt McCarley, City Attorney, and Brenda R. Freeze, City Clerk

* * * * *

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 PROVIDING FOR THE ISSUANCE OF
\$144,100,000 GENERAL OBLIGATION BONDS CONSISTING OF
\$140,000,000 WATER AND SEWER BONDS, SERIES 1996, AND
\$4,100,000 PUBLIC IMPROVEMENT BONDS, SERIES 1996

BE IT RESOLVED by the City Council (the "City Council") of the City of Charlotte (the "Issuer"):

Section 1. The City Council has determined and does hereby find, declare and represent:

(a) That an order authorizing \$58,490,000 Water Bonds (the "1993 Water Bonds") was adopted by the City Council on August 23,

1993, which order was approved by the vote of a majority of the qualified voters of the Issuer who voted thereon at a referendum duly called and held on November 2, 1993.

(b) That \$16,860,000 of the 1993 Water Bonds have been issued, that no notes have been issued in anticipation of the receipt of the proceeds of the sale of the balance of the 1993 Water Bonds and that it is necessary at this time to issue the \$41,630,000 balance of the 1993 Water Bonds.

(c) That an order authorizing \$69,110,000 Water Bonds (the "1994 Water Bonds") was adopted by the City Council on August 22, 1994, which order was approved by the vote of a majority of the qualified voters of the Issuer who voted thereon at a referendum duly called and held on November 8, 1994.

(d) That none of the 1994 Water Bonds have been issued, that no notes have been issued in anticipation of the receipt of the proceeds of the sale of any of the 1994 Water Bonds and that it is necessary at this time to issue \$38,370,000 of the 1994 Water Bonds.

(e) That an order authorizing \$112,510,000 Sanitary Sewer Bonds (the "1990 Sanitary Sewer Bonds") was adopted by the City Council on August 27, 1990, which order was approved by the vote of a majority of the qualified voters of the Issuer who voted thereon at a referendum duly called and held on November 6, 1990.

(f) That \$89,630,000 of the 1990 Sanitary Sewer Bonds have been issued, that no notes have been issued in anticipation of the receipt of the proceeds of the sale of the balance of the 1990

Sanitary Sewer Bonds and that it is necessary at this time to issue the \$22,880,000 balance of the 1990 Sanitary Sewer Bonds.

(g) That an order authorizing \$48,125,000 Sanitary Sewer Bonds (the "1991 Sanitary Sewer Bonds") was adopted by the City Council on August 26, 1991, which order was approved by the vote of a majority of the qualified voters of the Issuer who voted thereon at a referendum duly called and held on November 5, 1991.

(h) That \$13,000,000 of the 1991 Sanitary Sewer Bonds have been issued, that no notes have been issued in anticipation of the receipt of the proceeds of the sale of the balance of the 1991 Sanitary Sewer Bonds and that it is necessary at this time to issue the \$35,125,000 balance of the 1991 Sanitary Sewer Bonds.

(i) That an order authorizing \$46,065,000 Sanitary Sewer Bonds (the "1992 Sanitary Sewer Bonds") was adopted by the City Council on August 24, 1992, which order was approved by the vote of a majority of the qualified voters of the Issuer who voted thereon at a referendum duly called and held on November 3, 1992.

(j) That \$12,300,000 of the 1992 Sanitary Sewer Bonds have been issued, that no notes have been issued in anticipation of the receipt of the proceeds of the sale of the balance of the 1992 Sanitary Sewer Bonds and that it is necessary at this time to issue \$995,000 of the balance of the 1992 Sanitary Sewer Bonds.

(k) That an order authorizing \$59,730,000 Sanitary Sewer Bonds (the "1994 Sanitary Sewer Bonds") was adopted by the City Council on August 22, 1994, which order was approved by the vote of a majority of the qualified voters of the Issuer who voted thereon at a referendum duly called and held on November 8, 1994.

(l) That none of the 1994 Sanitary Sewer Bonds have been issued, that no notes have been issued in anticipation of the receipt of the proceeds of the sale of any of the 1994 Sanitary Sewer Bonds and that it is necessary at this time to issue \$1,000,000 of the 1994 Sanitary Sewer Bonds.

(m) That it is desirable to consolidate the bonds hereinabove referred to in this Section 1 for purposes of sale to be in the aggregate principal amount of \$140,000,000 and to be designated "Water and Sewer Bonds, Series 1996".

(n) That the weighted average maximum period of usefulness of the capital project(s) to be financed with the proceeds of said Water and Sewer Bonds, Series 1996, to be issued as described above in this Section 1 is estimated as a period of 40 years from April 15, 1996, the date of said bonds, and that such period expires on April 15, 2036.

Section 2. Pursuant to said orders, there shall be issued bonds of the Issuer in the aggregate principal amount of \$140,000,000, designated "Water and Sewer Bonds, Series 1996" and dated as of April 15, 1996 (the "Water and Sewer Bonds"). Said bonds shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) annually, May 1, \$2,435,000 1997, \$2,595,000 1998, \$2,770,000 1999, \$2,930,000 2000, \$3,105,000 2001, \$3,290,000 2002, \$3,520,000 2003, \$3,690,000 2004, \$3,930,000 2005, \$4,180,000 2006, \$4,490,000 2007, \$4,760,000 2008, \$5,090,000 2009, \$5,380,000 2010, \$5,740,000 2011, \$6,110,000 2012, \$6,510,000 2013, \$6,930,000 2014, \$7,700,000 2015, \$8,200,000 2016, \$8,545,000 2017, \$9,200,000 2018, \$9,500,000 2019 and \$9,700,000 2020 and

2021, and shall bear interest at a rate or rates to be determined by the Local Government Commission of North Carolina at the time said bonds are sold, which interest to the respective maturities thereof shall be payable on November 1, 1996 and semiannually thereafter on May 1 and November 1 of each year until payment of such principal sum.

Section 3. The City Council has determined and does hereby find, declare and represent:

(a) That an order authorizing \$27,000,000 Environmental Clean-Up Bonds (the "Environmental Clean-Up Bonds") was adopted by the City Council on August 23, 1993, which order was approved by the vote of a majority of the qualified voters of the Issuer who voted thereon at a referendum duly called and held on November 2, 1993.

(b) That \$7,820,000 of the Environmental Clean-Up Bonds have been issued, that no notes have been issued in anticipation of the receipt of the proceeds of the sale of the balance of the Environmental Clean-Up Bonds and that it is necessary at this time to issue \$1,500,000 of the balance of the Environmental Clean-Up Bonds.

(c) That an order authorizing \$25,000,000 Storm Water Drainage Bonds (the "Storm Water Drainage Bonds") was adopted by the City Council on August 22, 1994, which order was approved by the vote of a majority of the qualified voters of the Issuer who voted thereon at a referendum duly called and held on November 8, 1994.

(d) That \$1,000,000 of the Storm Water Drainage Bonds have been issued, that no notes have been issued in anticipation of the receipt of the proceeds of the sale of the balance of the Storm Water Drainage Bonds and that it is necessary at this time to issue \$2,600,000 of the balance of the Storm Water Drainage Bonds.

(e) That it is desirable to consolidate the bonds hereinabove referred to in this Section 3 for purposes of sale to be in the aggregate principal amount of \$4,100,000 and to be designated "Public Improvement Bonds, Series 1996".

(f) That the weighted average maximum period of usefulness of the capital project(s) to be financed with the proceeds of said Public Improvement Bonds, Series 1996, to be issued as described above in this Section 3 is estimated as a period of 40 years from April 15, 1996, the date of said bonds, and that such period expires on April 15, 2036.

Section 4. Pursuant to said orders, there shall be issued bonds of the Issuer in the aggregate principal amount of \$4,100,000, designated "Public Improvement Bonds, Series 1996" and dated as of April 15, 1996 (the "Public Improvement Bonds"). Said bonds shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) annually, May 1, \$110,000 1997, \$120,000 1998, \$125,000 1999, \$135,000 2000, \$140,000 2001, \$150,000 2002, \$160,000 2003, \$170,000 2004, \$180,000 2005, \$190,000 2006, \$200,000 2007, \$215,000 2008, \$230,000 2009, \$240,000 2010, \$255,000 2011, \$265,000 2012, \$285,000 2013, \$300,000 2014 and \$315,000 2015 and 2016, and shall bear interest at a rate or rates to be determined by the Local Government

Commission of North Carolina at the time said bonds are sold, which interest to the respective maturities thereof shall be payable on November 1, 1996 and semiannually thereafter on May 1 and November 1 of each year until payment of such principal sum.

Section 5. The Water and Sewer Bonds described in Sections 1 and 2 above and the Public Improvement Bonds described in Sections 3 and 4 above are consolidated for purposes of sale and hereinafter may be referred to collectively as the "Bonds."

Section 6. Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated unless it is (a) authenticated upon an interest payment date in which event it shall bear interest from such interest payment date or (b) authenticated prior to the first interest payment date in which event it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Bond shall bear interest from the date to which interest has been paid.

The principal of and the interest and any redemption premium on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

Section 7. The Bonds initially will be issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as hereinafter provided. Initially one fully registered Bond certificate for each stated maturity of the Bonds for each designation, in the aggregate principal amount of the Bonds of such stated maturity and registered in the name of the

Securities Depository Nominee (defined below), a nominee of the Securities Depository (defined below), will be issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system of the Securities Depository will evidence positions held in the Bonds by the Securities Depository's participants, with beneficial ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof being evidenced in the records of such participants. Transfers of beneficial ownership will be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants.

The Issuer and the Bond Registrar will recognize the Securities Depository Nominee or the Securities Depository, as the case may be, while the registered owner of Bonds, as the owner of Bonds for all purposes, including payments of principal of, and redemption premium, if any, and interest on the Bonds, notices and voting. The principal of and any redemption premium on each Bond shall be payable to the Securities Depository Nominee or any other person appearing on the registration books of the Issuer hereinafter provided for as the registered owner of such Bond or his registered assigns or legal representative at the office of the Bond Registrar mentioned hereinafter or such other place as the Issuer may determine upon the presentation and surrender thereof as the same shall become due and payable. Payment of the interest on each Bond shall be made by the Bond Registrar on each interest payment date to the registered owner of such Bond (or the previous

Bond or Bonds evidencing the same debt as that evidenced by such Bond) at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on such registration books or, during the continuation of the book-entry system, by such other method of payment as the Issuer may determine to be necessary or advisable with the concurrence of the Securities Depository. Transfer of principal and interest and any redemption premium payments to participants of the Securities Depository will be the responsibility of the Securities Depository, and transfer of principal and interest and any redemption premium payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. Such transfers of interest by the Securities Depository and by such participants and other nominees of such beneficial owners may be made to the owners of Bonds shown on their records on a date on or after said record date for such interest, pursuant to rules and procedures established by the Securities Depository and its participants. The Issuer and the Bond Registrar will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by the Securities Depository, its participants or persons acting through such participants.

In the event that (a) any Securities Depository determines not to continue to act as securities depository for the Bonds or

(b) the Director of Finance of the Issuer determines to discontinue the book-entry system with such Securities Depository, the Issuer may identify another qualified Securities Depository to replace the predecessor Securities Depository, and, in such event, the Issuer will make arrangements with the predecessor Securities Depository and such other Securities Depository to effect such replacement and deliver replacement Bonds registered in the name of such other depository or its nominee in exchange for the outstanding Bonds, and all references in this resolution to any predecessor Securities Depository or Securities Depository Nominee shall thereupon be deemed to mean such other depository or its nominee. If the Issuer does not identify another qualified Securities Depository to replace the predecessor Securities Depository, the Issuer will deliver replacement Bonds in the form of fully registered certificates in the denomination of \$5,000 or any multiple thereof ("Certificated Bonds") in exchange for the outstanding Bonds as required by the predecessor Securities Depository and others. Upon the request of the Securities Depository, the Issuer may also deliver one or more Certificated Bonds to any participant of the Securities Depository in exchange for Bonds credited to its account with the Securities Depository. The Issuer and the Bond Registrar shall be entitled to rely upon the instructions of the Securities Depository as to the appropriate parties entitled to receive Certificated Bonds.

For purposes of this resolution "Securities Depository" means The Depository Trust Company, New York, New York, or other recognized securities depository selected by the Issuer, which

maintains the book-entry system in respect of the Bonds authorized by this resolution, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository. For purposes of this resolution "Securities Depository Nominee" means, as to any Securities Depository, such Securities Depository or the nominee, if any, of such Securities Depository in whose name the Bond certificates shall be registered on the registration books maintained by the Bond Registrar during the continuation with such Securities Depository of the book-entry system authorized by this Resolution. The Depository Trust Company, New York, New York, is hereby appointed as the initial Securities Depository, and Cede & Co., a nominee thereof, is hereby appointed as the initial Securities Depository Nominee, for the Bonds.

Unless indicated otherwise, the provisions of this resolution that follow shall apply to all Bonds issued or issuable hereunder, whether initially or in replacement thereof.

Section 8. The Bonds shall be executed with the manual or facsimile signatures of the Mayor and the City Clerk of the Issuer, and the seal or a facsimile of the seal of the Issuer shall be impressed or imprinted, as the case may be, on the Bonds.

The certificate of the Local Government Commission of North Carolina shall be endorsed on all Bonds and shall bear the manual or facsimile signature of the Secretary of said Commission or on behalf of the Secretary by a Designated Assistant and the certificate of authentication of the Bond Registrar to be endorsed on all Bonds shall be executed as provided hereinafter.

In case any officer of the Issuer or the Local Government Commission of North Carolina whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery, and any Bond may bear the manual or facsimile signatures of such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

No Bond shall be valid or become obligatory for any purpose or be entitled to any benefit or security under this resolution until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed thereon.

Section 9. The Water and Sewer Bonds, and the endorsements thereon shall be in substantially the following form:

[Front Side of Printed Bonds]

No. R- _____ \$ _____

United States of America
State of North Carolina
County of Mecklenburg

CITY OF CHARLOTTE

Water and Sewer Bonds, Series 1996

<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>CUSIP</u>
_____	_____	_____

The City of Charlotte, a municipal corporation in Mecklenburg County, North Carolina (the "Issuer"), is justly indebted and for value received hereby promises to pay to

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of Finance of the Issuer (the "Bond Registrar"), the principal sum of

_____ DOLLARS

and to pay interest on such principal sum from the date hereof or from the May 1 or November 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a May 1 or November 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable on November 1, 1996 and semiannually thereafter on May 1 and November 1 in each year, at the rate per annum specified above, until payment of such principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this Bond (or the previous Bond or Bonds evidencing the same debt as that evidenced by this Bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on the bond registration books of the Issuer. Both the principal of and the interest on this Bond shall be paid in any coin or

currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of the Issuer are hereby irrevocably pledged.

[Printed Bonds are to include
the following paragraph]

ADDITIONAL PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.

[Reverse Side of Printed Bonds]

This Bond is one of an issue of Bonds designated "Water and Sewer Bonds, Series 1996" (the "Bonds") and issued by the Issuer for the purpose of providing funds, with any other available funds, for improving the water and sanitary sewer systems of the Issuer. This Bond is issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, orders adopted by the City Council of the Issuer which have taken effect as provided by law, and a resolution duly passed by the City Council of the Issuer (the "Resolution").

The Bonds maturing prior to May 1, 2007 are not subject to redemption prior to maturity. The Bonds maturing on May 1, 2007 and thereafter may be redeemed, at the option of the Issuer, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than May 1, 2006, at the principal amount of the Bonds to be redeemed, together with

interest accrued thereon to the date fixed for redemption, plus a redemption premium of 1/2 of 1% of the principal amount of each Bond to be redeemed for each period of 12 months or part thereof between the redemption date and the maturity date of such Bond, such premium not to exceed 2% of such principal amount.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Issuer in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called in such maturities and amounts of those maturities as shall be determined by the Issuer.

Not more than 60 days nor less than 30 days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the Issuer shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part at the address of said owner appearing upon the registration books of the Issuer. Failure to mail such notice or any defect therein as to any Bond or portion thereof shall not affect the validity of the redemption as to any Bond or

portion thereof for which such notice was given as required hereby. On the date fixed for redemption, notice having been given as aforesaid, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys for payment of such redemption price and the accrued interest have been deposited by the Issuer as provided in the Resolution, interest on the Bonds or the portions thereof called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefits or security under the Resolution or to be deemed outstanding, and the registered owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption. If a portion of this Bond shall be called for redemption, a new Bond or Bonds in principal amount equal to the unredeemed portion hereof will be issued to the registered owner hereof or the legal representative of said owner upon the surrender hereof.

[The following four paragraphs are to be included in the form of Bond so long as the Bonds are being issued pursuant to a book-entry system.]

The Bonds initially are being issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as provided in the Resolution. Initially one fully registered Bond certificate for each stated maturity of the Bonds, in the aggregate principal amount of the Bonds of such stated maturity and registered in the name of the Securities Depository

Nominee (as defined in the Resolution), a nominee of the Securities Depository (as defined in the Resolution), is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system of the Securities Depository will evidence positions held in the Bonds by the Security Depository's participants, with beneficial ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof being evidenced in the records of such participants. Transfers of beneficial ownership will be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants.

The Issuer and the Bond Registrar will recognize the Securities Depository Nominee or the Securities Depository, as the case may be, while the registered owner of this Bond, as the owner of this Bond for all purposes, including payments of principal of, and redemption premium, if any, and interest on, this Bond, notices and voting. Transfer of principal and interest and any redemption premium payments to participants of the Securities Depository will be the responsibility of the Securities Depository, and transfer of principal and interest and any redemption premium payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The Issuer and the Bond Registrar will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records

maintained by the Securities Depository, its participants or persons acting through such participants.

While the Securities Depository Nominee or the Securities Depository, as the case may be, is the owner of this Bond, notwithstanding the provisions hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Bond shall be made to the Securities Depository Nominee or the Securities Depository, as the case may be, by wire transfer in immediately available funds to the account of said holder as may be specified in the bond registration books maintained by the Bond Registrar or by such other method of payment as the Issuer may determine to be necessary or advisable with the concurrence of the Securities Depository. Further, so long as a book-entry system is used for determining beneficial ownership of Bonds, redemption notices shall be given to the Securities Depository Nominee by certified or registered mail or by such other method as the Issuer may determine to be necessary or advisable with the concurrence of the Securities Depository. In addition, so long as a book-entry system is used for determining beneficial ownership of Bonds, if less than all of the Bonds of any one maturity shall be called for redemption, the Securities Depository shall determine by lot the amount of interest of each direct participant of the Securities Depository in the Bonds within such maturity to be redeemed.

In certain events, the Issuer may replace the Securities Depository at the time with another qualified Securities Depository. In certain events, the Issuer may discontinue the book-entry system and deliver replacement Bonds in the form of

fully registered certificates in the denomination of \$5,000 or any multiple thereof in exchange for the outstanding Bonds as provided in the Resolution.

At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at its office the books of the Issuer for the registration of transfer of Bonds. The transfer of this Bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the unredeemed principal amount of this Bond, of the same maturity and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond

fully registered certificates in the denomination of \$5,000 or any multiple thereof in exchange for the outstanding Bonds as provided in the Resolution.

At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at its office the books of the Issuer for the registration of transfer of Bonds. The transfer of this Bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the unredeemed principal amount of this Bond, of the same maturity and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to the Resolution.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed in regular and due form and time as so required; that provision has been made for the levy and collection of a direct annual tax upon all taxable property within the geographic boundaries of the Issuer sufficient to pay the principal of and the interest on this Bond as the same shall become due; and that the total indebtedness of the Issuer, including this Bond, does not exceed any constitutional or statutory limitation thereon.

[The following paragraphs through the Certificate of Authentication are to appear on the front side of printed Bonds]

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until this Bond shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, said City of Charlotte, by resolution duly adopted by its City Council, has caused this Bond to be executed with the manual or facsimile signatures of its Mayor and its City Clerk and its seal to be impressed or imprinted hereon, all as of the 15th day of April, 1996.

CITY OF CHARLOTTE

[Manual or Facsimile Signature]
Mayor

[Seal]

[Manual or Facsimile Signature]
City Clerk

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within Bond has been approved under the provisions of The Local Government Bond Act of North Carolina.

[Manual or Facsimile Signature]
Secretary, Local Government
Commission

[By: _____]
[Designated Assistant]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the series designated herein and issued under the provisions of the within-mentioned Resolution.

CITY OF CHARLOTTE,
as Bond Registrar

By: _____
Director of Finance

Date of Authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered owner thereof hereby sells, assigns and transfers unto

the within bond and all rights thereunder and hereby irrevocably constitutes and appoints

attorney to register the transfer of said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Assignor's Signature

Signature Guaranteed:

NOTICE: The assignor's signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Certificated Bonds issuable hereunder shall be in substantially the form of the Bonds registered in the name of the Securities Depository Nominee with such changes as are necessary to reflect the provisions of this resolution that are applicable to Certificated Bonds.

Section 10. The Water and Sewer Bonds maturing prior to May 1, 2007 will not be subject to redemption prior to maturity. Said Bonds maturing on May 1, 2007 and thereafter will be redeemable, at the option of the Issuer, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than May 1, 2006, at the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, plus a redemption premium of 1/2 of 1% of the principal amount of each Bond to be redeemed for each

period of 12 months or part thereof between the redemption date and the maturity date of such Bond, such premium not to exceed 2% of such principal amount.

If less than all of the Water and Sewer Bonds of any one maturity shall be called for redemption then, subject to the immediately following sentence, the particular Water and Sewer Bonds or portions of Water and Sewer Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Issuer in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. So long as a book-entry system is used for determining beneficial ownership of Bonds, if less than all of the Water and Sewer Bonds of any one maturity shall be called for redemption, the Securities Depository shall determine by lot the amount of interest of each direct participant of the Securities Depository in said Bonds within such maturity to be redeemed. If less than all of the Water and Sewer Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called in such maturities and amounts of those maturities as shall be determined by the Issuer.

Not more than 60 days nor less than 30 days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the Issuer shall cause a notice

of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part at the address of said owner appearing upon the registration books of the Issuer; provided, however, so long as a book-entry system is used for determining beneficial ownership of Bonds, such notice shall be given to the Securities Depository Nominee by certified or registered mail or by such other method as the Issuer may determine to be necessary or advisable with the concurrence of the Securities Depository. Failure to mail such notice or any defect therein as to any Bond or portion thereof shall not affect the validity of the redemption as to any Bond or portion thereof for which such notice was given as required hereby. Each such notice shall set forth the date designated for redemption, the redemption price to be paid and the maturities of the Bonds to be redeemed. In the event that Certificated Bonds are outstanding, each such notice to the registered owners thereof shall also set forth, if less than all of said Bonds of any maturity then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed and, in the case of any Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in principal amount equal to the unredeemed portion of such Bond will be issued.

If any Bonds or portions thereof are to be redeemed, the Bond Registrar shall open a separate account for the sole benefit of the

bondholders whose Bonds are being redeemed, which account may be maintained by the Bond Registrar or by an agent. On or before the date fixed for redemption, moneys shall be deposited with the Bond Registrar in its capacity as such for deposit in such account to pay the principal of and the redemption premium, if any, on the Bonds or portions thereof called for redemption as well as the interest accruing thereon to the redemption date thereof.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, have been deposited by the Issuer to be held in trust for the registered owners of the Bonds or portions thereof to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

If a portion of a Bond shall be selected for redemption, the registered owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the principal amount thereof called for redemption and

the redemption premium, if any, on such principal amount, and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

Section 11. The Public Improvement Bonds and the endorsements thereon shall be in substantially the following form:

[Front Side of Printed Bonds]

No. R- _____

\$ _____

United States of America
State of North Carolina
County of Mecklenburg

CITY OF CHARLOTTE

Public Improvement Bonds, Series 1996

MATURITY DATE

INTEREST RATE

CUSIP

The City of Charlotte, a municipal corporation in Mecklenburg County, North Carolina (the "Issuer"), is justly indebted and for value received hereby promises to pay to

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of Finance of the Issuer, (the "Bond Registrar"), the principal sum of

_____ DOLLARS

and to pay interest on such principal sum from the date hereof or from the May 1 or November 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a May 1 or November 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable on November 1, 1996 and semiannually thereafter on May 1 and November 1 in each year, at the rate per annum specified above, until payment of such principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this Bond (or the previous Bond or Bonds evidencing the same debt as that evidenced by this Bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on the bond registration books of the Issuer. Both the principal of and the interest on this Bond shall be paid in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of the Issuer are hereby irrevocably pledged.

[Printed Bonds are to include
the following paragraph]

ADDITIONAL PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.

[Reverse Side of Printed Bonds]

This Bond is one of an issue of Bonds designated "Public Improvement Bonds, Series 1996" (the "Bonds") and issued by the Issuer for the purpose of providing funds, with any other available funds, for undertaking various public improvements for the Issuer. This Bond is issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, orders adopted by the City Council of the Issuer which have taken effect as provided by law, and a resolution duly passed by the City Council of the Issuer (the "Resolution").

The Bonds maturing prior to May 1, 2007 are not subject to redemption prior to maturity. The Bonds maturing on May 1, 2007 and thereafter may be redeemed, at the option of the Issuer, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than May 1, 2006, at the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, plus a redemption premium of 1/2 of 1% of the principal amount of each Bond to be redeemed for each period of 12 months or part thereof between the redemption date and the maturity date of such Bond, such premium not to exceed 2% of such principal amount.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of

such maturity to be redeemed shall be selected by lot in such manner as the Issuer in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called in such maturities and amounts of those maturities as shall be determined by the Issuer.

Not more than 60 days nor less than 30 days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the Issuer shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part at the address of said owner appearing upon the registration books of the Issuer. Failure to mail such notice or any defect therein as to any Bond or portion thereof shall not affect the validity of the redemption as to any Bond or portion thereof for which such notice was given as required hereby. On the date fixed for redemption, notice having been given as aforesaid, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys for payment of such redemption price and the accrued interest have been deposited by the Issuer as provided in the Resolution, interest on the Bonds or

the portions thereof called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefits or security under the Resolution or to be deemed outstanding, and the registered owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption. If a portion of this Bond shall be called for redemption, a new Bond or Bonds in principal amount equal to the unredeemed portion hereof will be issued to the registered owner hereof or the legal representative of said owner upon the surrender hereof.

[The following four paragraphs are to be included in the form of Bond so long as the Bonds are being issued pursuant to a book-entry system.]

The Bonds initially are being issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as provided in the Resolution. Initially one fully registered Bond certificate for each stated maturity of the Bonds, in the aggregate principal amount of the Bonds of such stated maturity and registered in the name of the Securities Depository Nominee (as defined in the Resolution), a nominee of the Securities Depository (as defined in the Resolution), is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system of the Securities Depository will evidence positions held in the Bonds by the Security Depository's participants, with beneficial ownership of the Bonds in the principal amount of \$5,000 or any multiple

thereof being evidenced in the records of such participants. Transfers of beneficial ownership will be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants.

The Issuer and the Bond Registrar will recognize the Securities Depository Nominee or the Securities Depository, as the case may be, while the registered owner of this Bond, as the owner of this Bond for all purposes, including payments of principal of, and redemption premium, if any, and interest on, this Bond, notices and voting. Transfer of principal and interest and any redemption premium payments to participants of the Securities Depository will be the responsibility of the Securities Depository, and transfer of principal and interest and any redemption premium payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The Issuer and the Bond Registrar will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by the Securities Depository, its participants or persons acting through such participants.

While the Securities Depository Nominee or the Securities Depository, as the case may be, is the owner of this Bond, notwithstanding the provisions hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Bond shall be made to the Securities Depository Nominee or the Securities Depository, as the case may be, by wire transfer in

immediately available funds to the account of said holder as may be specified in the bond registration books maintained by the Bond Registrar or by such other method of payment as the Issuer may determine to be necessary or advisable with the concurrence of the Securities Depository. Further, so long as a book-entry system is used for determining beneficial ownership of Bonds, redemption notices shall be given to the Securities Depository Nominee by certified or registered mail or by such other method as the Issuer may determine to be necessary or advisable with the concurrence of the Securities Depository. In addition, so long as a book-entry system is used for determining beneficial ownership of Bonds, if less than all of the Bonds of any one maturity shall be called for redemption, the Securities Depository shall determine by lot the amount of interest of each direct participant of the Securities Depository in the Bonds within such maturity to be redeemed.

In certain events, the Issuer may replace the Securities Depository at the time with another qualified securities depository. In certain events, the Issuer may discontinue the book-entry system and deliver replacement Bonds in the form of fully registered certificates in the denomination of \$5,000 or any multiple thereof in exchange for the outstanding Bonds as provided in the Resolution.

At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at its office the books of the Issuer for the registration of transfer of Bonds. The transfer of this Bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the unredeemed principal amount of this Bond, of the same maturity and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to the Resolution.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed in regular and due form and time as so required; that provision has been made for the levy and collection of a direct annual tax upon all taxable property within the geographic boundaries of the Issuer

sufficient to pay the principal of and the interest on this Bond as the same shall become due; and that the total indebtedness of the Issuer, including this Bond, does not exceed any constitutional or statutory limitation thereon.

[The following paragraphs through the Certificate of Authentication are to appear on the front side of printed Bonds]

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until this Bond shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, said City of Charlotte, by resolution duly adopted by its City Council, has caused this Bond to be executed with the manual or facsimile signatures of its Mayor and its City Clerk and its seal to be impressed or imprinted hereon, all as of the 15th day of April, 1996.

CITY OF CHARLOTTE

[Manual or Facsimile Signature]
Mayor

[Seal]

[Manual or Facsimile Signature]
City Clerk

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within Bond has been approved under the provisions of The Local Government Bond Act of North Carolina.

[Manual or Facsimile Signature]
Secretary, Local Government
Commission

[By: _____]
[Designated Assistant]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the series designated herein and issued under the provisions of the within-mentioned Resolution.

CITY OF CHARLOTTE,
as Bond Registrar

By: _____
Director of Finance

Date of Authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered owner thereof hereby sells, assigns and transfers unto

the within bond and all rights thereunder and hereby irrevocably constitutes and appoints

attorney to register the transfer of said bond on the books kept

for registration thereof, with full power of substitution in the premises.

Dated: _____

Assignor's Signature

Signature Guaranteed:

NOTICE: The assignor's signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Certificated Bonds issuable hereunder shall be in substantially the form of the Bonds registered in the name of the Securities Depository Nominee with such changes as are necessary to reflect the provisions of this resolution that are applicable to Certificated Bonds.

Section 12. The Public Improvement Bonds maturing prior to May 1, 2007 will not be subject to redemption prior to maturity. Said Bonds maturing on May 1, 2007 and thereafter will be redeemable, at the option of the Issuer, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than May 1, 2006, at the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, plus a redemption premium of 1/2 of 1% of the principal amount of each Bond to be redeemed for each period of 12 months or part thereof between the redemption date and the maturity date of such Bond, such premium not to exceed 2% of such principal amount.

If less than all of the Public Improvement Bonds of any one maturity shall be called for redemption then, subject to the immediately following sentence, the particular Public Improvement Bonds or portions of Public Improvement Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Issuer in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. So long as a book-entry system is used for determining beneficial ownership of Bonds, if less than all of the Public Improvement Bonds of any one maturity shall be called for redemption, the Securities Depository shall determine by lot the amount of interest of each direct participant of the Securities Depository in said Bonds within such maturity are to be redeemed. If less than all of the Public Improvement Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called in such maturities and amounts of those maturities as shall be determined by the Issuer.

Not more than 60 days nor less than 30 days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the Issuer shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part at the address of said owner appearing

upon the registration books of the Issuer; provided, however, so long as a book-entry system is used for determining beneficial ownership of Bonds, such notice shall be given to the Securities Depository Nominee by certified or registered mail or by such other method as the Issuer may determine to be necessary or advisable with the concurrence of the Securities Depository. Failure to mail such notice or any defect therein as to any Bond or portion thereof shall not affect the validity of the redemption as to any Bond or portion thereof for which such notice was given as required hereby. Each such notice shall set forth the date designated for redemption, the redemption price to be paid and the maturities of the Bonds to be redeemed. In the event that Certificated Bonds are outstanding, each such notice to the registered owners thereof shall also set forth, if less than all of said Bonds of any maturity then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed and, in the case of any Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in principal amount equal to the unredeemed portion of such Bond will be issued.

If any Bonds or portions thereof are to be redeemed, the Bond Registrar shall open a separate account for the sole benefit of the bondholders whose Bonds are being redeemed, which account may be maintained by the Bond Registrar or by an agent. On or before the date fixed for redemption, moneys shall be deposited with the Bond

Registrar in its capacity as such for deposit in such account to pay the principal of and the redemption premium, if any, on the Bonds or portions thereof called for redemption as well as the interest accruing thereon to the redemption date thereof.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, have been deposited by the Issuer to be held in trust for the registered owners of the Bonds or portions thereof to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

If a portion of a Bond shall be selected for redemption, the registered owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the principal amount thereof called for redemption and the redemption premium, if any, on such principal amount, and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without

charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

Section 13. The provisions of this Section relating to the exchange and transfer of Bonds are subject to the provisions for operation of the book-entry system provided in Section 7 of this resolution, including the immobilization of Bond certificates with a Securities Depository during the continuation of the book-entry system. Bonds, upon surrender thereof at the office of the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

The transfer of any Bond may be registered only upon the registration books of the Issuer upon the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this resolution, in an aggregate principal amount equal to the unredeemed principal amount of such Bond so

surrendered, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Bond Registrar. The Issuer or the Bond Registrar may make a charge for every such exchange or registration of transfer of Bonds sufficient to reimburse it for shipping charges, out-of-pocket costs and any tax, fee or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made by the Issuer or the Bond Registrar for exchanging or registering the transfer of Bonds under this resolution. The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to Sections 10 or 12 of this resolution.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or redemption price of any such Bond and the interest on any such Bond shall be made only to or upon the order of the

registered owner thereof or the legal representative of such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the redemption premium, if any, and interest thereon, to the extent of the sum or sums so paid.

The Issuer shall appoint such registrars, transfer agents, depositaries or other agents as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to then current commercial standards and for the timely payment of principal, interest and any redemption premium with respect to the Bonds. The Issuer is to act as the initial registrar, transfer agent and paying agent for the Bonds (collectively, the "Bond Registrar"), subject to the right of the governing body of the Issuer to appoint another Bond Registrar. The Director of Finance (or such other officer who shall from time to time perform the duties of finance officer within the meaning of N.C.G.S. Section 159-24, as it may be amended from time to time, or any successor statute) is hereby designated to act on behalf of the Issuer in carrying out its responsibilities as Bond Registrar, subject to the right of the governing body of the Issuer to designate another officer to act on its behalf, and as such shall keep at the office of the Director of Finance the books of the Issuer for the registration, registration of transfer, exchange and payment of the Bonds.

Section 14. The actions of the Director of Finance of the Issuer and the City Treasurer of the Issuer in applying to the Local Government Commission of North Carolina to advertise and sell

the Bonds are hereby ratified and approved. The Local Government Commission of North Carolina is hereby requested to ask for sealed bids for the Bonds by publishing notices and printing and distributing an Official Statement, including any supplement thereto, relating to the sale of the Bonds. The Official Statement, proposed to be dated March 29, 1996, substantially in the form presented at this meeting, is hereby approved and the Mayor, the Acting City Manager and the Director of Finance of the Issuer are each hereby authorized to approve changes in such Official Statement, to approve any supplement to such Official Statement and to execute such Official Statement and any supplement to such Official Statement for and on behalf of the Issuer.

Section 15. There may be printed on the reverse of each of any printed Bonds the legal opinion of Smith Helms Mulliss & Moore, L.L.P., co-bond counsel to the Issuer, with respect to the validity of the Bonds, and there may be printed immediately following such legal opinion a certificate bearing the manual or facsimile signature of the Mayor of the Issuer, said certificate to be in substantially the following form:

I HEREBY CERTIFY that the foregoing is a true and correct copy of the legal opinion on the bonds therein described which was manually signed by Smith Helms Mulliss & Moore, L.L.P., Charlotte, North Carolina, and was dated as of the date of delivery of and payment for said bonds.

[Manual or Facsimile Signature]
Mayor of the City of Charlotte,
North Carolina

Section 16. The Issuer covenants that, to the extent permitted by the Constitution and laws of the State of North

Carolina, it will do and perform all acts and things to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and any related regulations and procedures in order to assure that interest paid on the Bonds will not be includable in the gross income of the owners thereof for purposes of federal income taxation, except to the extent that the Issuer obtains an opinion of bond counsel to the effect that noncompliance would not result in interest on the Bonds being includable in the gross income of the owners of the Bonds for purposes of federal income taxation.

As necessary or appropriate in connection with the issuance of the Bonds, all officers, employees and agents of the Issuer are authorized and directed to provide certifications of material facts and estimates as to the reasonable expectations of the Issuer as of the date(s) the Bonds are delivered and on behalf of the Issuer to sign agreements or acknowledge instructions regarding compliance with the requirements of the Code and any related regulations and procedures relating to the Bonds.

Section 17. There are hereby created appropriate capital project funds and accounts of the Issuer for the receipt and expenditure of the proceeds of the Bonds and appropriate debt service funds and accounts of the Issuer for the receipt and disbursement of debt service payments on the Bonds.

Section 18. The Issuer hereby undertakes, for the benefit of the beneficial owners of the Bonds, to provide:

(a) by not later than seven months from the end of each fiscal year of the Issuer, commencing with the fiscal year ending

June 30, 1996, to each nationally recognized municipal securities information repository ("NRMSIR") and to the state information depository for the State of North Carolina ("SID"), if any, audited financial statements of the Issuer for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the Issuer are not available by seven months from the end of such fiscal year, unaudited financial statements of the Issuer for such fiscal year to be replaced subsequently by audited financial statements of the Issuer to be delivered within 15 days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 1996, to each NRMSIR, and to the SID, if any, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included under heading "The City - Debt Information and - Tax Information" in the Official Statement relating to the Bonds and (ii) the combined budget of the Issuer for the current fiscal year, to the extent such items are not included in the audited financial statements referred to in (a) above;

(c) in a timely manner, to each NRMSIR or to the Municipal Securities Rulemaking Board ("MSRB"), and to the SID, if any, notice of any of the following events with respect to the Bonds, if material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (5) substitution of any credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (7) modification to the rights of the beneficial owners of the Bonds;
- (8) call of any of the Bonds for redemption;
- (9) defeasance of any of the Bonds;
- (10) release, substitution or sale of any property securing repayment of the Bonds;
- (11) rating changes; and

(d) in a timely manner, to each NRMSIR or to the MSRB, and to the SID, if any, notice of a failure of the Issuer to provide required annual financial information described in (a) or (b) above on or before the date specified.

If the Issuer fails to comply with the undertaking described above, any beneficial owner of the Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any

acceleration of payment of the Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Bonds.

The Issuer reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the Issuer, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 ("Rule 15c2-12") as of the date of the Official Statement relating to the Bonds, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the beneficial owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by the approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of this bond resolution, as it may be amended from time to time, at the time of the amendment.

Any annual financial information containing modified operating data or financial information shall explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section shall terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Bonds.

Section 19. The Mayor, the City Clerk, the Acting City Manager, the Director of Finance, the City Treasurer and the other officers of the Issuer are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any and all financing statements, certificates, documents or other papers, including, without limitation, Letter(s) of Representations to Securities Depositories and agreements relating to investment of proceeds of the Bonds (including repurchase agreements), and to perform any and all acts they may deem necessary or appropriate in order to carry out the intent of this resolution and the matters herein authorized.

Section 20. This resolution shall take effect upon its passage.

Upon motion of Councilmember Scarborough, seconded by Councilmember Cannon, the foregoing resolution entitled: "RESOLUTION PROVIDING FOR THE ISSUANCE OF \$144,100,000 GENERAL OBLIGATION BONDS CONSISTING OF \$140,000,000 WATER AND SEWER BONDS, SERIES 1996, AND \$4,100,000 PUBLIC IMPROVEMENT BONDS, SERIES 1996" was passed by the following vote:

Ayes: Councilmembers Unanimous

Noes: None

* * * * *

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 March 25, 1996, as relates in any way to the passage of a resolution providing for the issuance of \$144,100,000 General Obligation Bonds consisting of \$140,000,000 Water and Sewer Bonds, Series 1996, and \$4,100,000 Public Improvement Bonds, Series 1996, of 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 115 and ending at page 164.

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 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 28th day of March, 1996.

(SEAL)

Brenda R. Freeze
Brenda R. Freeze, City Clerk

**RESOLUTION TO AUTHORIZE THE EXCHANGE OF REAL PROPERTY BELONGING TO
THE CITY OF CHARLOTTE FOR OTHER REAL PROPERTY BELONG TO IAC
CHARLOTTE L.L.C.**

WHEREAS, The City of Charlotte owns certain real property located near the southwest corner of West Boulevard and Yorkmont Road, including the property marked as "Tract 'A'" and "Tract 'C'" as shown on the map attached hereto, which tracts together consist of 0.5993 acres valued at \$39,000; and

WHEREAS, IAC Charlotte L.L.C. owns certain real property located adjacent to City property on the west side of Yorkmont Road between West Boulevard and Byrum Drive, including the property marked as "Tract 'B'" and "Tract 'D'" as shown on the map attached hereto, which tracts together consist of 0.5993 acres valued at \$39,000; and

WHEREAS, the City desires to exchange the real property as shown on the map attached hereto and marked as "Tract 'A'" and "Tract 'C'" for the real property owned by IAC Charlotte L.L.C. as shown on the map attached hereto and marked as "Tract 'B'" and "Tract 'D'"; and

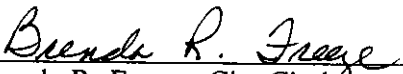
WHEREAS, notice of Council's intent to authorize the exchange was published at least ten days before the adoption of this resolution as required by N.C.G.S. 160A-271;

NOW, THEREFORE, BE IT RESOLVED that the Charlotte City Council hereby authorizes the exchange of real property as heretofore described in compliance with N.C.G.S. 160A-271.

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 25th day of March, 1996, the reference having been made in Minute Book 109, and recorded in full in Resolution Book 34, Page(s) 165.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 28th day of March, 1996.



Brenda R. Freeze, City Clerk