

Extract of Minutes of a regular meeting of the City Council of the City of Charlotte, North Carolina held in the Meeting Chamber at the Charlotte-Mecklenburg County Governmental Center, 600 East Fourth Street, Charlotte, North Carolina 28202, at 7:00 p.m. on February 7, 2005.

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A regular meeting of the City Council of the City of Charlotte, North Carolina (the "City Council") was held in the Meeting Chamber at the Charlotte-Mecklenburg County Governmental Center, 600 East Fourth Street, Charlotte, North Carolina 28202, at 7:00 p.m. on February 7, 2005 (the "Meeting"), after proper notice, and was called to order by the Mayor, and upon the roll being called, the following members of the City Council answered present: Councilmembers Burgess, Cannon, Carter, Kinsey, Lassiter, Lochman, Mumford, Phipps, Tabor and Turner.

The following members of the City Council were absent: Councilmember Mitchell.

Also present: City Manager Syfert, City Attorney McCarley, City Clerk Freeze.

Councilmember Turner introduced the following resolution (the "Resolution"), a summary of which had been provided to each Council member, a copy of which was available with the City Clerk and which was read by title:

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA, AUTHORIZING THE APPROVAL, EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF CITY OF CHARLOTTE, NORTH CAROLINA WATER AND SEWER SYSTEM REFUNDING REVENUE BONDS; PROVIDING FOR THE SALE OF THE BONDS; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH THE BONDS ARE TO BE ISSUED; AND PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE BONDS.**

*WHEREAS*, the City of Charlotte, North Carolina (the "City") is authorized by The State and Local Government Revenue Bond Act, General Statutes of North Carolina, Section 159-80 et seq. (the "Act"), to issue, subject to the approval of the Local Government Commission of North Carolina, at one time or from time to time revenue bonds and revenue refunding bonds of the City for the purposes as specified in the Act;

*WHEREAS*, the City has previously issued under the terms of the General Trust Indenture dated as of November 1, 1996 between the City and First Union National Bank of North Carolina, the successor to which is Wachovia Bank, National Association, as trustee, (the "Trustee"), as amended (the "General Indenture"), its \$43,110,000 aggregate principal amount of Water and Sewer System Revenue Bonds, Series 1996 (the "1996 Bonds"), \$70,745,000 aggregate principal amount of Water and Sewer System Revenue Bonds, Series 1999 (the "1999 Bonds") and \$101,520,000 aggregate principal amount of Water and Sewer System Revenue Bonds, Series 2000 (the "2000 Bonds"), the proceeds of each of which were used to finance the costs of improvements to the City's water and sewer system;

*WHEREAS*, the City has determined to issue its Water and Sewer System Refunding Revenue Bonds, Series 2005A and its Water and Sewer System Refunding Revenue Bonds, Series 2005B

(collectively, the "2005 Bonds") in an aggregate principal amount not to exceed \$80,000,000 to provide funds to refund in advance of their maturities all or a portion of (1) the 1996 Bonds maturing December 1, 2007 through December 1, 2021, (2) the 1999 Bonds maturing June 1, 2010 through June 1, 2015 and (3) the 2000 Bonds maturing June 1, 2011 through June 1, 2015 (collectively, the "Refunded Bonds"), all as described in the Bond Order of the City adopted on February 7, 2005;

*WHEREAS*, the City will issue the 2005 Bonds under the General Indenture and Series Indenture, Number 8 dated as of February 1, 2005 (the "Series Indenture") between the City and the Trustee;

*WHEREAS*, the City desires to execute and deliver a Bond Purchase Agreement to be dated on or about February 17, 2005 (the "Purchase Contract") among the City, the Local Government Commission of North Carolina (the "Commission") and Wachovia Bank, National Association and Banc of America Securities LLC (the "Underwriters"), pursuant to which the City and the Commission will sell the 2005 Bonds to the Underwriters in accordance with the terms and conditions set forth therein; and

*WHEREAS*, copies of the forms of the following documents relating to the transactions described above have been filed with the City:

1. the Series Indenture;
2. the Purchase Contract; and
3. the Escrow Agreement dated as of February 1, 2005 (the "Escrow Agreement") between the City and Wachovia Bank, National Association, as escrow agent, with respect to the refunding of the Refunded Bonds.

*NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA DOES RESOLVE AS FOLLOWS:*

**Section 1.** That the issuance of the 2005 Bonds by the City in the principal amount not to exceed \$80,000,000, in substantially the form and content set forth in the Series Indenture, subject to appropriate insertions and revisions in order to comply with the provisions of the General Indenture and the Series Indenture, be and the same hereby are in all respects approved and confirmed, and the form and content of the 2005 Bonds set forth in the Series Indenture be and the same hereby are in all respects approved and confirmed, and the provisions of the General Indenture and the Series Indenture with respect to the 2005 Bonds (including without limitation the maturity dates and rates of interest) be and the same hereby are approved and confirmed and are incorporated herein by reference.

The 2005 Bonds shall be special obligations of the City. The principal of, premium, if any, and interest on the 2005 Bonds shall not be payable from the general funds of the City, nor shall they constitute a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon any of its income, receipts or revenues except the funds which are pledged under the General Indenture and the Series Indenture. Neither the credit nor the taxing power of the State of North Carolina or the City are pledged for the payment of the principal of, premium, if any, or interest on the 2005 Bonds, and no holder of 2005 Bonds has the right to compel the exercise of the taxing power by the State of North Carolina or the City or the forfeiture of any of its property in connection with any default thereon.

**Section 2.** That the form and content of the Series Indenture and the exhibits thereto be and the same hereby are in all respects approved and confirmed, and the Mayor, the City Manager and City Clerk of the City, or their respective designees, be and they hereby are authorized, empowered and directed to execute and deliver the Series Indenture for and on behalf of the City, including necessary

counterparts, in substantially the form and content presented to the City, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Series Indenture, the Mayor, the City Manager, the Director of Finance and City Clerk of the City, or their respective designees, are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Series Indenture as executed. The Trustee is hereby appointed as Registrar and Paying Agent thereunder.

**Section 3.** That the 2005 Bonds shall be sold to the Underwriters pursuant to the terms of the Purchase Contract. The form and content of the Purchase Contract is in all respect approved and confirmed, and the Mayor, the City Manager or the Director of Finance of the City, or their respective designees, are hereby authorized, empowered and directed to execute and deliver the Purchase Contract for and on behalf of the City, including necessary counterparts, in substantially the form and content presented to the City, but with such changes, modifications, additions or deletions therein as shall to him or her seem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his or her approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Purchase Contract, the Mayor, the City Manager and the Director of Finance of the City, or their respective designees, are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Purchase Contract as executed.

**Section 4.** The form and content of the Escrow Agreement and the exhibits thereto be and the same hereby are in all respects approved and confirmed, and the Mayor, the City Manager, the Director of Finance and City Clerk of the City be and they hereby are authorized, empowered, and directed to execute and deliver the Escrow Agreement for and on behalf of the City, including necessary counterparts, in substantially the form and content presented to the City, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of his or her approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Escrow Agreement, the Mayor, the City Manager, the Director of Finance and City Clerk of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Escrow Agreement as executed.

**Section 5.** The use of the Official Statement to be dated on or about February 17, 2005 (the "Official Statement") in substantially the form of the Preliminary Official Statement dated February 8, 2005 related to the 2005 Bonds by the Underwriters in connection with the sale of the 2005 Bonds is hereby in all respects authorized, approved and confirmed. The Mayor, the City Manager or Director of Finance of the City is authorized to execute the Official Statement on behalf of the City.

**Section 6.** The City Manager or Director of Finance of the City is hereby authorized to execute a no-arbitrage certificate in order to comply with Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder.

**Section 7.** No stipulation, obligation or agreement herein contained or contained in the 2005 Bonds, the General Indenture, the Series Indenture, the Purchase Contract, the Escrow Agreement or any other instrument related to the issuance of the 2005 Bonds shall be deemed to be a stipulation, obligation or agreement of any officer, agent or employee of the City in his or her individual capacity, and no such officer, agent or employee shall be personally liable on the 2005 Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

**Section 8.** The Mayor, the City Manager, the Director of Finance and the City Clerk of the City, or their respective designees, are hereby authorized, empowered and directed to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate in order to consummate the transactions contemplated by (a) this Resolution and the Bond Order, (b) the General Indenture, (c) the Series Indenture, (d) the Purchase Contract and (e) the Escrow Agreement, except that none of the above shall be authorized or empowered to do anything or execute any document which is in contravention, in any way, of (1) the specific provisions of this Resolution or the Bond Order, (2) the specific provisions of the General Indenture or the Series Indenture, (3) the specific provisions of the Purchase Contract and the Escrow Agreement, (4) any agreement to which the City is bound, (5) any rule or regulation of the City or (6) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of North Carolina.

**Section 9.** The Mayor, the City Manager, the Director of Finance and the City Clerk of the City, or their respective designees, are hereby authorized and directed to prepare and furnish, when the 2005 Bonds are issued, certified copies of all the proceedings and records of the Board relating to the 2005 Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the 2005 Bonds as such facts appear on the books and records in such party's custody and control or as otherwise known to them; and all such certified copies, certificates, affidavits and documents, including any heretofore furnished, shall constitute representations of the City as to the truth of all statements contained therein.

**Section 10.** All acts and doings of the Mayor, the City Manager, the Director of Finance and the City Clerk of the City, and their respective designees, that are in conformity with the purposes and intents of this Resolution and in the furtherance of the issuance of the 2005 Bonds and the execution, delivery and performance of the Series Indenture and the Purchase Contract shall be, and the same hereby are, in all respects approved and confirmed.

**Section 11.** If any one or more of the agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining agreements and provisions and shall in no way affect the validity of any of the other agreements and provisions hereof or of the 2005 Bonds authorized hereunder.

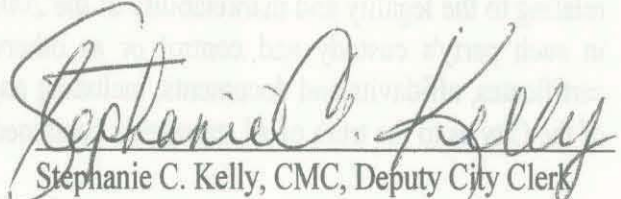
**Section 12.** All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

**Section 13.** This Resolution shall take effect upon its adoption.

On motion of Councilmember Turner, seconded by Councilmember Carter, the foregoing resolution titled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA, AUTHORIZING THE APPROVAL, EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF CITY OF CHARLOTTE, NORTH CAROLINA WATER AND SEWER SYSTEM REFUNDING REVENUE BONDS; PROVIDING FOR THE SALE OF THE BONDS; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH THE BONDS ARE TO BE ISSUED; AND PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE BONDS" was duly adopted by the following vote: unanimously.

I, **Stephanie C. Kelly**, Deputy City Clerk of the City of Charlotte, North Carolina, **DO HEREBY CERTIFY** that the foregoing is a true and exact copy of a resolution titled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA, AUTHORIZING THE APPROVAL, EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF CITY OF CHARLOTTE, NORTH CAROLINA WATER AND SEWER SYSTEM REFUNDING REVENUE BONDS; PROVIDING FOR THE SALE OF THE BONDS; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH THE BONDS ARE TO BE ISSUED; AND PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE BONDS" adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 7th day of February, 2005, the reference having been made in Minute Book 121, and recorded in full in Resolution Book 39, Page(s) 523-527.

**WITNESS** my hand and the corporate seal of the City of Charlotte, North Carolina, this the 8<sup>th</sup> day of February, 2005.

  
Stephanie C. Kelly, CMC, Deputy City Clerk

February 7, 2005

Resolution Book 39, Page 528

**EXTRACTS FROM MINUTES OF CITY COUNCIL**

A Regular Meeting of the City Council of the City of Charlotte, North Carolina was duly held in the Meeting Chamber at the Charlotte-Mecklenburg Government Center in Charlotte, North Carolina, the regular place of meeting, at 7:00 P.M. on February 7, 2005.

Members Present: Mayor McCrory, Councilmembers Burgess, Cannon, Carter, Kinsey, Lassiter, Lochman, Mumford, Phipps, Tabor and Turner.

Members Absent: Councilmember Mitchell.

Also Present: City Manager Syfert, City Attorney McCarley and City Clerk Freeze.

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

**RESOLUTION ADOPTING THE BOND ORDER AUTHORIZING THE  
ISSUANCE OF WATER AND SEWER SYSTEM REFUNDING REVENUE  
BONDS OF THE CITY OF CHARLOTTE, NORTH CAROLINA IN THE  
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000**

*WHEREAS*, the City of Charlotte, North Carolina (the "City") is authorized by The State and Local Government Revenue Bond Act, General Statutes of North Carolina, Section 159-80 *et seq.* (the "Act") to issue, subject to the approval of the Local Government Commission of North Carolina (the "LGC"), at one time or from time to time, revenue bonds and revenue refunding bonds of the City for the purposes as specified in the Act;

*WHEREAS*, the City has previously issued under the terms of the General Trust Indenture dated as of November 1, 1996 between the City and First Union National Bank of North Carolina, the successor to which is Wachovia Bank, National Association, as trustee, (the "Trustee"), as amended (the "General Indenture"), its \$43,110,000 aggregate principal amount of Water and Sewer System Revenue Bonds, Series 1996 (the "1996 Bonds"), \$70,745,000 aggregate principal amount of Water and Sewer System Revenue Bonds, Series 1999 (the "1999 Bonds") and \$101,520,000 aggregate principal amount of Water and Sewer System Revenue Bonds, Series 2000 (the "2000 Bonds"), the proceeds of each of which were used to finance the costs of improvements to the City's water and sewer system;

*WHEREAS*, the City has determined to issue its Water and Sewer System Refunding Revenue Bonds, Series 2005A and its Water and Sewer System Refunding Revenue Bonds, Series 2005B (collectively, the "2005 Bonds") in an aggregate principal amount not to exceed \$80,000,000 to provide funds to refund in advance of their maturities all or a portion of (1) the 1996 Bonds maturing December 1, 2007 through December 1, 2021, (2) the 1999 Bonds maturing June 1, 2010 through June 1, 2015 and (3) the 2000 Bonds maturing June 1, 2011 through June 1, 2015 (collectively, the "Refunded Bonds");

*WHEREAS*, the City will issue the 2005 Bonds under the General Indenture and Series Indenture, Number 8 dated as of February 1, 2005 (the "Series Indenture") between the City and the Trustee;

February 7, 2005

Resolution Book 39, Page 529

*WHEREAS*, the City and the LGC have arranged for the sale of the 2005 Bonds to Wachovia Bank, National Association and Banc of America Securities LLC (the "*Underwriters*") under the terms of a Bond Purchase Agreement to be dated on or about February 17, 2005 (the "*Purchase Agreement*"); and

*WHEREAS*, an application has been filed with the LGC requesting approval of the 2005 Bonds as required by the Act, and the Acting Secretary of the LGC has notified the City Council (the "*City Council*") of the City that the application has been approved by the LGC.

*NOW, THEREFORE, BE IT ORDERED* by the City Council of the City of Charlotte, North Carolina, as follows:

**Section 1.** In order to raise the money required to refund the Refunded Bonds, in addition to any funds which may be made available for such purpose from any other source, the 2005 Bonds are hereby authorized and shall be issued pursuant to the Act.

**Section 2.** The aggregate principal amount of the 2005 Bonds authorized by this order shall not exceed \$80,000,000. The 2005 Bonds hereby authorized shall be special obligations of the City, secured by and paid solely from the proceeds thereof or from revenues, income, receipts and other money received or accrued by or on behalf of the City from or in connection with the operation of the City's Water and Sewer System (as defined in the General Indenture).

**Section 3.** The issuance of the 2005 Bonds by the City, in substantially the form to be set forth in the Series Indenture, be and the same hereby is in all respects approved and confirmed. The form and content of the 2005 Bonds and the provisions of the Series Indenture with respect to the 2005 Bonds (including without limitation the maturity dates and rates of interest) shall be approved and confirmed in a subsequent resolution of the City Council.

The principal of, premium, if any, purchase price and interest on the 2005 Bonds shall not be payable from the general funds of the City, nor shall they constitute a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon any of its income, receipts or revenues except the funds which are pledged under the General Indenture. Neither the credit nor the taxing power of the State of North Carolina or the City are pledged for the payment of the principal of, premium, if any, purchase price or interest on the 2005 Bonds, and no holder of the 2005 Bonds has the right to compel the exercise of the taxing power by the State of North Carolina or the City or the forfeiture of any of its property in connection with any default thereon.

**Section 4.** The 2005 Bonds shall be sold to the Underwriters under the terms of the Purchase Agreement, as shall be approved in a subsequent resolution of the City Council.

**Section 5.** The proceeds from the sale of the 2005 Bonds shall be deposited in accordance with the Series Indenture.

**Section 6.** If any one or more of the agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining agreements and provisions and shall in no way affect the validity of any of the other agreements and provisions hereof or of the 2005 Bonds authorized hereunder.

**Section 7.** All resolutions or parts thereof of the City Council in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

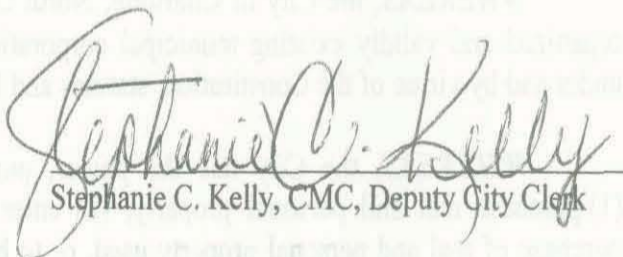
**Section 8.** This Bond Order shall take effect immediately on its adoption and pursuant to §159-88 of the General Statutes of North Carolina, as amended, need not be published or subjected to any procedural requirements governing the adoption of ordinances or resolutions by the City Council other than the procedures set out in the Act.

On motion of Councilmember Turner, seconded by Councilmember Carter, the foregoing resolution titled **“RESOLUTION ADOPTING THE BOND ORDER AUTHORIZING THE ISSUANCE OF WATER AND SEWER SYSTEM REFUNDING REVENUE BONDS OF THE CITY OF CHARLOTTE, NORTH CAROLINA IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000”** was duly adopted by the following vote: unanimously.

**CERTIFICATION**

I, *Stephanie C. Kelly*, Deputy City Clerk of the City of Charlotte, North Carolina, **DO HEREBY CERTIFY** that the foregoing is a true and exact copy of a resolution titled **“RESOLUTION ADOPTING THE BOND ORDER AUTHORIZING THE ISSUANCE OF WATER AND SEWER SYSTEM REFUNDING REVENUE BONDS OF THE CITY OF CHARLOTTE, NORTH CAROLINA IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000”** adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 7th day of February, 2005, the reference having been made in Minute Book 121, and recorded in full in Resolution Book 39, Page(s) 528-530.

**WITNESS** my hand and the corporate seal of the City of Charlotte, North Carolina, this the 8<sup>th</sup> day of February, 2005.

  
Stephanie C. Kelly, CMC, Deputy City Clerk



Extract of Minutes of a regular meeting of the City Council of the City of Charlotte, North Carolina held in the Meeting Chamber at the Charlotte-Mecklenburg County Government Center, 600 East Fourth Street, Charlotte, North Carolina 28202, at 7:00 p.m. on February 7, 2005.

\* \* \*

A regular meeting of the City Council of the City of Charlotte, North Carolina (the "*City Council*") was held in the Meeting Chamber at the Charlotte-Mecklenburg County Government Center, 600 East Fourth Street, Charlotte, North Carolina 28202, at 7:00 p.m. on February 7, 2005 (the "*Meeting*"), after proper notice, and was called to order by the Mayor, and upon the roll being called, the following members of the City Council answered present: Councilmembers Burgess, Cannon, Carter, Kinsey, Lassiter, Lochman, Mumford, Phipps, Tabor and Turner.

Members Absent: Councilmember Mitchell.

Also Present: City Manager Syfert, City Attorney McCarley and City Clerk Freeze.

Council member Burgess introduced the following resolution (the "*Resolution*"), a summary of which had been provided to each Council member:

**RESOLUTION OF THE CITY OF CHARLOTTE, NORTH CAROLINA, AUTHORIZING THE NEGOTIATION OF AN INSTALLMENT PURCHASE CONTRACT, DIRECTING A PUBLIC HEARING BE HELD AND THE PUBLICATION OF NOTICE WITH RESPECT THERETO AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS THERETO**

*WHEREAS*, the City of Charlotte, North Carolina (the "*City*") is a duly and regularly created, organized and validly existing municipal corporation of the State of North Carolina, existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the "*State*");

*WHEREAS*, the City has the power, pursuant to the North Carolina General Statutes, to (1) purchase real and personal property, (2) enter into installment purchase contracts to finance the purchase of real and personal property used, or to be used, for public purposes, and (3) grant a security interest in some or all of the property purchased to secure repayment of the purchase price;

*WHEREAS*, the City Council of the City of Charlotte, North Carolina (the "*City Council*"), hereby determines that it is in the best interests of the City to enter into (a) an Installment Purchase Contract dated as of April 1, 2005 (the "*Contract*") with New Charlotte Corporation (the "*Corporation*") to finance (1) the acquisition, construction, improvement and equipping of new City operational facilities for street maintenance, light equipment maintenance and solid waste personnel (the "*Central Yard Project*") and (2) costs related to the execution and delivery of the Contract; and (b) a Deed of Trust and Security Agreement dated as of April 1, 2005 (the "*Deed of Trust*") from the City to the deed of trust trustee named therein to provide a security interest in the Central Yard Project and the real property on which the Central Yard Project is located (the "*Site*");

*WHEREAS*, the City hereby determines that the acquisition of the Central Yard Project is essential to the City's proper, efficient and economic operation and to the general health and welfare of its

inhabitants; that the Central Yard Project will provide an essential use and will permit the City to carry out public functions that it is authorized by law to perform; and that entering into the Contract is necessary and expedient for the City by virtue of the findings presented herein;

**WHEREAS**, the City hereby determines that the Contract allows the City to purchase the Central Yard Project and take title thereto at a favorable interest rate currently available in the financial marketplace and upon terms advantageous to the City;

**WHEREAS**, the City hereby determines that the cost of the acquisition of the Central Yard Project exceeds the total amount that can be prudently raised from currently available appropriations, unappropriated fund balances and non-voted bonds that could be issued by the City in the current fiscal year pursuant to Article V, Section 4 of the Constitution of the State;

**WHEREAS**, although the cost of financing the Central Yard Project pursuant to the Contract is expected to exceed the cost of financing the Central Yard Project pursuant to a bond financing for the same undertaking, the City hereby determines that the cost of the Central Yard Project pursuant to the Contract and the obligations of the City thereunder are preferable to a general obligation bond financing or revenue bond financing for several reasons, including but not limited to the following: (1) the cost of a special election necessary to approve a general obligation bond financing, as required by the laws of the State, would result in the expenditure of significant funds; (2) the time required for a general obligation bond election would cause an unnecessary delay which would thereby decrease the financial benefits of acquiring, constructing, improving and equipping the Central Yard Project; and (3) no revenues are produced by the Central Yard Project so as to permit a revenue bond financing;

**WHEREAS**, the City hereby determines that the estimated cost of financing the acquisition of the Central Yard Project pursuant to the Contract reasonably compares with an estimate of similar costs under a bond financing for the same undertaking as a result of the findings delineated in the above preambles;

**WHEREAS**, the City does not anticipate future property tax increases solely to pay installment payments falling due under the Contract in any fiscal year during the term of the Contract and such payments are adequate and not excessive for their purpose;

**WHEREAS**, Parker Poe Adams & Bernstein L.L.P., as special counsel ("*Special Counsel*"), will render an opinion to the effect that entering into the Contract and the transactions contemplated thereby are authorized by law;

**WHEREAS**, no deficiency judgment may be rendered against the City in any action for its breach of 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**, the City is not in default under any of its debt service obligations;

**WHEREAS**, the City's budget process and Annual Budget Ordinance are in compliance with the Local Government Budget and Fiscal Control Act, and external auditors have determined that the City has conformed with generally accepted accounting principles as applied to governmental units in preparing its Annual Budget Ordinance;

**WHEREAS**, past audit reports of the City indicate that its debt management and contract obligation payment policies have been carried out in strict compliance with the law, and the City has not been censured by the Local Government Commission of North Carolina (the "*LGC*"), external auditors

or any other regulatory agencies in connection with such debt management and contract obligation payment policies;

**WHEREAS**, a public hearing on the Contract with respect to the financing of the Central Yard Project after publication of a notice with respect to such public hearing must be held and approval of the LGC with respect to entering the Contract must be received;

**WHEREAS**, the City hereby determines that all findings, conclusions and determinations of the City in this Resolution are subject to modification or affirmation after all interested parties have been afforded the opportunity to present their comments at a public hearing regarding the execution and delivery of the Contract and the Deed of Trust and the acquisition of the Central Yard Project to be financed thereby.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA, AS FOLLOWS:**

**Section 1. Authorization to Negotiate Contract and Deed of Trust.** That the City Manager and the Director of Finance, with advice from the City Attorney and Special Counsel, are hereby authorized and directed to proceed and negotiate on behalf of the City for the financing of the Central Yard Project for a principal amount not to exceed \$25,000,000 under the Contract to be entered into in accordance with the provisions of Section 160A-20 of the General Statutes of North Carolina and to provide in connection with the Contract, as security for the City's obligations thereunder, the Deed of Trust conveying a lien and security interest in the Central Yard Project and the Site.

**Section 2. Application to LGC.** That the Director of Finance or his designee is hereby directed to file with the LGC an application for its approval of the Contract and all relevant transactions contemplated thereby on a form prescribed by the LGC and to state in such application such facts and to attach thereto such exhibits regarding the City and its financial condition as may be required by the LGC.

**Section 3. Direction to Retain Special Counsel and Financial Advisor.** That the City Manager and the Director of Finance, with advice from the City Attorney, are hereby authorized and directed to retain the assistance of Parker Poe Adams & Bernstein L.L.P., Charlotte, North Carolina, as Special Counsel, and the City Manager and the Director of Finance are authorized to retain DEC Associate, Inc., Charlotte, North Carolina to serve as financial advisor.

**Section 4. Public Hearing.** That a public hearing (the "Public Hearing") shall be conducted by the City Council on February 28, 2005 at 7:00 p.m., or as soon thereafter as practicable, in the Meeting Chamber, Charlotte-Mecklenburg County Government Center, 600 East Fourth Street, Charlotte, North Carolina 28202, concerning the Contract, the Deed of Trust, the proposed financing of the Central Yard Project and any other transactions contemplated therein and associated therewith.

**Section 5. Notice of Public Hearing.** That the City Clerk is hereby directed to cause a notice of the Public Hearing, in the form attached hereto as Exhibit A, to be published once in a qualified newspaper of general circulation within the City no fewer than 10 days prior to the Public Hearing.

**Section 6. Repealer.** That all motions, orders, resolutions and parts thereof in conflict herewith are hereby repealed.

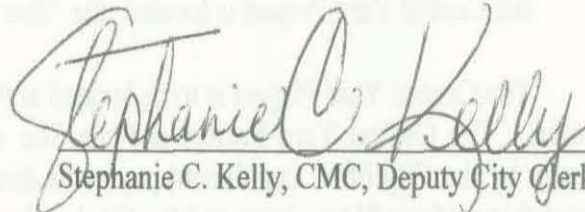
**Section 7. Effective Date.** That this Resolution shall become effective on the date of its adoption.

On motion of Council member Burgess, seconded by Council member Carter, the foregoing resolution titled "RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA AUTHORIZING THE NEGOTIATION OF AN INSTALLMENT PURCHASE CONTRACT, DIRECTING A PUBLIC HEARING BE HELD AND THE PUBLICATION OF NOTICE WITH RESPECT THERETO AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS THERETO" was duly adopted by the following vote: unanimously.

**CERTIFICATION**

The undersigned deputy City Clerk of the City of Charlotte, North Carolina (the "City"), a municipal corporation validly organized and existing under the Constitution and laws of the State of North Carolina, hereby certifies 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 7th day of February, 2005, the reference having been made in Minute Book 121, and recorded in full in Resolution Book 39, Page(s) 531-535.

*WITNESS* my hand and the corporate seal of the City of Charlotte, North Carolina, this the 8<sup>th</sup> day of February, 2005.

  
Stephanie C. Kelly, CMC, Deputy City Clerk

**NOTICE OF PUBLIC HEARING**

**CITY COUNCIL OF THE  
CITY OF CHARLOTTE, NORTH CAROLINA**

At its February 7, 2005 meeting, the City Council of the City of Charlotte, North Carolina (the "City"), adopted a resolution which:

1. Authorized the City to proceed with the financing of (a) the acquisition, construction, improvement and equipping of new City operational facilities for street maintenance, light equipment maintenance and solid waste personnel (the "Central Yard Project") and (b) costs related to the execution and delivery of the Contract pursuant to an Installment Purchase Contract dated as of April 1, 2005 (the "Contract"); and
2. Authorized the City to proceed to provide, in connection with the Contract, as grantor, a Deed of Trust and Security Agreement dated as of April 1, 2005 (the "Deed of Trust") to create a lien and security interest on the Central Yard Project and the real property on which the Central Yard Project is located (the "Site").

The Central Yard Project is to be located at 932, 1000, 1030 and 1100 Ott Street, Charlotte, North Carolina. The Central Yard Project and the Site will be mortgaged under the Deed of Trust. Upon payment by the City of all installment payments due under the Contract, the Deed of Trust and any lien created thereunder will terminate and the City's title to the Central Yard Project will be unencumbered.

*NOTICE IS HEREBY GIVEN* that on the 28th day of February, 2005 at 7:00 p.m., or as soon thereafter as practicable, in the Meeting Chamber, Charlotte-Mecklenburg County Government Center, 600 East Fourth Street, Charlotte, North Carolina 28202, a public hearing will be conducted concerning the approval of the execution and delivery of the Contract and the Deed of Trust. All interested parties are invited to present comments at the public hearing regarding the execution and delivery of the Contract and the Deed of Trust and the Central Yard Project to be financed thereby.

/s/ Brenda R. Freeze

Brenda R. Freeze

City Clerk

City of Charlotte, North Carolina

A RESOLUTION AUTHORIZING CONDEMNATION PROCEEDINGS  
FOR THE ACQUISITION OF CERTAIN REAL PROPERTY

WHEREAS, the City Council of the City of Charlotte finds as a fact that it is necessary to acquire certain property as indicated below for the **SOUTH CORRIDOR LIGHT RAIL TRANSIT PROJECT**; and

WHEREAS, the City either in good faith has undertaken to negotiate for the purchase of this property but has been unable to reach an agreement with the owners for the purchase price or, after reasonable diligence, has been unable to negotiate a purchase price;

NOW, THEREFORE, BE IT RESOLVED by the City Council of The City of Charlotte, that condemnation proceedings are hereby authorized to be instituted against the property indicated below, under the authority and procedures of the laws of the State of North Carolina:

PROPERTY DESCRIPTION:

Amount necessary for the **SOUTH CORRIDOR LIGHT RAIL TRANSIT PROJECT** and estimated to be approximately total combined area of **18,772 square feet (.431 acre) of Fee-Simple, plus Utility Easement, plus Temporary Construction Easement** and any additional property or interest as the City may determine to complete the Project, as it relates to Tax Parcel Nos. 205-121-06/205-121-09/205-121-14, said property currently owned by **REA INVESTMENT PARTNERS; VANCE C. DAVIS and wife, OLA DAVIS, Purported Lessees; FRYE ELECTRIC COMPANY, Purported Lessee; REA BROTHERS, INC., Purported Lessee; UNIQUE SHOWPLACE, INC., Purported Lessee; EAKER CONSTRUCTION COMPANY, LLC., Purported Lessee; NATIONAL WATERWORKS, Purported Lessee; US FILTER DISTRIBUTION GROUP, Purported Lessee; and Any Other Parties in Interest, or the owners' successor-in-interest.**

ESTIMATED JUST COMPENSATION:

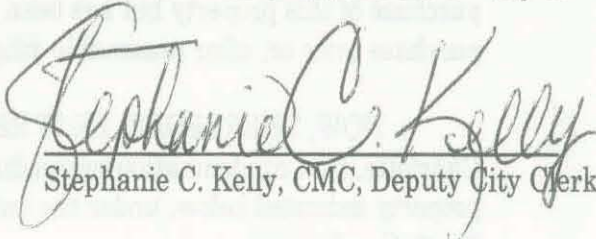
Such estimated just compensation as may be determined based upon the takings required by the final construction plans.

IT IS FURTHER RESOLVED that the estimated just compensation for the property is hereby authorized to be deposited in the Office of the Clerk of Superior Court, Mecklenburg County, North Carolina, together with the filing of the Complaint and Declaration of Taking.

CERTIFICATION

I, Stephanie C. Kelly, Deputy 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 7th day of February, 2005, the reference having been made in Minute Book 121, and recorded in full in Resolution Book 39, Page(s) 536-537.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 8th day of February, 2005.

  
Stephanie C. Kelly, CMC, Deputy City Clerk

A RESOLUTION AUTHORIZING CONDEMNATION PROCEEDINGS  
FOR THE ACQUISITION OF CERTAIN REAL PROPERTY

WHEREAS, the City Council of the City of Charlotte finds as a fact that it is necessary to acquire certain property as indicated below for the **SOUTH CORRIDOR LIGHT RAIL TRANSIT PROJECT**; and

WHEREAS, the City either in good faith has undertaken to negotiate for the purchase of this property but has been unable to reach an agreement with the owners for the purchase price or, after reasonable diligence, has been unable to negotiate a purchase price;

NOW, THEREFORE, BE IT RESOLVED by the City Council of The City of Charlotte, that condemnation proceedings are hereby authorized to be instituted against the property indicated below, under the authority and procedures of the laws of the State of North Carolina:

PROPERTY DESCRIPTION:

Amount necessary for the **SOUTH CORRIDOR LIGHT RAIL TRANSIT PROJECT** and estimated to be approximately total combined area of **7,635 square feet (.175 acre) of Fee-Simple**, and any additional property or interest as the City may determine to complete the Project, as it relates to Tax Parcel No.: 205-121-12, said property currently owned by **REA INVESTMENT PARTNERS; and Any Other Parties in Interest**, or the owners' successor-in-interest.

ESTIMATED JUST COMPENSATION:

Such estimated just compensation as may be determined based upon the takings required by the final construction plans.

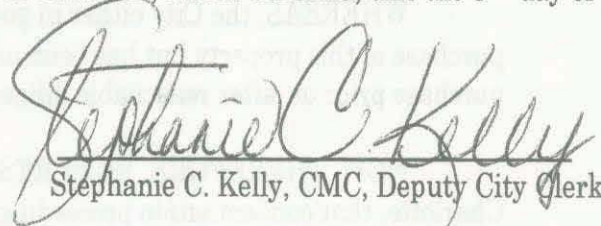
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CERTIFICATION

I, Stephanie C. Kelly, Deputy 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 7th day of February, 2005, the reference having been made in Minute Book 121, and recorded in full in Resolution Book 39, Page(s) 538-539.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 8th day of February, 2005.

  
Stephanie C. Kelly, CMC, Deputy City Clerk