

**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 July 18, 2011.

Members Present: Councilmember's: Barnes, Burgess, Cannon, Carter, Cooksey, Dulin, Howard, Kinsey, Mitchell, Peacock, Tuner and Mayor Foxx.

Members Absent:

Also Present:

\* \* \* \* \*

Councilmember Barnes 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 REVENUE REFUNDING  
BONDS OF THE CITY OF CHARLOTTE, NORTH CAROLINA IN THE  
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$107,000,000**

*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 determined to issue its Water and Sewer System Revenue Refunding Bonds, Series 2011 (the "2011 Bonds") in an aggregate principal amount not to exceed \$107,000,000 to provide funds to (1) refund the City's Water and Sewer System Revenue Bonds, Series 2001 maturing on and after June 1, 2012 (the "Refunded Bonds") and (2) pay the costs of issuing the 2011 Bonds;

*WHEREAS*, the City will issue the 2011 Bonds under the General Trust Indenture dated as of November 1, 1996, as amended (the "General Indenture") between the City and First Union National Bank of North Carolina, the successor to which is U. S. Bank National Association, as trustee (the "Trustee"), and Series Indenture, Number 13 dated as of August 1, 2011 (the "Series Indenture") between the City and the Trustee;

*WHEREAS*, the City and the LGC have arranged for the sale of the 2011 Bonds to Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Bank, National Association (collectively,

the "Underwriters"), under the terms of a Bond Purchase Agreement to be dated on or about July 21, 2011 (the "Purchase Agreement");

*WHEREAS*, an application has been filed with the LGC requesting approval of the 2011 Bonds as required by the Act, and the 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 2011 Bonds are hereby authorized and shall be issued pursuant to the Act.

*Section 2.* The aggregate principal amount of the 2011 Bonds authorized by this order shall not exceed \$107,000,000. The 2011 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 2011 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 2011 Bonds and the provisions of the Series Indenture with respect to the 2011 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, and interest on the 2011 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 2011 Bonds, and no holder of the 2011 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 2011 Bonds are to 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 2011 Bonds are to be deposited in accordance with the Series Indenture.

*Section 6.* If any one or more of the agreements or provisions herein contained is 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 for any reason whatsoever is held invalid, then such covenants, agreements or provisions are null and void and are to be deemed separable from the remaining agreements and provisions and in no way affect the validity of any of the other agreements and provisions hereof or of the 2011 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 is effective 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 Barnes, seconded by Councilmember Cannon, the foregoing resolution titled **“RESOLUTION ADOPTING THE BOND ORDER AUTHORIZING THE ISSUANCE OF WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS OF THE CITY OF CHARLOTTE, NORTH CAROLINA IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$107,000,000”** was duly adopted by the following vote:

AYES:

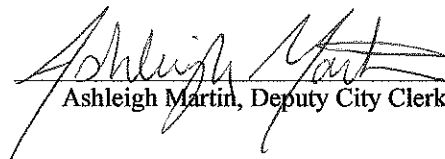
NAYS:

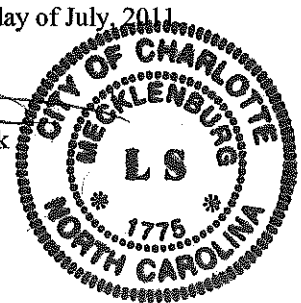
*PASSED, ADOPTED AND APPROVED* this 18<sup>th</sup> day of July, 2011.

**CERTIFICATION**

I, Ashleigh Martin, 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 18<sup>th</sup> day July, 2011, the reference having been made in Minute Book 132, and recorded in full in Resolution Book 43, Pages (37-39).

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this 26<sup>th</sup> day of July, 2011.

  
Ashleigh Martin, Deputy City Clerk



**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 July 18, 2011.

Members Present: Councilmember's: Barnes, Burgess, Cannon, Carter, Cooksey, Dulin, Howard, Kinsey, Mitchell, Peacock, Turner, and Mayor Foxx.

Members Absent:

Also Present:

\* \* \* \* \*

Councilmember Barnes 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 REVENUE REFUNDING BONDS, SERIES 2011; PROVIDING FOR THE SALE OF THE BONDS; SETTING FORTH THE TERMS AND CONDITIONS ON 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 determined to issue its Water and Sewer System Revenue Refunding Bonds, Series 2011 (the "*2011 Bonds*") in an aggregate principal amount not to exceed \$107,000,000 to provide funds to (1) refund the City's Water and Sewer System Revenue Bonds, Series 2001 maturing on and after June 1, 2012 (the "*Refunded Bonds*") and (2) pay the costs of issuing the 2011 Bonds;

*WHEREAS*, the City will issue the 2011 Bonds under the General Trust Indenture dated as of November 1, 1996, as amended (the "*General Indenture*") between the City and First Union National Bank of North Carolina, the successor to which is U. S. Bank National Association, as trustee (the "*Trustee*"), and Series Indenture, Number 13 dated as of August 1, 2011 (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 July 21, 2011 (the "*Purchase Agreement*") among the City, the Local Government Commission of North Carolina (the "*Commission*") and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Bank, National Association (collectively, the "*Underwriters*"), pursuant to which the City and the Commission will sell the 2011 Bonds to the Underwriters in accordance with the terms and conditions set forth therein;

*WHEREAS*, in connection with the refunding of the Refunded Bonds, the City will execute and deliver an agreement (the "*Termination Agreement*") to terminate a Forward Delivery Agreement with Wells Fargo Bank, National Association related to the debt service reserve fund for the Refunded Bonds;

*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 Agreement;
3. the Official Statement (the "*Official Statement*") with respect to the 2011 Bonds; and
4. the Termination Agreement.

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

**Section 1.** That the issuance of the 2011 Bonds by the City in the aggregate principal amount not to exceed \$107,000,000, 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 2011 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 2011 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 2011 Bonds shall be special obligations of the City. The principal of, premium, if any, and interest on the 2011 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 2011 Bonds, and no holder of 2011 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 they may deem 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 2011 Bonds shall be sold to the Underwriters pursuant to the terms of the Purchase Agreement. The form and content of the Purchase Agreement are in all respects 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 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 they may deem 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 Purchase Agreement, 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 Agreement as executed.

**Section 4.** That the form and content of the Official Statement are in all respects authorized, approved and confirmed, and the use of the Official Statement by the Underwriters in connection with the sale of the 2011 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 5.** That the form and content of the Termination Agreement 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 Termination 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 they may deem 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.

**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 2011 Bonds, the General Indenture, the Series Indenture, the Purchase Agreement, the Termination Agreement or any other instrument related to the issuance of the 2011 Bonds is to 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 is personally liable on the 2011 Bonds or 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 Agreement and (e) the Termination Agreement, except that none of the above is 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 Agreement or the Termination 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 2011 Bonds are issued, certified copies of all the proceedings and records of the City Council relating to the 2011 Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the 2011 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, 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 2011 Bonds and the execution, delivery and performance of the Series Indenture, the Purchase Agreement and the Termination Agreement are in all respects approved and confirmed.

**Section 11.** If any one or more of the agreements or provisions herein contained is 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 is for any reason whatsoever held invalid, then such covenants, agreements or provisions are null and void and are to be deemed separable from the remaining agreements and provisions and in no way affect the validity of any of the other agreements and provisions hereof or of the 2011 Bonds authorized hereunder.

**Section 12.** 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 13.** This Resolution is effective on the date of its adoption.

On motion of Councilmember Barnes, 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 REVENUE REFUNDING BONDS, SERIES 2011; PROVIDING FOR THE SALE OF THE BONDS; SETTING FORTH THE TERMS AND CONDITIONS ON 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:  
Unanimous

AYES:

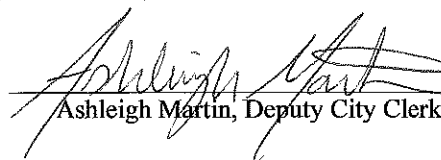
NAYS:

*PASSED, ADOPTED AND APPROVED* this 18<sup>th</sup> day of July, 2011.

**CERTIFICATION**

I, Ashleigh Martin, 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 18<sup>th</sup> day July, 2011, the reference having been made in Minute Book 132, and recorded in full in Resolution Book 43, Pages (40-44).

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this 26<sup>th</sup> day of July, 2011.

  
Ashleigh Martin, Deputy City Clerk

