

CITY OF ROANOKE RAPIDS, NORTH CAROLINA

SERIES RESOLUTION

Adopted February 27, 2007

Authorizing and Securing

City of Roanoke Rapids Music and Entertainment District
Special Revenue Bonds, Series 2007

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A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF \$21,500,000 MUSIC AND ENTERTAINMENT DISTRICT SPECIAL REVENUE BONDS, SERIES 2007 TO FINANCE THE COST OF ACQUIRING A THEATER FACILITY

WHEREAS, on February 28, 2006, the City Council (the "City Council") of the City of Roanoke Rapids (the "City") adopted an order entitled "AN ORDER AUTHORIZING THE ISSUANCE OF PROJECT DEVELOPMENT FINANCING DEBT INSTRUMENTS BY THE CITY OF ROANOKE RAPIDS, NORTH CAROLINA, TO PROVIDE FUNDS FOR THE DEVELOPMENT OF THE CAROLINA CROSSROADS MUSIC AND ENTERTAINMENT DISTRICT; PROVIDING FOR THE ISSUANCE OF SERIES 2007 BONDS TO FINANCE THE ACQUISITION OF A THEATER FACILITY; PROVIDING FOR THE ISSUANCE OF BOND ANTICIPATION NOTES TO BE ISSUED IN ANTICIPATION OF THE ISSUANCE OF THE SERIES 2007 BONDS; AND PROVIDING CERTAIN TERMS AND CONDITIONS IN CONNECTION THEREWITH; AND PROVIDING FOR THE ISSUANCE OF ADDITIONAL BONDS" (the "Original Bond Order") providing, among other things, for the issuance of the City's Music and Entertainment District Special Revenue Bonds and, in anticipation of the issuance of the Series 2007 Bonds (as defined in the Order), its Music and Entertainment District Special Revenue Bond Anticipation Notes, Series 2006 (the "Series 2006 Notes");

WHEREAS, on August 29, 2006, the City adopted a First Amendment to Bond Order (the "First Amendment") for the purpose of making certain amendments to the Original Bond Order that related to the treatment of derivative agreements and payments thereunder;

WHEREAS, on February 27, 2007, the City adopted a supplemental order amending and restating the Original Order to, among other purposes, restate the provisions of the First Amendment entitled "AN AMENDED AND RESTATED ORDER AUTHORIZING THE ISSUANCE OF PROJECT DEVELOPMENT FINANCING DEBT INSTRUMENTS BY THE CITY OF ROANOKE RAPIDS, NORTH CAROLINA, TO PROVIDE FUNDS FOR THE DEVELOPMENT OF THE CAROLINA CROSSROADS MUSIC AND ENTERTAINMENT DISTRICT; PROVIDING FOR THE ISSUANCE OF SERIES 2007 BONDS TO FINANCE THE ACQUISITION OF A THEATER FACILITY; PROVIDING FOR THE ISSUANCE OF BOND ANTICIPATION NOTES TO BE ISSUED IN ANTICIPATION OF THE ISSUANCE OF THE SERIES 2007 BONDS; AND PROVIDING CERTAIN TERMS AND CONDITIONS IN CONNECTION THEREWITH; AND PROVIDING FOR THE ISSUANCE OF ADDITIONAL BONDS" (the "Amended and Restated Order") which supplemental order has become effective (the Original Order, as so amended by the Amended and Restated Order on the effective date thereof, being hereinafter referred to as the "Order");

WHEREAS, Section 205 of the Order authorizes the City to issue the Series 2007 Bonds for the purposes set forth therein;

WHEREAS, the City has determined to issue not to exceed \$21,500,000 aggregate principal amount of Music and Entertainment Special Revenue Bonds, Series 2007 (the "Series 2007 Bonds") in accordance with Section 205 of the Order for the purpose of providing funds, together with other available funds, to (a) finance the cost of the Series 2007 Project (hereinafter defined), (b) fund the Debt Service Reserve Fund in an amount equal to the Debt Service

Reserve Fund Requirement therefor, (c) pay the principal of, and interest on, the Series 2006 Notes, which were issued to finance certain start-up costs relating to the Theater Facility and a reserve held by the City required by the Operating Agreement and the Reimbursement Agreement; (d) pay all or a portion of the interest to accrue on the Series 2007 Bonds from the date of issuance thereof through May 1, 2008; and (e) pay other costs incurred in connection with the issuance and sale of the Series 2007 Bonds;

WHEREAS, the Series 2007 Bonds will be further secured by the Letter of Credit (hereinafter defined); and

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

ARTICLE I

DEFINITIONS

Section 101. Meaning of Words and Terms. Unless otherwise required by the context or otherwise defined herein, words and terms used herein which are defined in the Order shall have the meanings assigned to them therein, and the following words and terms shall have the following meanings:

“Alternate Credit Facility” means an irrevocable, direct-pay letter of credit delivered in substitution for the Letter of Credit or any other Alternate Credit Facility pursuant to Section 702.

“Authorized Denominations” means \$100,000 and any integral multiple of \$5,000 in excess of \$100,000.

“Available Moneys” means (i) moneys which have been paid to the Trustee by the City and have been on deposit with the Trustee and held separately from any other funds held by the Trustee for at least 124 days during and prior to which no Event of Bankruptcy shall have occurred, (ii) proceeds on deposit with the Tender Agent from the remarketing by the Remarketing Agent of the Series 2007 Bonds purchased as described in Section 206, which were at all times since their receipt by the Tender Agent held in a separate and segregated account or accounts or subaccount or subaccounts in which no moneys which were not Available Moneys were at any time held, (iii) moneys drawn under the Credit Facility which at all times since their receipt by the Trustee or the Tender Agent were held in a separate segregated account or accounts or subaccount or subaccounts in which no moneys (other than those drawn under such Credit Facility) were at any time held, (iv) the proceeds of the sale of refunding obligations, if, in the opinion of nationally recognized counsel experienced in bankruptcy matters (which opinion shall be acceptable to each Rating Agency then rating the Series 2007 Bonds), the application of such moneys will not constitute a voidable preference in the event of the occurrence of an Event of Bankruptcy, and (v) investment earnings on any of the moneys described in clauses (i), (ii), (iii) or (iv) of this definition.

“Bank” means Bank of America, N.A., or its successors and assigns, in its capacity as issuer of the Letter of Credit.

“Bank Bond Interest Rate” means the Tender Advance Rate as defined in Section 1.01 of the Reimbursement Agreement.

“Bank Bonds” means any Series 2007 Bonds purchased with moneys described in Section 803(b)(ii) until such Series 2007 Bonds are remarketed, as provided in the Tender Agreement.

“Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as amended (Title 11 of the United States Code, as amended).

“Bond Counsel” means a firm of attorneys knowledgeable and experienced in the law relating to municipal securities and the law relating to the federal and State of North Carolina taxation of interest thereon and retained by the City.

“Bond Purchase Fund” means the fund so designated which is established with the Tender Agent pursuant to the Tender Agreement and Section 801(b)(ii).

“Bond Year” means the period commencing on July 1 of any year and ending on June 30 of the following year.

“Business Day” means any day other than (i) a Saturday, a Sunday or any other day on which banks located in the cities in which the Principal Offices of the Trustee, the Tender Agent, the Remarketing Agent, or in which the office of the Credit Provider from which payments are made pursuant to the Credit Facility is located, are authorized or required to remain closed or (ii) a day on which the New York Stock Exchange is closed.

“Closing” means the delivery of and payment for the Series 2007 Bonds.

“Closing Date” means the date of the Closing.

“Credit Facility” means the Letter of Credit and, upon the effectiveness of any Alternate Credit Facility, means such Alternate Credit Facility.

“Credit Provider”, initially means the Bank, and, upon the effectiveness of an Alternate Credit Facility, means the bank or banks or other financial institution or financial institutions which are then parties to the Credit Facility.

“Credit Provider Account” means the account of the Bond Purchase Fund bearing such name which is created pursuant to the Tender Agreement.

“Event of Bankruptcy” means the commencement of a case by the City under the Bankruptcy Code or under any other domestic bankruptcy act or any similar act which hereafter may be enacted (other than such proceedings initiated by the City against third parties other than the City), unless such case shall have been dismissed and such dismissal shall be final and not subject to appeal.

“Interest Accrual Date” means, (i) with respect to the first Weekly Interest Rate Period, the first day thereof and, thereafter, the first Business Day of each calendar month and (ii) with respect to Bank Bonds, the date such Bank Bonds were purchased with moneys described in Section 803(b)(ii).

“Interest Payment Date” means the first Business Day of each calendar month, commencing April 2, 2007.

“Letter of Credit” means the irrevocable letter of credit originally issued to the Trustee by the Bank on the date of issuance of the Series 2007 Bonds, as the same may be amended, supplemented or extended. The Letter of Credit is a Credit Facility within the meaning of the Series Resolution with respect to the Series 2007 Bonds.

“Principal Office” means, with respect to the Trustee, the Registrar, the Tender Agent or the Remarketing Agent, the address for such party set forth in Section 1101, as it may be changed from time to time pursuant to the provisions of Section 1101.

“Rating Agency” means Moody’s.

“Registrar” means, with respect to the Series 2007 Bonds, First-Citizens Bank & Trust Company, a state banking corporation having its principal corporate trust office in Raleigh, North Carolina, and its successors and assigns.

“Regular Record Date” means the Business Day immediately preceding such Interest Payment Date.

“Reimbursement Agreement” means the Letter of Credit and Reimbursement Agreement, dated as of March 1, 2007, between the City and the Bank, including all amendments or supplements thereto as therein permitted, or any similar type reimbursement agreement entered into in connection with an Alternate Credit Facility for the Series 2007 Bonds.

“Remarketing Account” means the account bearing such name which is created pursuant to the Tender Agreement.

“Remarketing Agent” means the initial and any successor remarketing agent appointed in accordance with Section 801(a).

“Remarketing Agreement” means the Remarketing Agreement, dated as of March 1, 2007, between the City and the Remarketing Agent, as the same may be amended or supplemented from time to time, or any remarketing agreement entered into with a successor Remarketing Agent.

“Securities Depository” means the Depository Trust Company, New York, New York, or any other recognized securities depository selected by the City, which maintains a book-entry system in respect of a Series of Bonds, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

“Securities Depository Nominee” means, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books maintained by the Registrar the Series 2007 Bond certificates to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its book-entry system.

“Series 2007 Bonds” means the City of Roanoke Rapids Music and Entertainment District Special Revenue Bonds, Series 2007 issued pursuant to the Order and this Series Resolution.

“Series 2007 Capitalized Interest Account” means the account created and so designated by Section 401 of the Order.

“Series 2007 Derivative Agreement” means the Interest Rate Swap Agreement, dated September 12, 2006, between the City and Bank of America, N.A., pursuant to which the City is to pay fixed rate payments, and said bank is to pay variable rate payments, in amounts relating to a notional amount corresponding to the principal amount of a portion of the Series 2007 Bonds.

“Series 2007 Interest Account” means the account so created in the Bond Fund by Section 401.

“Series 2007 Principal Account” means the account so created in the Bond Fund by Section 401.

“Series 2007 Project” means the acquisition and equipping of the Theater Facility as described in Exhibit B.

“Series 2007 Project Account” means the account created and so designated by Section 401 of the Order.

“Tender Agent” means the initial and any successor tender agent appointed in accordance with Section 801(b).

“Tender Agreement” means the Tender Agent Agreement, dated as of March 1, 2007, among the Trustee, the City, the Tender Agent and the Remarketing Agent, as supplemented or amended.

“Undelivered Bonds” means any Series 2007 Bonds so designated in accordance with the provisions of Section 206(e)(i) or Section 206(e)(ii).

“Weekly Interest Rate” means a variable interest rate on the Series 2007 Bonds established in accordance with Section 205(d).

“Weekly Interest Rate Period” means each weekly period during which a Weekly Interest Rate is in effect.

Section 102. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as the singular number. The word “person” shall include corporations, firms, associations, partnerships, joint ventures, joint stock companies, trusts, unincorporated organizations, and public bodies, as well as natural persons.

References herein to particular articles or sections are references to articles or sections of this Series Resolution unless some other reference is indicated.

ARTICLE II

AUTHORIZATION, FORM, ISSUANCE, DELIVERY AND REGISTRATION OF SERIES 2007 BONDS

Section 201. Authorization and Issuance of Series 2007 Bonds. Pursuant to 205 of the Order, the City hereby authorizes the issuance of \$21,500,000 aggregate principal amount of the Series 2007 Bonds for the purpose of providing funds, together with other available funds, to (a) finance the cost of the Series 2007 Project, (b) fund the Debt Service Reserve Fund in an amount equal to the Debt Service Reserve Fund Requirement therefor, (c) pay the principal of, and interest on, the Series 2006 Notes, which were issued to finance certain start-up costs relating to the Theater Facility and a reserve held by the City required by the Operating Agreement and the Reimbursement Agreement; (d) pay all or a portion of the interest to accrue on the Series 2007 Bonds from the date of issuance thereof through May 1, 2008; and (e) pay other costs incurred in connection with the issuance and sale of the Series 2007 Bonds.

The Series 2007 Bonds shall be issued under and pursuant to the Constitution and the laws of the State of North Carolina, including the Act, the Order and this Series Resolution, subject to the conditions set forth herein and therein.

First-Citizens Bank & Trust Company in Raleigh, North Carolina, is hereby appointed as the Trustee and Registrar for the Series 2007 Bonds under this Series Resolution.

Section 202. Details of the Series 2007 Bonds. The definitive Series 2007 Bonds are issuable in fully-registered form in Authorized Denominations, shall be lettered "R-" and shall be numbered from 1 consecutively upwards. The definitive Series 2007 Bonds shall be in substantially the form set forth in Exhibit A attached hereto and made a part hereof, with such appropriate variations, omissions and insertions as are permitted or required by the Order or this Series Resolution.

Section 203. Details and Form of Series 2007 Bonds. The Series 2007 Bonds shall be dated as of the Closing Date, shall bear interest until their payment, such interest to the maturity thereof being payable on each Interest Payment Date, and shall be stated to mature on July 1, 2027 (subject to the right of prior redemption), all as hereinafter provided. The Series 2007 Bonds shall bear interest at the Weekly Interest Rate.

The Series 2007 Bonds shall be issued by means of a book-entry system with no physical distribution of bond certificates to be made except as hereinafter provided. One bond certificate in the aggregate principal amount of the Series 2007 Bonds and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), will be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Series 2007 Bonds in Authorized Denominations, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of and any redemption premium on each Series 2007 Bond and interest with respect thereto shall be payable to Cede & Co. or any other person appearing on the registration books of the City as the registered owner of such Series 2007 Bond or its registered assigns or legal representatives. Transfer of principal,

interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Series 2007 Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The City, the Registrar and Paying Agent, the Remarketing Agent, the Tender Agent and the Trustee shall not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as Securities Depository for the Series 2007 Bonds or (b) the City determines that continuation of the book-entry system of evidence and transfer of ownership of the Series 2007 Bonds would adversely affect the interests of the beneficial owners of the Series 2007 Bonds, the City will discontinue the book-entry system with DTC. If the City identifies another qualified Securities Depository to replace DTC, the City will make arrangements with DTC and such other Securities Depository to effect such replacement and deliver replacement bonds registered in the name of such other Securities Depository or its Securities Depository Nominee in exchange for the Outstanding Series 2007 Bonds, and the references to DTC or Cede & Co. in this Series Resolution shall thereupon be deemed to mean such other Securities Depository or its Securities Depository Nominee. If the City fails to identify another qualified Securities Depository to replace DTC, the City will deliver replacement bonds in the form of fully registered certificates in the Authorized Denominations in exchange for the Outstanding Series 2007 Bonds as required by DTC and others.

Section 204. Terms and Conditions for Issuance of Series 2007 Bonds. The Series 2007 Bonds shall be executed substantially in the form and in the manner herein set forth and shall be deposited with the Registrar for authentication, but before the Series 2007 Bonds shall be authenticated and delivered by the Registrar to the Treasurer of the State of North Carolina for redelivery to the purchasers thereof, there shall be, in addition to those items listed in Section 205 of the Order, filed with the Trustee and the Registrar the following:

- (a) copies of insurance certificates and other evidence to the effect that the insurance required by the Order is in effect; and
- (b) executed counterparts of the Remarketing Agreement, Reimbursement Agreement, the Letter of Credit and Tender Agent Agreement.

When the items mentioned in subsections (a) and (b) of this Section shall have been filed with the Trustee and the Registrar and when the Series 2007 Bonds shall have been executed and authenticated as required by this Series Resolution, the Trustee shall deliver the Series 2007 Bonds to the Treasurer of the State of North Carolina for redelivery to or upon the order of the underwriter of the Series 2007 Bonds, but only upon the deposit by the State Treasurer with the Trustee of the purchase price of the Series 2007 Bonds. The Trustee shall be entitled to rely upon the resolutions, certifications and opinions mentioned in subsections (a) and (b), as to all matters stated therein.

Simultaneously with the Closing, the Trustee shall apply the proceeds of the Series 2007 Bonds in the manner set forth in a certificate of a City Representative filed with the Trustee on or prior to the Closing Date.

Section 205. Terms of Series 2007 Bonds. Interest on the Series 2007 Bonds shall be payable on each Interest Payment Date for the period commencing on the immediately preceding Interest Accrual Date and ending on the day immediately preceding the Interest Payment Date. In any event, interest on the Series 2007 Bonds shall be payable for the final Weekly Interest Rate Period to the date on which the Series 2007 Bonds shall have been paid in full.

(b) Interest on the Series 2007 Bonds shall be computed on the basis of a 365 or 366-day year, as appropriate, for the actual number of days elapsed.

(c) In the manner hereinafter provided, the term of the Series 2007 Bonds shall be divided into consecutive Weekly Interest Rate Periods during each of which the Series 2007 Bonds shall bear interest at the Weekly Interest Rate; provided, however, that at any time, no Series 2007 Bond (except a Bank Bond) shall bear interest in excess of twelve percent (12%) per annum. The first Weekly Interest Rate Period shall commence on the Closing Date. On or prior to the Closing Date, the initial Weekly Interest Rate borne by the Series 2007 Bonds shall be determined by the Remarketing Agent in the manner provided in this Section 205.

(d) The Series 2007 Bonds shall bear interest at a Weekly Interest Rate, which shall be determined by the Remarketing Agent on Wednesday of each week, or if such day shall not be a Business Day, then on the next succeeding Business Day. The first Weekly Interest Rate determined for each Weekly Interest Rate Period shall be determined on or prior to the first day of such Weekly Interest Rate Period and shall apply to the period commencing on the first day of such Weekly Interest Rate Period and ending on the next succeeding Wednesday. Thereafter, each Weekly Interest Rate shall apply to the period commencing on Thursday and ending on the next succeeding Wednesday, unless such Weekly Interest Rate Period shall end on a day other than Wednesday, in which event the last Weekly Interest Rate for such Weekly Interest Rate Period shall apply to the period commencing on the Thursday preceding the last day of such Weekly Interest Rate Period and ending on the last day of such Weekly Interest Rate Period. The Weekly Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on the examination of obligations comparable in the judgment of the Remarketing Agent to the Series 2007 Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Series 2007 Bonds, would enable the Remarketing Agent to sell the Series 2007 Bonds on such date of determination at a price (without regard to accrued interest) equal to the principal amount thereof. In the event that the Remarketing Agent fails to establish a Weekly Interest Rate for any week, then the Weekly Interest Rate for such week shall be the same as the Weekly Interest Rate for the immediately preceding week if the Weekly Interest Rate for such preceding week was determined by the Remarketing Agent. In the event that the Weekly Interest Rate for the immediately preceding week was not determined by the Remarketing Agent, or in the event that the Weekly Interest Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such week shall be equal to the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal on the day the Weekly Interest Rate would otherwise be determined as provided herein for such Weekly Interest Rate Period. The Remarketing Agent shall furnish to the City, the Local Government Commission, the Trustee, the Tender Agent and the Registrar on the date of determination the Weekly Interest Rate so determined by telex, telephone or telecopy, promptly confirmed in writing, or shall make the

Weekly Interest Rate available to the City, the Local Government Commission, the Trustee, the Tender Agent and the Registrar by readily accessible electronic means.

(e) The determination of the Weekly Interest Rate by the Remarketing Agent shall be conclusive and binding upon the Remarketing Agent, the Trustee, the Registrar, the Tender Agent, the City, the Bank and the Owners of the Series 2007 Bonds.

(f) Interest on the Series 2007 Bonds shall be payable on each Interest Payment Date by the Registrar by check mailed on the date on which interest is due to the Owners of the Series 2007 Bonds at the close of business on the Regular Record Date in respect of such Interest Payment Date at the addresses of Owners as they shall appear on the registration books maintained pursuant to Section 204 of the Order. In the case of any Owner of Series 2007 Bonds in an aggregate principal amount in excess of \$1,000,000 as shown on the registration books kept by the Registrar who, prior to the Regular Record Date next preceding any Interest Payment Date, shall have provided, or caused to be provided, the Registrar with wire transfer instructions, interest payable on such Series 2007 Bonds shall be paid in accordance with the wire transfer instructions provided by the Owner of such Series 2007 Bonds (or by the Remarketing Agent on behalf of such Owner). Notwithstanding the foregoing, so long as a Securities Depository Nominee is the sole registered owner of the Series 2007 Bonds, interest on the Series 2007 Bonds shall be payable pursuant to the procedures of the Securities Depository as in effect from time to time.

Section 206. Purchase of Series 2007 Bonds. (a) Optional Tender for Purchase. Any Series 2007 Bond shall be purchased in whole (or in part if both the amount to be purchased and the amount remaining unpurchased shall consist of Authorized Denominations) from its Owner at the option of the Owner on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, from and including the Interest Accrual Date immediately preceding the date of purchase through and including the day immediately preceding the date of purchase, unless the date of purchase shall be an Interest Accrual Date, in which case at a purchase price equal to the principal amount thereof, payable in immediately available funds, upon delivery to the Tender Agent at its Principal Office of an irrevocable written notice which states the principal amount of such Series 2007 Bond and the date on which the same shall be purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Tender Agent. Any notice delivered to the Tender Agent after 4:00 p.m., New York City time, shall be deemed to have been received on the next succeeding Business Day.

(b) Mandatory Tender for Purchase upon Termination, Expiration, Reduction, Modification or Replacement of the Credit Facility or Upon the Occurrence of an Event of Default Under the Reimbursement Agreement.

(i) The Series 2007 Bonds shall be subject to mandatory tender for purchase on a Business Day which is at least five (5) days prior to the date on which the Credit Facility is to be cancelled as a result of (A) the termination or expiration of the term of such Credit Facility, or (B) such Credit Facility being reduced, replaced or modified with the effect that such Series 2007 Bonds are no longer payable from such Credit Facility (in each case, whether or not any Alternate Credit Facility has been obtained).

(ii) If at any time the Trustee has received notice (A) that an event of default has occurred under the Reimbursement Agreement and (B) directing the Trustee to purchase all of the Series 2007 Bonds, then the Trustee shall effect a mandatory purchase of the Series 2007 Bonds on the fifth Business Day following the receipt of such notice by the Trustee.

(iii) The purchase price for Series 2007 Bonds purchased pursuant to clauses (i) or (ii) above shall be equal to 100% of the principal amount thereof, plus accrued interest, if any, to the date of purchase.

Notwithstanding anything in this subsection (b) to the contrary, in the event that in connection with any such termination, expiration, reduction or modification of an existing Credit Facility and replacement thereof by an Alternate Credit Facility, the City shall deliver to the Trustee, the Registrar, the Tender Agent and the Remarketing Agent, prior to the date that notice of such termination, expiration, reduction or modification and replacement is given by the Trustee as provided in Section 704, written evidence from each Rating Agency then rating the Series 2007 Bonds to the effect that such termination, expiration, reduction or modification and replacement in and of itself will not result in the withdrawal or reduction of the rating(s) then applicable to the Series 2007 Bonds, then the Series 2007 Bonds shall not be subject to mandatory tender for purchase as provided in this subsection (b) solely as a result of such termination, expiration, reduction or modification and replacement.

(c) Mandatory Tender for Purchase at the Direction of the City. The Series 2007 Bonds are subject to mandatory tender for purchase on any Business Day designated by the City, with the consent of the applicable Remarketing Agent and the Credit Provider at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase, payable in immediately available funds. Such purchase date shall be a Business Day not earlier than the 30th day following the fifth Business Day after receipt by the Trustee of such notice. The Trustee shall give notice of such mandatory tender by first-class mail to the Owners of the Series 2007 not less than twelve (12) days prior to the date of mandatory tender.

(d) Notice of Mandatory Tender for Purchase; Delivery of Series 2007 Bonds to be Purchased. (i) In connection with any mandatory tender for purchase of Series 2007 Bonds in accordance with subsection (b) and (c) of this Section, the Trustee shall give notice of such mandatory tender for purchase as a part of the notice given pursuant to Section 206(b), 206(c) or Section 704. Such notice shall state (A) in the case of a mandatory tender for purchase pursuant to subsection (b) of this Section and Section 704, that the Credit Facility will expire, terminate, be reduced, be replaced or be modified and that the Series 2007 Bonds shall no longer be payable from the Credit Facility then in effect or that the coverage thereof with respect to the Series 2007 Bonds shall be reduced and that any rating applicable thereto may be reduced or withdrawn; (B) that the purchase price of any Series 2007 Bond so subject to mandatory purchase shall be payable only upon surrender of such Series 2007 Bond to the Tender Agent at its Principal Office for delivery of Series 2007 Bonds, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof or the Owner's duly authorized attorney, with such signature guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar

program; (C) that all Series 2007 Bonds so subject to mandatory tender for purchase shall be purchased on the mandatory purchase date, and that if any Owner of a Series 2007 Bond subject to mandatory tender for purchase shall not surrender such Series 2007 Bond to the Tender Agent for purchase on such mandatory purchase date, then such Series 2007 Bond shall be deemed to be an Undelivered Bond, and that no interest shall accrue thereon on and after such mandatory purchase date and that the Owner thereof shall have no rights under the Order or this Series Resolution other than to receive payment of the purchase price thereof. The Trustee shall not require indemnity from any person as a condition to the giving of such notice.

(ii) For payment of the purchase price of any Series 2007 Bond required to be purchased pursuant to this Section on the purchase date specified in the applicable notice, such Series 2007 Bond must be delivered at or prior to 10:00 a.m., New York City time, on the date specified in such notice to the Tender Agent at its Principal Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof or the Owner's duly authorized attorney, with such signature guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program. In the event any such Series 2007 Bond is delivered after 10:00 a.m. on such date, payment of the purchase price of such Series 2007 Bond need not be made until the Business Day following the date of delivery of such Series 2007 Bond, but such Series 2007 Bond shall nonetheless be deemed to have been purchased on the date specified in such notice and no interest shall accrue thereon after such date.

(e) Irrevocable Notice Deemed to be Tender of Series 2007 Bond; Undelivered Bonds. (i) The giving of notice by an Owner of a Series 2007 Bond as provided in subsection (a) of this Section shall constitute the irrevocable tender for purchase of each such Series 2007 Bond with respect to which such notice shall have been given, regardless of whether such Series 2007 Bond is delivered to the Tender Agent for purchase on the relevant purchase date as provided in Section 206.

(ii) The Tender Agent may refuse to accept delivery of any Series 2007 Bonds for which a proper instrument of transfer has not been delivered; provided, however, that such refusal shall not affect the validity of the purchase of such Series 2007 Bond as herein described. If any Owner of a Series 2007 Bond who shall have given notice of tender of purchase pursuant to subsection (a) of this Section shall fail to deliver such Series 2007 Bond to the Tender Agent at the place and on the applicable date and at the time specified, or shall fail to deliver such Series 2007 Bond properly endorsed, such Series 2007 Bond shall constitute an Undelivered Bond. If funds in the amount of the purchase price of the Undelivered Bonds (including the Undelivered Bonds referred to in subsection (d) of this Section) are available for payment to the Owner thereof on the date and at the time specified, from and after the date and time of that required delivery, (A) each Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be Outstanding under the Order and this Series Resolution, (B) interest shall no longer accrue thereon and (C) funds in the amount of the purchase price of each such Undelivered Bond shall be held by the Tender Agent for the benefit of the Owner thereof (provided that the Owner shall have no right to any investment proceeds derived from

such funds), to be paid on delivery (and proper endorsement) of such Undelivered Bond to the Tender Agent at its Principal Office for delivery of Series 2007 Bonds. Any funds held by the Tender Agent as described in clause (C) of the preceding sentence shall be held uninvested and not commingled.

(f) Payment of Purchase Price by the City. The City shall pay the purchase price of any Series 2007 Bonds tendered for purchase pursuant to subsection (a) of this Section or subject to mandatory purchase pursuant to subsections (b) or (c) of this Section when due if moneys for such purchase are not otherwise available from the sources specified in Section 803(b)(i) and (ii).

(g) Book-Entry Tender and Delivery Procedures. Notwithstanding anything to the contrary contained in this Series Resolution, so long as a Securities Depository Nominee is the sole registered owner of the Series 2007 Bonds, all tenders for purchase and deliveries of Series 2007 Bonds tendered for purchase or subject to mandatory tender under the provisions of this Series Resolution shall be made pursuant to the Securities Depository's procedures as in effect from time to time and neither the City, the Tender Agent, the Registrar, the Trustee nor the Remarketing Agent shall have any responsibility for or liability with respect to the implementation of such procedures.

ARTICLE III

REDEMPTION OF SERIES 2007 BONDS

Section 301. Redemption of Series 2007 Bonds. (a) The Series 2007 Bonds shall not be subject to prior redemption except as provided in this Article, Article III of the Order and Section 5.01(l) of the Reimbursement Agreement.

(b) The Series 2007 Bonds shall be subject to optional redemption in whole on any date or in part on any Interest Payment Date, at a redemption price equal to 100% of the principal amount thereof to be redeemed, plus accrued interest, if any, to the redemption date.

(c) In Section 5.01(l)(ii) of the Reimbursement Agreement, the City has covenanted with the Bank to exercise its right to optionally redeem the Series 2007 Bonds at the times and in the manner provided in Section 5.01(l)(ii) of the Reimbursement Agreement. Notwithstanding any provision of this Series Resolution to the contrary, the City is not required to give further notice of such redemption to the Trustee or the Registrar as long as, on the date of Closing, the City provides the Trustee and Registrar with a schedule of the planned optional redemption under Section 5.01(l)(ii) of the Reimbursement Agreement; provided, however, that the City will give the Trustee and the Registrar written notice if the Series 2007 Bonds to be redeemed as provided in Section 5.01(l)(ii) of the Reimbursement Agreement are not to be called for optional redemption in accordance with the schedule set forth in Section 5.01(l)(ii) of the Reimbursement Agreement.

Section 302. Selection of Series 2007 Bonds to be Redeemed. The Series 2007 Bonds shall be redeemed only in Authorized Denominations. The principal amount of the Series 2007 Bonds to be so redeemed shall be designated in a certificate of a City Representative filed with the Trustee.

If less than all of the Series 2007 Bonds are to be called for redemption, the Registrar shall select the Series 2007 Bonds or portions thereof to be redeemed by lot or in such other manner as it shall deem fair and equitable; provided, however, that the remaining Series 2007 Bonds that have not been so called for redemption shall be in Authorized Denominations; and provided, further, that so long as the only Owner of the Series 2007 Bonds is a Securities Depository Nominee, such selection shall be made by the Securities Depository.

Section 303. Redemption Notice. (a) At least thirty (30) days but not more than sixty (60) days prior to the redemption date of any Series 2007 Bonds to be redeemed, whether such redemption be in whole or in part, the Trustee shall cause the Registrar to give notice of any such redemption, postage prepaid to all Owners of Series 2007 Bonds to be redeemed in whole or in part, provided that notice to any Securities Depository shall be sent by registered or certified mail and provided further that failure to mail any such notice to any Owner or any defect in such notice shall not affect the validity of the proceedings for such redemption as to the Series 2007 Bonds of any other Owner to whom notice was properly given. The Registrar shall also give such notice of redemption, by certified or registered mail, to at least one securities depository and at least two national information services which disseminate redemption information, but

failure to mail such notice or any defect therein shall not affect the validity of any proceedings for the redemption of any Series 2007 Bonds.

(b) Each such notice shall set forth the designation and date of the Series 2007 Bonds, the CUSIP numbers of the Series 2007 Bonds to be redeemed, the date fixed for redemption, the Redemption Price to be paid, the address and phone number of each of the Trustee and the Registrar, the date of the redemption notice and, if less than all of the Series 2007 Bonds shall be called for redemption, the distinctive numbers and letters, if any, of such Series 2007 Bonds to be redeemed and, in the case of Series 2007 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Series 2007 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 Series 2007 Bond, a new Series 2007 Bond in principal amount equal to the unredeemed portion of such Series 2007 Bond will be issued.

(c) Not less than thirty-five (35) days prior to the redemption date, notice of such redemption shall be given by first class mail, postage prepaid, to the Local Government Commission. The failure to give such notice to the Local Government Commission nor any defect therein, shall affect the sufficiency of the proceedings for redemption.

(d) Any notice of redemption shall state that the redemption to be effected is conditioned upon the receipt by the Trustee or Registrar on or prior to the redemption date of moneys sufficient to pay the principal of, premium, if any, and interest on the Series 2007 Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Series 2007 Bond shall not be required to be redeemed. In the event that moneys sufficient to pay the principal of, premium, if any, and interest on such Series 2007 Bonds are not received by the Trustee or Registrar on or prior to the redemption date, the redemption shall not be made, and the Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

ARTICLE IV

ACCOUNTS, SUBACCOUNTS, REVENUES AND FUNDS; OTHER COVENANTS

Section 401. Establishment of Accounts and Subaccounts. The following accounts are hereby established under the Bond Fund:

- (a) Series 2007 Interest Account; and
- (c) Series 2007 Principal Account.

All such accounts shall be established with and held by the Trustee pursuant to the Order and this Series Resolution.

Section 402. Deposit of Theater Facility Receipts by the City. (a) The City shall, subject to the provisions of Section 502 of the Order, deposit or cause to be deposited with the Trustee from Theater Facility Receipts and other funds described in Section 502 of the Order in the Revenue Fund the following amounts at the following times, and the Trustee shall apply such amounts to the various funds specified herein in the following order:

(i) into the Series 2007 Interest Account of the Bond Fund, on or before the first Business Day of each month immediately preceding each Interest Payment Date, the interest payable on the Series 2007 Bonds on such Interest Payment Date, and to make any Derivative Agreement Scheduled Payments under the Series 2007 Derivative Agreement; and

(ii) beginning July 1 2007, into the Series 2007 Principal Account of the Bond Fund, on or before the first Business Day of each month, one-twelfth of the amount required to retire the Series 2007 Bonds to be called for optional redemption in accordance with the redemption schedule set forth in Section 5.01(1) of the Reimbursement Agreement, as amended from time, on the next ensuing July 1 and any Derivative Agreement Additional Payments under the Series 2007 Derivative Agreement.

Notwithstanding the foregoing, so long as the City is not in default in its obligations hereunder and the Trustee has not received notice from the counterparty under the Series 2007 Derivative Agreement that a default has occurred and continuing thereunder, the City shall be permitted to withhold from the deposit required by (i) and (ii) the amounts required to be paid to the counterparty under the Series 2007 Derivative Agreement, and may pay those amounts directly to the counterparty under the Series 2007 Derivative Agreement.

In addition, the Trustee shall deposit to the Principal Account of the Bond Fund all amounts for redemption as shall be delivered to the Trustee by the City from time to time with instructions that such amounts be so deposited.

Each deposit into the Bond Fund not constituting Available Moneys shall be placed in a separate account within the Bond Fund and shall not be commingled with other money in the Bond Fund until such money becomes Available Moneys.

(b) Unless amounts on deposit in the Bond Fund are Available Moneys, the Trustee shall not use such funds to pay principal and interest on the Bonds, but shall instead draw upon the Credit Facility to make such payment, then reimburse the Credit Provider for the amount of such draw with funds deposited to the Bond Fund. The City hereby authorizes and directs the Trustee, and the Trustee hereby agrees, to withdraw from the Bond Fund, as applicable, and transfer to the Registrar sufficient funds (to the extent available) to pay the redemption price of, principal price of, premium, if any, and interest on the Series 2007 Bonds as the same become due and payable, whether due by maturity, acceleration, redemption or otherwise, so that the Series 2007 Bonds shall be paid only in the following order of priority:

FIRST: from amounts drawn by the Trustee under the Credit Facility;

SECOND: from Available Moneys on deposit in the Bond Fund, other than amounts received by the Trustee in respect of drawings under such Credit Facility; and

THIRD: from any other amounts held in such accounts.

(c) After provision is made for the payment or redemption of any Series 2007 Bonds on a given payment date, the Trustee shall pay money in the Bond Fund to the Bank to the extent necessary to reimburse the Bank for amounts owed to it under the Credit Facility.

Section 403. Application of Money in the Series 2007 Project Account. Money deposited in the Series 2007 Project Account shall be applied to pay the costs and expenses incurred in connection with the issuance of the Series 2007 Bonds and the Costs of the Theater Facility, all in accordance with Article IV of the Order.

Section 404. Application of Money in the Series 2007 Capitalized Interest Account. The amount of capitalized interest specified in the City Representative's certificate to the Trustee pursuant to Section 204 will be deposited to the credit of the Series 2007 Capitalized Interest Account to pay interest on the Series 2007 Bonds or payments to the Bank as swap counterparty under the Series 2007 Derivative Agreement. On or before each date interest with respect to the Series 2007 Bonds shall be due and payable, a City Representative shall instruct the Trustee to (a) apply such funds in the Series 2007 Capitalized Interest Account for payment of interest due on the Series 2007 Bonds on the Interest Payment Date or (b) apply such funds to pay (or reimburse the City for the payment) of amounts due as Derivative Agreement Scheduled Payments under the Series 2007 Derivative Agreement; provided, however, that the aggregate amounts in any month retained to pay interest on the Series 2007 Bonds or transferred to the City shall not exceed the Derivate Agreement Scheduled Payments due to the Bank as swap counterparty for such month.

Section 405. Application of Money in the Bond Fund for Redemption. The Trustee shall apply money in the Bond Fund for the redemption of Series 2007 Bonds in each Fiscal Year to the purchase or the redemption of Series 2007 Bonds then Outstanding in accordance with the latest Officer's Certificate filed with the Trustee designating the Series 2007 Bonds to be redeemed.

Section 406. Application of Money in the Debt Service Reserve Fund. The amount specified in the City Representative's certificate to the Trustee pursuant to Section 204 to satisfy

the Debt Service Reserve Fund Requirement for the Series 2007 Bonds will be deposited to the credit of the Debt Service Reserve Fund and applied as provided in Section 502 of the Order. The funds held in the Debt Service Reserve Fund secure the payment of the Series 2007 Bonds and the obligations of the City under the Reimbursement Agreement; provided, however, that the City's obligations to the Bank under the Series 2007 Derivate Agreement are not secured by the Debt Service Reserve Fund.

Section 407. Investment of Money. Money held for the credit of all accounts and subaccounts established hereunder on deposit with the Trustee shall be continuously invested and reinvested by the Trustee in Investment Obligations to the extent practicable. Any such Investment Obligations shall mature not later than the respective dates when the money held for the credit of such subaccounts will be required for the purposes intended. No Investment Obligations in any such account or subaccount may mature beyond the latest maturity date of any Series 2007 Bonds Outstanding at the time such Investment Obligations are deposited.

Investment Obligations acquired with money in or credited to any account or subaccount established hereunder shall be deemed at all times to be part of such account or subaccount. Any loss realized upon the disposition or maturity of such Investment Obligations shall be charged against such account or subaccount. The interest accruing on any such Investment Obligations and any profit realized upon the disposition or maturity of such Investment Obligations shall be credited to such Accounts or subaccounts as follows:

<u>Fund, account or subaccount</u>	<u>Credited to</u>
Series 2007 Project Account	Series 2007 Project Account
Series 2007 Capitalized Interest Account	Series 2007 Capitalized Interest Account
Debt Service Reserve Fund	Bond Fund
All other funds, accounts and subaccounts	Revenue Fund

Any such interest accruing and any such profit realized shall be transferred upon the receipt thereof by the City or the Trustee, as the case may be, pursuant to the provisions of the Order and this Series Resolution.

A City Representative shall give to the Trustee written directions respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Section, and the Trustee shall then invest such money as so directed. The Trustee may request in writing additional direction or authorization from the City Representative with respect to the proposed investment of money. Upon receipt of such directions, the Trustee shall invest, subject to the provisions of this Section, such money in accordance with such directions.

The Trustee shall sell or reduce to cash in a commercially reasonable manner a sufficient amount of such Investment Obligations whenever it is necessary to do so in order to provide money to make any payment from any such subaccount. The Trustee shall not be liable or responsible for any loss resulting from any such investment.

Whenever a transfer of money between two or more of the subaccounts is permitted or required, such transfer may be made as a whole or in part by transfer of one or more Investment Obligations at a value determined at the time of such transfer in accordance with Article VI of the Order, provided that the Investment Obligations transferred are those in which money of the receiving subaccount could be invested at the date of such transfer.

Section 408. Payment of Principal, Interest and Premium and Pledge of Obligated Revenues. The City covenants that it will promptly pay or cause to be paid, but solely from the funds pledged and other security pledged therefor, the principal of and the interest on every Series 2007 Bond issued under the provisions of this Series Resolution at the places, on the dates and in the manner provided herein, in the Order and in said Series 2007 Bonds, and any premium required for the retirement of said Series 2007 Bonds by purchase or redemption, according to the true intent and meaning thereof. The City further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Series Resolution and the Order, or in any Series 2007 Bond executed, authenticated and delivered hereunder or in any proceedings of the City pertaining thereto. The City represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Series 2007 Bonds authorized hereby and to pledge the Obligated Revenues in the manner and to the extent herein and in the Order set forth; that all action on its part for the issuance of the Series 2007 Bonds has been duly and effectively taken; and that such Series 2007 Bonds in the hands of the Owners thereof are and will be valid and binding special obligations of the City payable according to their terms.

ARTICLE V

THE TRUSTEE

Section 501. Acceptance of Duties by Trustee. The Trustee shall signify its acceptance of the duties and obligations and agree to execute the trusts imposed upon it by this Series Resolution by delivery to the City of its written acceptance thereof.

Section 502. Waiver of Lien. The Trustee shall not be entitled to apply money representing proceeds of a draw under the Credit Facility or remarketing proceeds to the payment of fees, costs or expenses of the Trustee and expressly waives any lien on such funds created under the Order or this Series Resolution or by applicable law in favor of the Trustee to secure payments of such amounts. Money representing proceeds of a draw under the Credit Facility or remarketing proceeds shall only be used to pay the principal or purchase price of and interest on the Series 2007 Bonds.

Section 503. Several Capacities. Notwithstanding any provision of this Series Resolution to the contrary, the same entity may serve hereunder as the Trustee, the Tender Agent, the Credit Provider and the Remarketing Agent and in any other combination of such capacities, to the extent permitted by law; provided, however, that in no event shall the same entity serve hereunder as the Trustee and the Credit Provider, except as permitted by this Section.

(b) An entity may serve hereunder as the Trustee and the Credit Provider, and any such entity shall be subject to and shall at all times comply with the following provisions:

(i) such entity shall provide, promptly after June 30 of each year, a written certification to the City (with a copy to the Local Government Commission), that the procedures and controls the entity maintains are adequate to manage the potential conflicts of interest related to serving in such capacities (e.g., see “Fiduciary Activities of National Banks,” 12 C.F.R. § 9.100);

(ii) such entity shall provide, promptly after June 30, an annual written statement to the Local Government Commission listing each North Carolina financing in which it is serving as both the trustee and the credit or liquidity facility provider and identifying such capacities; and

(iii) such entity shall notify the City and the Local Government Commission, within 60 days of receipt of notice thereof, of any litigation pending or threatened against the entity in its capacity as the Trustee, the Credit Provider, or both, and shall immediately notify the City and the Local Government Commission of any failure to perform or default by the entity in its capacity as the Bank.

(c) The Local Government Commission, in its sole discretion and at any time, may remove or require the replacement of the entity as Trustee upon not more than thirty (30) days prior written notice, with such removal or replacement to be effective upon the earlier of the expiration of said thirty (30) days (or shorter period) or appointment or acceptance of a successor Trustee.

Section 504. Resignation by Trustee. No resignation or removal of the Trustee shall be effective unless the Credit Facility shall be transferred to the successor trustee appointed under the Series Resolution.

Section 505. Indemnification of Trustee as Condition for Remedial Action. Notwithstanding the provisions of Section 902 of the Order, the Trustee shall not require indemnification to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability prior to (a) drawing on the Credit Facility as required by the Order of this Series Resolution, (b) making payments due and payable to the Owners of the Series 2007 Bonds, (c) effecting a mandatory tender of Series 2007 Bonds under Section 206 or (d) accelerating payment of the Series 2007 Bonds pursuant to Section 802 of the Order and Section 902 of this Series Resolution.

ARTICLE VI

SUPPLEMENTAL SERIES RESOLUTIONS

Section 601. Supplemental Series Resolutions Without Consent of Owners. The City may, from time to time and at any time, adopt such resolutions supplemental hereto (which supplemental resolutions shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Series Resolution and, in the opinion of the Trustee, who may rely upon a written opinion of counsel nationally recognized on the subject of the legality of obligations of States and political subdivisions thereof and the federal income tax treatment of interest thereon, shall not materially and adversely affect the interest of the Owners:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Series Resolution or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Series Resolution, or

(b) to grant or to confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Trustee, or

(c) to add to the covenants and agreements of the City in this Series Resolution other covenants and agreements thereafter to be observed by the City or to surrender any right or power herein reserved to or conferred upon the City, or

(d) to permit the qualification of this Series Resolution under any federal statute now or hereafter in effect or under any state Blue Sky law, and, in connection therewith, if the City so determines, to add to this Series Resolution or any supplemental series resolution such other terms, conditions and provisions as may be permitted or required by such federal statute or Blue Sky law, or

(e) to provide for the issuance of Series 2007 Bonds in bearer form.

Section 602. Modification of Series Resolution With Consent of Owners. Subject to the terms and provisions contained in this Section, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Series 2007 Bonds then Outstanding that will be affected, as defined in Section 603, by a proposed supplemental series resolution shall have the right, from time to time, anything contained in this Series Resolution to the contrary notwithstanding, to consent to and approve the adoption by the City and the acceptance by the Trustee of such series resolution supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Series Resolution or in any supplemental series resolution; provided, however, that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Series 2007 Bond without the consent of the Owner of such Series 2007 Bond, (b) a reduction in the principal amount of any Series 2007 Bond or the redemption premium or the rate

of interest thereon without the consent of the Owner of such Series 2007 Bond, (c) the creation of a pledge, charge and lien upon the Theater Facility Receipts other than the pledge, charge and lien created by the Order without the consent of all Owners of the Series 2007 Bonds then Outstanding, (d) a preference or priority of any Series 2007 Bond over any other Series 2007 Bond without the consent of all Owners of the Series 2007 Bonds then Outstanding, or (e) a reduction in the aggregate principal amount of Series 2007 Bonds required for consent to such supplemental series resolution without the consent of all Owners of the Series 2007 Bonds then Outstanding. Nothing herein contained, however, shall be construed as making necessary the approval by the Owners of the adoption and acceptance of any supplemental series resolution as authorized in Section 601.

The Trustee shall, at the expense of the City, such expense to be paid from the Revenue Fund or from any other available moneys, cause notice of the proposed adoption of such supplemental series resolution to be mailed, postage prepaid, to the Local Government Commission and all Owners. Such notice shall briefly set forth the nature of the proposed supplemental series resolution and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Owners. The Trustee shall not, however, be subject to any liability to any Owner by reason of its failure to mail the notice required by this Section, and any such failure shall not affect the validity of such supplemental series resolution when approved and consented to as provided in this Section.

Whenever, at any time within three years after the date of the mailing of such notice, the City shall deliver to the Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate principal amount of Series 2007 Bonds then Outstanding that are affected (as defined in Section 603) by a proposed supplemental series resolution, which instrument or instruments shall refer to the proposed supplemental series resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City may adopt such supplemental series resolution in substantially such form, without liability or responsibility to any Owner, whether or not such Owner shall have consented thereto.

If the Owners of not less than a majority in aggregate principal amount of the Series 2007 Bonds Outstanding at the time of the adoption of such supplemental series resolution and that are affected (as defined in Section 603) by a proposed supplemental series resolution have consented to and approved the adoption thereof as herein provided, to the extent permitted by law, no Owner shall have any right to object to the adoption of such supplemental series resolution, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the adoption thereof, or enjoin or restrain the City from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any supplemental series resolution pursuant to the provisions of this Section or Section 601, this Series Resolution shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Series Resolution of the City, the Trustee and all Owners shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Series Resolution as so modified and amended.

Section 603. Series 2007 Bonds Affected. For purposes of this Series Resolution, Series 2007 Bonds shall be deemed to be “affected” by a supplemental series resolution if the same adversely affects or diminishes the rights of Owners against the City or the rights of the Owners in the security for such Series 2007 Bonds. The Trustee may in its discretion determine whether any Series 2007 Bonds would be affected by any supplemental series resolution and any such determination shall be conclusive upon the Owners of all Series 2007 Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

Section 604. Exclusion of Series 2007 Bonds. Series 2007 Bonds owned or held by or for the account of the City shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Series 2007 Bonds provided for in this Article, and the City as Owner of such Series 2007 Bonds shall not be entitled to consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the City shall furnish the Trustee certificates of the Director of Finance, upon which the Trustee may rely, describing all Series 2007 Bonds so to be excluded.

Section 605. Responsibilities of Trustee and City under this Article. The Trustee and the City shall be entitled to exercise their discretion in determining whether or not any proposed supplemental series resolution or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the City, the rights and interests of the Owners, and the rights, obligations and interests of the Trustee. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of counsel approved by it, who may be bond counsel for the City, as conclusive evidence that any such proposed supplemental series resolution does or does not comply with the provisions of this Series Resolution, and that it is or is not proper for it, under the provisions of this Article, to accept such supplemental series resolution.

ARTICLE VII

CREDIT FACILITY

Section 701. Credit Facility for Series 2007 Bonds. (a) A Credit Facility shall be in effect at all times hereunder. The Trustee is hereby directed, on or prior to each Interest Payment Date, to make a drawing under such Credit Facility no later than the time provided in the Letter of Credit or other Credit Facility for presentations of drafts in order to receive payment in immediately available funds by 1:30 p.m. New York City time on such date, equal to the interest on Series 2007 Bonds then payable from the Credit Facility due on such Interest Payment Date (other than such interest representing a portion of the purchase price of any Series 2007 Bonds required to be purchased on such date) and to use such drawing to pay such interest due on the Series 2007 Bonds on such Interest Payment Date. The proceeds of such drawing shall be deposited in the Bond Fund in a separate account or subaccount separate and apart from any moneys not received pursuant to a draw on a Credit Facility and held uninvested pending application to the payment of interest on such Series 2007 Bonds. In determining the amount of any such interest then due, the Trustee shall not take into consideration any interest due on any Bank Bonds or Series 2007 Bonds owned by the City, and no drawings under the Credit Facility shall be made, or be used, to pay interest on any Bank Bonds or Series 2007 Bonds owned by the City.

(b) On or prior to each date on which a payment of principal or redemption premium (if any) on any Series 2007 Bonds then payable from the Credit Facility is due either by maturity or as a result of any mandatory or optional redemption of such Series 2007 Bonds or any acceleration of the maturity of such Series 2007 Bonds or otherwise (in each case, other than an amount representing the principal portion of the purchase price of any such Series 2007 Bonds required to be purchased on such date), the Trustee is hereby directed to make a drawing under the Credit Facility no later than the time provided in the Credit Facility for presentations of drafts in order to receive payment in immediately available funds by 1:30 p.m., New York City time on the date such principal or redemption premium (if covered by such Credit Facility) is payable, equal to the amount of such principal payment and, if covered by the Credit Facility then in effect, redemption premium, and accrued interest, and to use such drawing to make such payment. The proceeds of such drawing shall be deposited in the Bond Fund, as appropriate, in a separate account or subaccount separate and apart from any moneys not received pursuant to a draw on a Credit Facility and held uninvested pending application to the payment of the principal and premium (if applicable) of such Series 2007 Bonds. In determining the amount of such principal and premium (if applicable) then due, the Trustee shall not take into consideration any principal or redemption premium required for any Bank Bonds or Series 2007 Bonds owned by the City, and no drawings under the Credit Facility shall be made or be used to pay any principal or redemption premium for any Bank Bonds or Series 2007 Bonds owned by the City.

(c) If at any time there shall have been delivered to the Trustee an Alternate Credit Facility pursuant to Section 702 and the documents required by such Section 702, then the Trustee shall accept such new Credit Facility and surrender the previously held Credit Facility for cancellation in accordance with the terms of such Credit Facility, provided that no such surrender shall occur until after the Trustee shall have drawn under the Credit Facility and received sufficient funds to pay the purchase price of the Series 2007 Bonds on the date on

which the Series 2007 Bonds are subject to mandatory purchase in accordance with Section 204(b) if a mandatory tender of the Series 2007 Bonds is required by Section 204(b). The Trustee shall comply with the procedure set forth in the then existing Credit Facility relating to the termination thereof and is authorized to deliver certificates reducing the stated amount of the Credit Facility in accordance with the provisions thereof.

(d) In connection with the replacement, termination, expiration, reduction or modification of the Credit Facility requiring mandatory purchase of Series 2007 Bonds as provided in Section 204(b), the Trustee is hereby directed to give the notice of mandatory tender for purchase of the Series 2007 Bonds as provided in Section 704.

Section 702. Alternate Credit Facility for Series 2007 Bonds. (a) If at any time there shall be delivered to the Trustee (i) an Alternate Credit Facility covering the Series 2007 Bonds, (ii) either (A) written evidence from each Rating Agency then rating the Series 2007 Bonds, in each case to the effect that such Rating Agency has reviewed the proposed Alternate Credit Facility and the ratings of the Series 2007 Bonds after substitution of such Alternate Credit Facility or (B) a statement of the City that no ratings have been obtained, (iii) if such Alternate Credit Facility is other than a letter of credit issued by a domestic commercial bank, an opinion of counsel that no registration of the Series 2007 Bonds or such Alternate Credit Facility is required under the Securities Act of 1933, as amended, (iv) an opinion of counsel satisfactory to the Trustee to the effect that such Alternate Credit Facility is a valid and enforceable obligation of the issuer or provider thereof, (v) all information required to give the notice of mandatory tender for purchase of the Series 2007 Bonds if required by Section 204(b), and (vi) if the Credit Facility then in effect with respect to the Series 2007 Bonds does not cover premiums due on the Series 2007 Bonds, and the Series 2007 Bonds would be subject to mandatory tender for purchase at a purchase price in excess of the principal amount thereof pursuant to Section 204(b), Available Moneys in an amount sufficient to pay the premium due on the Series 2007 Bonds pursuant to Section 204(b), then the Trustee shall accept such Alternate Credit Facility and, after the Trustee shall have drawn under the Credit Facility and received sufficient funds to pay the purchase price of the Series 2007 Bonds on the date of the mandatory tender for purchase established pursuant to Section 204(b) if a mandatory tender of the Series 2007 Bonds is required by Section 204(b), promptly surrender the Credit Facility then in effect to the Bank which issued such Credit Facility in accordance with its terms for cancellation or deliver any document necessary to reduce the coverage of such Credit Facility.

Section 703. Rights and Duties under Credit Facility Relating to Series 2007 Bonds. The Letter of Credit has been delivered to the Trustee by the Bank, and the Trustee is hereby instructed, without further direction, to draw amounts under the Letter of Credit or any Alternate Credit Facility in accordance with the terms and conditions set forth therein at the times, in the manner and for the purposes set forth in this Series Resolution. If the Trustee makes a drawing under the Credit Facility after the principal of the Series 2007 Bonds shall have been declared immediately due and payable following the occurrence of an Event of Default with respect to the Series 2007 Bonds, the proceeds of such drawing shall be applied by the Trustee to the payment of the Series 2007 Bonds entitled to be paid therefrom as provided in Section 902. So long as the Credit Facility remains in effect with respect to any Series 2007 Bonds, the Trustee may not waive any Event of Default with respect to the Series 2007 Bonds if a drawing has been made under the Credit Facility, all or any portion of which is subject to reinstatement as provided in

the Credit Facility relating thereto, and such reinstatement has not yet occurred. Furthermore, if moneys have been drawn under the Credit Facility, an Event of Default may not be waived by the Trustee hereunder unless and until the Trustee receives notice from the Credit Provider that (a) the Credit Facility has been reinstated and is in full force and effect and (b) there is no ongoing event of default under the Reimbursement Agreement or it has been otherwise waived by the Credit Provider. Notwithstanding the foregoing, so long as the Bank has not defaulted in any of its obligations under the Reimbursement Agreement, the Trustee shall not accelerate the payment of the principal of the Series 2007 Bonds without the consent of the Bank.

The City agrees that the Trustee in its name or in the name of the City may enforce all rights of the Trustee and of the City and all obligations of the Bank (including the obligation of the Bank to honor drafts duly presented in accordance with the terms and conditions of the Credit Facility) under and pursuant to the Credit Facility, for the benefit of the Owners of the Series 2007 Bonds. The Trustee agrees to assume and perform the duties and obligations contemplated under the Credit Facility to be assumed and performed by the Trustee.

Section 704. Notice of Termination or Other Change in Credit Facility for Series 2007 Bonds. The Trustee shall give notice by mail to the Owners of the Series 2007 Bonds then payable from the Credit Facility (a) on or before the 15th day preceding the expiration of any Credit Facility in accordance with its terms, or any termination, reduction, replacement or modification of the terms of the Credit Facility which will cause the Series 2007 Bonds to cease to be payable from the Credit Facility, or (b) in the case of receipt by the Trustee of notice from the Bank that an event of default has occurred under the Reimbursement Agreement relating thereto and requesting the Series 2007 Bonds be mandatorily purchased, within one Business Day following receipt by the Trustee of such notice of an event of default under the Reimbursement Agreement, which notice shall, to the extent applicable, (1) describe generally the Credit Facility in effect prior to such replacement, termination, expiration, reduction or modification and the Alternate Credit Facility to be in effect upon such replacement, termination, expiration, reduction or modification, (2) state the date of such replacement, termination, reduction, modification, expiration or proposed substitution of the Alternate Credit Facility, (3) describe any reduction, termination or modification of the Credit Facility and the effective date thereof, (4) specify the rating, if any, to be applicable to such Series 2007 Bonds after such replacement, termination, expiration, reduction or modification of the Credit Facility or state that no ratings have been obtained with respect to such Series 2007 Bonds for the period subsequent to such replacement, termination, expiration, reduction or modification of the Credit Facility, and (5) unless the Credit Facility has been replaced by an Alternate Credit Facility in respect of such Series 2007 Bonds as described in the last sentence of Section 204(b), state that the Series 2007 Bonds will be purchased pursuant to Section 204(b) on the date specified for such purchase in Section 204(b). The City shall give the Trustee and the Tender Agent written notification of any modification, reduction, termination, expiration or replacement of the Credit Facility as soon as practicable after receiving knowledge thereof. The City shall provide the Trustee and the Tender Agent with written notice of any information required to enable the Trustee to give the foregoing notice and shall provide the Trustee with the form of such notice; provided, however, that in the event the City shall fail to provide such notice, the Tender Agent shall provide such notice to the Trustee.

Section 705. Notice by Trustee to Reduce Credit Facility. In the event that the Series 2007 Bonds shall be redeemed in whole or in part, the Trustee shall give notice to the Bank in the manner required by the Credit Facility to reflect such reduction in the principal amount of the Series 2007 Bonds as a result of such redemption.

Section 706. Rights of a Credit Provider. (a) For purposes of giving any consents or directions contemplated hereunder or under the Order to be given by any Owner of Series 2007 Bonds, or exercising any voting rights given to Owners hereunder or thereunder, for so long as the Credit Facility is in effect and subject to subsection (b) of this Section, the Bank shall be deemed to be the Owner of the Series 2007 Bonds.

(b) All rights of the Bank given under subsection (a) of this Section shall cease, determine and become null and void (i) for so long as the Bank wrongfully dishonors any draft (or other appropriate form of demand) presented in strict conformity with the requirements of the Credit Facility (other than a dishonor pursuant to any administrative or judicial order, ruling, finding or decision) or (ii) if no Credit Facility is in effect or any Credit Facility terminates in accordance with its terms, except with respect to any obligations of the City to the Bank arising in connection with a drawing under the Credit Facility prior to or concurrently with the termination of the Credit Facility.

ARTICLE VIII

REMARKETING AGENT; TENDER AGENT; PURCHASE AND REMARKETING OF SERIES 2007 BONDS

Section 801. Remarketing Agent and Tender Agent for Series 2007 Bonds. (a) The initial Remarketing Agent for the Series 2007 Bonds shall be Banc of America Securities LLC. The City shall appoint any successor Remarketing Agent for the Series 2007 Bonds, subject to the conditions set forth in Section 802(a) and the approval of the Credit Provider. Each Remarketing Agent shall designate its Principal Office (other than the initial Remarketing Agent whose Principal Office is listed in Section 1101) and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the City and the Credit Provider under which the Remarketing Agent will agree, particularly, to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the City and the Credit Provider at all reasonable times.

(b) The initial Tender Agent for the Series 2007 Bonds shall be First-Citizens Bank and Trust Company. The City shall appoint any successor Tender Agent for the Series 2007 Bonds, subject to the conditions set forth in Section 802(b). Each Tender Agent shall designate its Principal Office(s) for delivery of notices and delivery of Series 2007 Bonds (except for the office of the initial Tender Agent which is listed in Section 1101) and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Trustee, the Registrar, the City and the Remarketing Agent. By acceptance of its appointment hereunder, the Tender Agent agrees:

(i) to hold all Series 2007 Bonds delivered to it pursuant to Section 206, as agent and bailee of, and in escrow for the benefit of, the respective Owners which shall have so delivered such Series 2007 Bonds until moneys representing the purchase price of such 2007 Bonds shall have been delivered to or for the account of or to the order of such Owners;

(ii) to establish and maintain a separate segregated trust fund designated as “City of Roanoke Rapids Music and Entertainment District Special Revenue Bonds, Series 2007 Bond Purchase Fund” (the “Bond Purchase Fund”) and within the Bond Purchase Fund to establish a Remarketing Account and a Credit Provider Account in accordance with the Tender Agreement until such time as it has been discharged from its duties as Tender Agent hereunder;

(iii) to hold all moneys (without investment thereof) delivered to it hereunder in the Bond Purchase Fund for the purchase of Series 2007 Bonds pursuant to Section 206, as agent and bailee of, and in escrow for the benefit of, the person or entity which shall have so delivered such moneys until the Series 2007 Bonds purchased with such moneys shall have been delivered to or for the account of such person or entity;

(iv) to hold all moneys delivered to it by the City for the purchase of Series 2007 Bonds pursuant to Section 206, as agent and bailee of, and in escrow for the benefit of, the Owners or former Owners who shall deliver Series 2007 Bonds to it for purchase

until the Series 2007 Bonds purchased with such moneys shall have been delivered to or for the account of the City;

(v) to hold all Series 2007 Bonds registered in the name of the new Owners thereof which have been delivered to it by the Registrar for delivery to the Remarketing Agent in accordance with the Tender Agreement;

(vi) to hold Series 2007 Bonds for the account of the City as contemplated by Section 805(c); and

(vii) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the City, the Trustee, the Registrar, the Bank and the Remarketing Agent at all reasonable times.

The City shall cooperate with the Trustee and the Registrar to cause the necessary arrangements to be made and to be thereafter continued to enable the Tender Agent to perform its duties and obligations described above.

Section 802. Qualifications of Remarketing Agent and Tender Agent; Resignation; Removal. (a) The Remarketing Agent shall be a member of the National Association of Securities Dealers, having a combined capital stock, surplus and undivided profits of at least \$75,000,000 and authorized by law to perform all the duties imposed upon it by this Series Resolution. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Series Resolution by giving notice to the City, the Trustee, the Registrar, the Tender Agent and the Credit Provider. Such resignation shall take effect on the 45th day after the receipt by the City and the Trustee of the notice of resignation. The Remarketing Agent may be removed at any time on forty-five (45) days' prior written notice, by an instrument signed by the City and filed with the Remarketing Agent, the Trustee, the Registrar, the Tender Agent and the Credit Provider. The Remarketing Agent may be also removed by the City on five (5) days' prior written notice by an instrument signed by the City, as the case may be, and filed with the Remarketing Agent, the Trustee, the Registrar, the Tender Agent and the Credit Provider if the Remarketing Agent is not performing the obligations of the Remarketing Agent set forth in this Series Resolution.

(b) The Tender Agent shall be a bank with trust powers or a trust company duly organized under the laws of the United States of America or any state or territory thereof, and having a combined capital stock, surplus and undivided profits of at least \$100,000,000 and authorized by law to perform all the duties imposed upon it by this Series Resolution and the Tender Agreement. The Tender Agent may at any time resign and be discharged of the duties and obligations created by this Series Resolution by giving at least sixty (60) days' notice to the Trustee, the Registrar, the City, the Credit Provider and the Remarketing Agent. The Tender Agent may be removed at any time by an instrument signed by the City, filed with the Tender Agent, the Trustee, the Registrar, the Credit Provider and the Remarketing Agent. Such resignation or removal shall take effect on the day a successor Tender Agent shall have been appointed by the City and shall have accepted such appointment. Upon the effective date of resignation or removal of the Tender Agent, the Tender Agent shall deliver any Series 2007 Bonds and moneys held by it in such capacity to its successor.

Section 803. Notice of Series 2007 Bonds Delivered for Purchase; Purchase of Series 2007 Bonds. (a) The Tender Agent shall determine timely and proper delivery of Series 2007 Bonds pursuant to this Series Resolution and the proper endorsement of such Series 2007 Bonds. Such determination shall be binding on the Owners of such Series 2007 Bonds, the City, the Remarketing Agent and the Trustee absent manifest error. In accordance with the provisions of the Tender Agreement, the Tender Agent shall give notice by telephone, telecopy or telex promptly confirmed by a written notice, to the Trustee, the Registrar, the Remarketing Agent and the Credit Provider specifying the principal amount of Series 2007 Bonds, if any, as to which it has received notice of tender for purchase in accordance with Section 206(a).

(b) Series 2007 Bonds required to be purchased in accordance with Section 206 shall be purchased from the Owners thereof, on the date and at the purchase price at which such Series 2007 Bonds are required to be purchased. Funds for the payment of such purchase price shall be derived from the following sources in the order of priority indicated:

(i) proceeds of the sale of such Series 2007 Bonds remarketed to any person other than the City pursuant to Section 804 and furnished to the Tender Agent by the Remarketing Agent for deposit into the Remarketing Account of the Bond Purchase Fund;

(ii) moneys furnished by the Trustee to the Tender Agent for deposit into the Credit Provider Account of the Bond Purchase Fund representing moneys received from draws on the Credit Facility; and

(iii) moneys furnished by the Trustee to the Tender Agent for deposit into the Bond Purchase Fund representing moneys provided by the City pursuant to Section 206(g).

In the event that a premium is required to be paid upon the purchase of any Series 2007 Bond as provided in Section 206, and the Credit Facility then in effect with respect to the Series 2007 Bonds shall not provide for the payment of a premium upon the purchase of Series 2007 Bonds, then moneys derived from draws on the Credit Facility shall be applied solely to the payment of purchase price equal to principal and interest on the Series 2007 Bonds and not to the payment of any such premium.

The Tender Agent may establish separate accounts or subaccounts within the Bond Purchase Fund for such purposes as the Tender Agent may deem appropriate.

(c) (i) The Registrar shall authenticate a new Series 2007 Bond or Series 2007 Bonds in an aggregate principal amount equal to the principal amount of Series 2007 Bonds purchased in accordance with subsection (b) of this Section, whether or not the Series 2007 Bonds so purchased are presented by the Owners thereof, bearing a number or numbers not contemporaneously Outstanding. Every Series 2007 Bond authenticated and delivered as provided in this Section shall be entitled to all the benefits of the Order and this Series Resolution equally and proportionately with any and all other Series 2007 Bonds duly issued hereunder.

(ii) In the event any Series 2007 Bonds purchased as provided in this Section shall not be presented to the Tender Agent, the Tender Agent shall segregate and hold the moneys for the purchase price of such Series 2007 Bonds in trust for the benefit of the former Owners of such Series 2007 Bonds, who shall, except as provided in the following sentence, thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the purchase price of such Series 2007 Bonds. Any money that is so set aside and that remains unclaimed by the Owners for a period of five (5) years after the date on which such Series 2007 Bonds have become payable shall be treated as abandoned property pursuant to the provisions of Section 116B-18 of the General Statutes of North Carolina, and the Tender Agent, the Trustee or the Registrar shall report and remit this property to the Escheat Fund established by, according to the requirements of, Article 3 of Chapter 116B of the General Statutes of North Carolina, and thereafter the Owners shall look only to the Escheat Fund for payment and then only to the extent of the amounts so received, without any interest thereon, and the Trustee, the Tender Agent, the Registrar and the City shall have no responsibility with respect to such money.

Section 804. Remarketing of Series 2007 Bonds; Notice of Interest Rates. (a) Upon notice of the tender for purchase of Series 2007 Bonds, the Remarketing Agent shall offer for sale and use its best efforts to sell such Series 2007 Bonds, any such sale to be made on the date of such purchase in accordance with Section 206 at a price equal to the principal amount thereof plus accrued interest, if any. Any Series 2007 Bond which is tendered for purchase pursuant to Section 206(a) after such Series 2007 Bond has become subject to mandatory tender for purchase pursuant to Section 206(b) or (c) shall be sold by the Remarketing Agent only to a purchaser who agrees to (i) refrain from selling that Series 2007 Bond other than under the terms of this Series Resolution, or (ii) hold that Series 2007 Bond only to the date of mandatory purchase.

(b) The Remarketing Agent shall determine the rate of interest to be borne by the Series 2007 Bonds during each Weekly Interest Rate Period as provided in Section 205 and shall furnish to the City, the Trustee, the Local Government Commission and the Registrar on the Business Day of determination each rate of interest so determined by telex, telephone or telecopy, promptly confirmed in writing, or shall make such information available to such parties by readily accessible electronic means.

(c) The Remarketing Agent shall give telephonic or telegraphic notice, promptly confirmed by a written notice, to the City, the Trustee, the Registrar and the Tender Agent on each date on which Series 2007 Bonds shall have been purchased pursuant to Section 803(b), specifying the principal amount of Series 2007 Bonds, if any, sold by it pursuant to subsection (a) of this Section along with a list of such purchasers showing the names and denominations in which such Series 2007 Bonds shall be registered, and the addresses and social security or taxpayer identification numbers of such purchasers.

Section 805. Delivery of Series 2007 Bonds. (a) Series 2007 Bonds purchased with moneys described in clause (i) of Section 803(b) shall be made available by the Registrar to the Remarketing Agent for delivery to the purchasers thereof against payment therefor in accordance with the Tender Agreement.

(b) Series 2007 Bonds purchased with moneys described in clause (ii) of Section 803(b) shall be held by the Bank (or its nominee or designee) or the Tender Agent as Bank Bonds pursuant to the Tender Agreement.

(c) Series 2007 Bonds purchased with moneys described in clause (iii) of Section 803(b) shall be held by the Tender Agent for the account of the City or, upon the direction of the City, cancelled.

(d) Series 2007 Bonds delivered as provided in this Section shall be registered in the manner directed by the recipient thereof or in the Tender Agreement.

Section 806. Delivery of Proceeds of Sale. The proceeds of the sale by the Remarketing Agent of any Series 2007 Bonds delivered to it by, or held by it for the account of, the Trustee or the City, or delivered to it by any other Owner, shall be turned over to the Tender Agent as provided in the Tender Agreement.

Section 807. Draws on Credit Facility to Pay Purchase Price of Series 2007 Bonds. The Trustee, on each day on which Series 2007 Bonds are required to be purchased pursuant to Section 206, is hereby directed to make drawings under the Credit Facility by such times and in such manner as shall be required in order for it to receive immediately available funds on such date to pay the purchase price plus accrued interest, if any, of Series 2007 Bonds then payable from the Credit Facility tendered for purchase or required to be purchased pursuant to the provisions of this Series Resolution at the times, on the dates, to the extent, and in the manner herein and in the Tender Agreement provided and to deposit the proceeds of such drawings or cause such proceeds to be deposited in the Credit Provider Account of the Bond Purchase Fund pending application of such moneys to the payment of the purchase price of the Series 2007 Bonds. In determining the amount of any such purchase price then due, the Trustee shall not take into consideration any purchase price due on Bank Bonds or Series 2007 Bonds held by the City, and no drawings under the Credit Facility shall be made or be used to pay the purchase price of any Bank Bonds or Series 2007 Bonds held by the City.

ARTICLE IX

ADDITIONAL EVENTS OF DEFAULT AND REMEDIES

Section 901. Additional Events of Default. The “Events of Default” and the remedies with respect thereto as set forth in Article VIII of the Order are intended to govern and apply to the agreements, covenants, duties and obligations of the parties hereto as set forth herein. Additionally, the following shall constitute Events of Default under Article VIII of the Order:

(i) payment of the purchase price of any Series 2007 Bond is not made when the same is due and payable, either upon tender for purchase as described in Section 206(a) or upon mandatory tender for purchase as described in Sections 206(b) or 206(c) or otherwise; and

(ii) receipt by the Trustee of written notice from the Credit Provider that an event of default has occurred and is continuing under the Reimbursement Agreement together with instructions from the Credit Provider to accelerate the maturity date of the Bonds.

Section 902. Acceleration. Upon the acceleration of the payment of principal of the Series 2007 Bonds, by declaration or otherwise, the Trustee shall, without requirement of the indemnification described in Article IX of the Order, immediately draw on the Credit Facility for the aggregate unpaid principal amount of the Series 2007 Bonds and all interest accrued thereon, and all amounts drawn on the Credit Facility by the Trustee in accordance with this Section shall be deposited in the Bond Fund and applied on the date of such acceleration to the payment of principal of and interest accrued on the Series 2007 Bonds; provided, however, that if prior to or with the proceeds of the draw on the Credit Facility, the Trustee receives written instructions from the Credit Provider to use such proceeds to purchase all Series 2007 Bonds in lieu of acceleration, amounts drawn on the Credit Facility shall be used to purchase all Series 2007 Bonds in accordance with Section 204(b).

In the event that payment of the principal of all of the Bonds, including the Series 2007 Bonds, is not accelerated following the occurrence of an Event of Default as provided in Section 802 of the Order, whether because a sufficient percentage of the Owners of the Bonds do not request an acceleration or otherwise, then if an event of default has occurred under the Reimbursement Agreement and the Bank directs the Trustee to cause a mandatory tender for purchase of the Series 2007 Bonds, the Series 2007 Bonds shall become subject to mandatory tender for purchase as provided in Section 204(b).

If instructions are received by the Trustee to cause a mandatory tender for purchase of the Series 2007 Bonds pursuant to Section 204(b) as provided above, the proceeds drawn under the Credit Facility shall be applied to the purchase of the Series 2007 Bonds pursuant to Section 204(b), any acceleration of the Series 2007 Bonds shall be canceled, the Series 2007 Bonds shall become Bank Bonds and shall be registered in the name of the City and pledged under the Reimbursement Agreement as additional security for repayment of the City’s obligations under the Reimbursement Agreement. Thereafter, such Series 2007 Bonds shall not be remarketed by the Remarketing Agent unless the Tender Agent has received written notice from the Trustee that the Credit Facility has been reinstated or an Alternate Credit Facility has been delivered pursuant

to Section 802 in an amount sufficient to cover payment of principal or purchase price of and interest on the Series 2007 Bonds, including such Bank Bonds to be so remarketed.

ARTICLE X

DEFEASANCE

Section 1001. Repeal of Order. In addition to the requirements set forth in Section 1101 of the Order, prior to the repeal and discharge of the Order in accordance with Section 1101 thereof, the City shall deliver to the Trustee written evidence from each Rating Agency then rating the Series 2007 Bonds to the effect that such release in and of itself will not result in the withdrawal or reduction of the rating(s) then applicable to the Series 2007 Bonds.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 1101. Manner of Giving Notice. In addition to the providing of notices in accordance with Section 1203 of the Order, all notices, demands and requests to be given to or made hereunder by the City, the Local Government Commission, the Trustee or the Registrar shall be given or made in writing and shall be deemed to be properly given or made if sent by United States registered mail, return receipt requested postage prepaid, addressed as provided in Section 1203 of the Order as follows:

(a) As to the Registrar and Tender Agent:

First-Citizens Bank & Trust Company
Mailcode DAC61
100 East Tryon Road
Raleigh, NC 27603
Attention: Institutional Trust Services

(b) As to the Remarketing Agent:

Banc of America Securities LLC
Hearst Tower
214 North Tryon Street
NC1-027-14-01
Charlotte, North Carolina 28255
Attention: Short Term Municipal Desk

(c) As to the Bank:

Bank of America, N.A.
101 S. Tryon Street
NC1-002-03-10
Charlotte, NC 28255-0001
Attention: R. Brooks Scurry, III, Vice President

(d) As to Moody's:

Moody's Investors Service, Inc.
Public Finance Department
99 Church Street
New York, New York 10007
Attention: Public Finance Rating Desk

(e) As to the Local Government Commission:

Local Government Commission of North Carolina
325 North Salisbury Street

Raleigh, North Carolina 27603-1385
Attention: Secretary

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by telegram or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other parties by the party effecting the change. Substitute mailings may be made under the circumstances and in the manner set forth in Section 1204 of the Order.

Section 1102. Notice to Rating Agencies. Each Rating Agency then rating the Series 2007 Bonds shall receive notice from the Trustee of the following events: any change in the Trustee, Registrar or Tender Agent; any material change in the Order or this Series Resolution; any acceleration of the Series 2007 Bonds; any expiration, substitution, termination or renewal of the Credit Facility; any mandatory tender; the substitution of a new Remarketing Agent; and any redemption, other than a sinking fund redemption, or defeasance of Series 2007 Bonds.

Section 1103. City, Trustee, Registrar, Tender Agent, Remarketing Agent, Bank, the Local Government Commission and Owners Alone Have Rights under Series Resolution. Except as herein otherwise expressly provided, nothing in this Series Resolution, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the City, the Trustee, the Registrar, the Tender Agent, the Remarketing Agent, the Bank, the Local Government Commission and the Owners of the Series 2007 Bonds, any right, remedy or claim, legal or equitable, under or by reason of this Series Resolution or any provision being intended to be and being for the sole and exclusive benefit of the City, the Trustee, the Registrar, the Tender Agent, the Remarketing Agent, the Bank, the Local Government Commission and the Owners of the 2007 Bonds.

Section 1104. Effect of Partial Invalidity. In case any one or more of the provisions of this Series Resolution or the Series 2007 Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Series Resolution or the Series 2007 Bonds, but this Series Resolution and the Series 2007 Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in this Series Resolution or the Series 2007 Bonds shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the City to the full extent permitted by law.

Section 1105. State Law Governs. This Series Resolution is adopted with the intent that the laws of the State of North Carolina shall govern its construction.

Section 1106. Headings. Any heading preceding the text of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for

convenience of reference and shall not constitute a part of this Series Resolution, nor shall they affect its meaning, construction or effect.

Section 1107. Payment Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Series Resolution is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this Series Resolution.

Section 1108. Series Resolution Effective. This Series Resolution shall take effect immediately.

FORM OF SERIES 2007 BONDS

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\$ _____

United States of America
State of North Carolina

CITY OF ROANOKE RAPIDS
MUSIC AND ENTERTAINMENT DISTRICT
SPECIAL REVENUE BOND
SERIES 2007

Original Issuance DateMaturity DateCUSIP

March __, 2007

July 1, 2027

The City of Roanoke Rapids, North Carolina (the “City”), for value received, hereby promises to pay, solely from the sources and in the manner hereinafter provided, to Cede & Co., or registered assigns, on the Maturity Date set forth above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the principal corporate trust office of First-Citizens Bank & Trust Company in Raleigh, North Carolina (the “Registrar”), the principal sum set forth above. The City also promises to pay, but solely from said sources, interest on this bond from the Interest Payment Date next preceding the date on which it is authenticated, unless it is an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or it is authenticated prior to the first Interest Payment Date, in which event it shall bear interest from the Original Issuance Date set forth above, payable on each Interest Payment Date at the rates per annum determined as described herein and in the Series Resolution until the principal sum hereof is paid. The interest so payable and punctually paid or duly provided for on any Interest Payment Date will be paid to the person in whose name this bond is registered at the close of business on the Regular Record Date for such interest, which shall be the Business Day immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this bond is registered at the close of business on a Special Record Date (as defined in the Order hereinafter mentioned) for the payment of such defaulted interest to be fixed by the Trustee (hereinafter mentioned), notice whereof being given to the registered owners not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Series 2007 Bonds (hereinafter mentioned) may be listed and upon such notice as may be required by such exchange, or as more fully provided in the Order. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. The principal of and any premium on this bond are payable at the principal corporate trust office of the Registrar. Interest on this bond is payable by (i) check mailed on the date on which due to the registered owner hereof at the address of such registered owner shown on the

registration books kept by the Registrar, as of the close of business on the Regular Record Date in respect of such interest, or (ii) in the case of Series 2007 Bonds owned by an Owner who is the registered owner of Series 2007 Bonds in an aggregate principal amount in excess of \$1,000,000 and who, prior to the Regular Record Date next preceding any Interest Payment Date, shall have provided the Registrar with wire transfer instructions, by wire transfer.

This bond is one of a duly authorized series of revenue bonds of the City, designated "Music and Entertainment District Special Revenue Bonds, Series 2007" (the "Series 2007 Bonds"), issued under and pursuant to the Constitution and laws of the State of North Carolina, including the Act, both as defined in an amended and restated order duly adopted by the City Council on February 27, 2007, (such order, as supplemented or amended from time to time, being herein referred to as the "Order"), pursuant to which First-Citizens Bank & Trust Company, is serving as Trustee (the "Trustee"), and a series resolution duly adopted by the City Council on February 27, 2007 (such series resolution, as supplemented or amended from time to time, being herein referred to as the "Series Resolution"). The Series 2007 Bonds are being issued for the purpose of providing funds, together with other available funds to (a) finance the cost of the Series 2007 Project (as defined in the Series Resolution), (b) fund the Debt Service Reserve Fund in an amount equal to the Debt Service Reserve Fund Requirement therefor (as those terms are defined in the Order), (c) pay the principal of, and interest on, the Series 2006 Notes, which were issued to finance certain start-up costs relating to the Theater Facility and a reserve held by the City required by the Operating Agreement and the Reimbursement Agreement; (d) pay all or a portion of the interest to accrue on the Series 2007 Bonds from the date of issuance thereof through May 1, 2008, and (e) pay other incurred in connection with the issuance and sale of the Series 2007 Bonds.

The Series 2007 Bonds 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 Series Resolution. One bond certificate, in the aggregate principal amount of the Series 2007 Bonds and registered in the name of Cede & Co., a nominee of The Depository Trust Company, New York, New York ("DTC"), is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Series 2007 Bonds in Authorized Denominations, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal, interest, purchase price and any redemption premium payments to beneficial owners of the Series 2007 Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The City will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. While Cede & Co. is the registered owner of this bond, notwithstanding the provisions hereinabove contained, payments of principal of or redemption premium, if any, and interest on this bond shall be made in accordance with the existing arrangements between the Registrar and DTC.

The Series 2007 Bonds and any other bonds heretofore or hereinafter issued pursuant to the Order are herein referred to as the "Bonds."

The Series 2007 Bonds are special obligations of the City secured by a pledge, charge and lien upon Obligated Revenues (as defined in the Order). The City is not

obligated to pay the principal of or the interest on the Series 2007 Bonds except, as provided in the Order, from Obligated Revenues, or certain other monies made available therefor under the Order, and neither the faith and credit nor the taxing power of the State of North Carolina or any political subdivision thereof is pledged to the payment of the principal of and the interest on the Series 2007 Bonds.

The Series 2007 Bonds are also payable, to the extent provided therein, from all moneys drawn by the Trustee under any Credit Facility which may be in effect from time to time with respect to the Series 2007 Bonds. Simultaneously with the issuance of the Series 2007 Bonds, Bank of America, N.A. (the "Bank"), has issued in favor of the Trustee its irrevocable letter of credit (the "Letter of Credit") at the request of and for the account of the City, under which the Trustee is entitled to draw an amount up to (i) the aggregate principal amount of the Series 2007 Bonds then Outstanding to pay principal of the Series 2007 Bonds, or the portion of the purchase price of Series 2007 Bonds required to be purchased under the Series Resolution attributable to the principal of such Series 2007 Bonds, plus (ii) an amount equal to 35 days interest on the Series 2007 Bonds at an assumed rate of 12% per annum to pay accrued interest on the Series 2007 Bonds or the portion of the purchase price of the Series 2007 Bonds attributable to accrued interest. The Letter of Credit expires by its terms on March 15, 2010, unless extended as provided therein, and may otherwise expire or be terminated, reduced or modified prior to such date in accordance with the terms thereof. In addition, the City may replace the Letter of Credit with an Alternate Credit Facility as described in the Series Resolution (the Letter of Credit or any such Alternate Credit Facility, the "Credit Facility") in which event, subject to certain exceptions, this Bond shall be subject to mandatory purchase.

Reference is made to the Order, the Series Resolution and the Credit Facility for a more complete statement of the provisions thereof and of the rights of the City, the Trustee and the registered owners of the Series 2007 Bonds. Copies of the Order, the Series Resolution and the Credit Facility shall be available for inspection by any registered owner of the Series 2007 Bonds at all reasonable times at the principal corporate trust office of the Trustee. By the purchase and acceptance of this bond, the registered owner hereof signifies assent to all of the provisions of the Order and the Series Resolution. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Order, the Series Resolution and the Credit Facility.

The Order provides for the creation of a special fund designated "City of Roanoke Rapids, North Carolina Theater Facility Bond Fund" (the "Bond Fund"). A portion of the proceeds in the Bond Fund have been pledged and charged with the payment of the principal of and the interest on all Series 2007 Bonds. The Series Resolution also provides for the deposit to the credit of the Bond Fund of Theater Facility Receipts and other funds to the extent and in the manner provided in the Order and the Series Resolution.

The Series 2007 Bonds are additionally secured by a pledge, charge and lien upon the funds in the Debt Service Reserve Fund to the extent set forth in the Order and the Series Resolution.

The term of the Series 2007 Bonds will be divided into consecutive Weekly Interest Rate Periods during each of which the Series 2007 Bonds shall bear interest at Weekly Interest Rates

(a “Weekly Interest Rate Period”); provided, however, that no Series 2007 Bond may bear interest at a rate in excess of 12% per annum.

Interest on the Series 2007 Bonds shall be payable on each Interest Payment Date for the period commencing on the immediately preceding Interest Accrual Date (hereinafter defined) and ending on the day immediately preceding such Interest Payment Date. Interest shall be computed on the basis of a 365 or 366-day year, as the case may be, for the actual number of days elapsed. The Series 2007 Bonds may be issued in fully registered form in the denominations of \$100,000 and any integral multiple of \$5,000 in excess of \$100,000 (the “Authorized Denominations”).

The term “Interest Accrual Date” means the first day thereof and, thereafter, the first Business Day of each calendar month. The term “Interest Payment Date” means the first Business Day of each calendar month, commencing April 2, 2007. The term “Business Day” means any day other than (i) a Saturday, a Sunday or any other day on which banks located in the cities in which the Principal Offices of the Trustee, the Tender Agent, the Remarketing Agent, or in which the office of the Credit Provider from which payments are made pursuant to the Credit Facility is located, are authorized or required to remain closed or (ii) a day on which the New York Stock Exchange is closed.

The interest rate on the Series 2007 Bonds shall be determined by the Remarketing Agent on Wednesday of each week, or if such day shall not be a Business Day, then the next succeeding Business Day. The Weekly Interest Rate determined for each week shall be determined on or prior to the first day of the initial Weekly Interest Rate Period and shall apply to the period commencing on the first day of such Weekly Interest Rate Period and ending on the next succeeding Wednesday. Thereafter, each Weekly Interest Rate shall apply to the period commencing on Thursday and ending on the next succeeding Wednesday, unless such Weekly Interest Rate Period shall end on a day other than a Wednesday, in which event the last Weekly Interest Rate for such Weekly Interest Rate Period shall apply to the period commencing on Thursday preceding the last day of such Weekly Interest Rate Period and ending on the last day of such Weekly Interest Rate Period. The Weekly Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on the examination of obligations comparable, in the judgment of the Remarketing Agent, to the Series 2007 Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Series 2007 Bonds, would enable the Remarketing Agent to sell the Series 2007 Bonds on such Business Day at a price (without regard to accrued interest) equal to the principal amount thereof. In the event that the Remarketing Agent fails to establish a Weekly Interest Rate for any week during a Weekly Interest Rate Period, the Weekly Interest Rate for such week shall be the same as the Weekly Interest Rate for the immediately preceding week if the Weekly Interest Rate for such preceding week was determined by the Remarketing Agent. In the event that a Weekly Interest Rate for the immediately preceding week was not determined by the Remarketing Agent, or in the event that the Weekly Interest Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such week shall be equal to the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal on the day the Weekly Interest Rate would

otherwise be determined as provided in the Series Resolution for such Weekly Interest Rate Period.

Banc of America Securities LLC has been appointed as the initial Remarketing Agent for the Series 2007 Bonds. First-Citizens Bank & Trust Company has been appointed as the initial Tender Agent for the Series 2007 Bonds. The Principal Office for the delivery of Series 2007 Bonds to the Tender Agent is located at 100 East Tryon Road, Mailcode DAC61, Raleigh, North Carolina, Attention: Institutional Trust Services.

Purchase of Series 2007 Bonds. This bond shall be purchased at the option of the registered owner on any Business Day at a purchase price equal to the principal amount hereof plus accrued interest, if any, from the Interest Accrual Date immediately preceding the date of purchase through the day immediately preceding the date of purchase, unless the date of purchase shall be an Interest Accrual Date, in which case at a purchase price equal to the principal amount thereof, payable in immediately available funds, upon delivery to the Tender Agent at its Principal Office for delivery of notices of an irrevocable written notice which states the principal amount of this bond and the date on which the same shall be purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Tender Agent. In the event an Owner shall deliver a Notice to the Tender Agent of such Owner's election to have this bond purchased as herein described, and such Owner shall not deliver this bond to the Tender Agent on the date of such purchase, then this bond shall nevertheless be deemed to have been purchased on such date and shall no longer be deemed to be Outstanding under the Order and the Series Resolution and interest shall no longer accrue with respect thereto, and the registered owner of such Series 2007 Bond shall have no right other than to receive payment of the purchase price therefor. Moneys held by the Tender Agent for such registered owner shall not be invested.

Mandatory Tender for Purchase upon Termination, Expiration, Reduction, Modification or Replacement of the Credit Facility or Upon the Occurrence of an Event of Default. This bond is subject to mandatory tender for purchase on a Business Day which is at least five (5) days prior to the date on which the Credit Facility is to be cancelled as a result of (A) the termination or expiration of the term of such Credit Facility or (B) such Credit Facility being reduced, replaced or modified with the effect that such Series 2007 Bonds are no longer payable from such Credit Facility (in each case, whether or not any Alternate Credit Facility has been obtained). If at any time the Trustee has received notice (A) that an event of default has occurred under the Reimbursement Agreement and (B) directing the Trustee to purchase all of the Series 2007 Bonds, then the Trustee shall effect a mandatory purchase of the Series 2007 Bonds on the fifth Business Day following the receipt of such notice by the Trustee. The purchase price for Series 2007 Bonds purchased pursuant to above provisions shall be equal to 100% the principal amount thereof, plus accrued interest, if any, to the date of purchase. Notwithstanding anything in this paragraph to the contrary, in the event that in connection with any such termination, expiration, reduction or modification of an existing Credit Facility and replacement thereof by an Alternate Credit Facility, the City shall deliver to the Trustee, the Tender Agent and the Remarketing Agent, prior to the date that notice of such termination, expiration, reduction or modification and replacement is given by the Trustee as provided in the Series Resolution, written evidence from each Rating Agency then rating the Series 2007 Bonds to the effect that such termination, expiration, reduction or modification and replacement in and of itself will not

result in the withdrawal or reduction of the rating(s) then applicable to the Series 2007 Bonds, then the Series 2007 Bonds shall not be subject to mandatory tender for purchase as provided in this paragraph solely as a result of such termination, expiration, reduction or modification and replacement.

Mandatory Tender for Purchase at the Direction of the City. The bonds are subject to mandatory tender for purchase on any Business Day designated by the City, with the consent of the applicable Remarketing Agent and the Credit Provider at a purchase price equal to the principal amount thereof, payable in immediately available funds. Such purchase date shall be a Business Day not earlier than the 30th day following the fifth Business Day after receipt by the Trustee of such notice.

For payment of the purchase price of any Series 2007 Bond required to be purchased as described above on the date specified, such Series 2007 Bond must be delivered, at or prior to 10:00 a.m., New York City time, on the date specified in such notice, to the Tender Agent at its Principal Office for delivery of Series 2007 Bonds, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the registered owner thereof or his duly authorized attorney, with such signature guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program. In the event any such Series 2007 Bond is delivered after 10:00 a.m. on such date, payment of the purchase price of such Series 2007 Bond need not be made until the Business Day following the date of delivery of such Series 2007 Bond, but such Series 2007 Bond shall nonetheless be deemed to have been purchased on the date specified in such notice and no interest shall accrue thereon after such date.

The Tender Agent may refuse to accept delivery of any Series 2007 Bonds for which a proper instrument of transfer has not been provided. In the event that any registered owner of a Series 2007 Bond who shall have given notice of such registered owner's election to have his Series 2007 Bond purchased, or who shall have been mailed the notice of a mandatory tender for purchase of his Series 2007 Bond in connection with a change in the Credit Facility or pursuant to the City's direction, shall fail to deliver such Series 2007 Bond to the Tender Agent at the place and on the applicable date and time specified, or shall fail to deliver such Series 2007 Bond properly endorsed, such Series 2007 Bond shall constitute an Undelivered Bond. If funds in the amount of the purchase price of any Undelivered Bond are available for payment to the registered owner thereof on the date and at the time specified, then from and after the date and time of that required delivery, (A) such Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be Outstanding under the Series Resolution; (B) interest shall no longer accrue thereon; and (C) funds in the amount of the purchase price of the Undelivered Bond shall be held by the Tender Agent for the benefit of the registered owner thereof (provided that the registered owner shall have no right to any investment proceeds derived from such funds), to be paid upon delivery (or proper endorsement) of the Undelivered Bond to the Tender Agent at its Principal Office for delivery of Series 2007 Bonds. Any funds held by the Tender Agent for the purchase of Undelivered Bonds shall be held uninvested.

At the principal corporate trust office of the Registrar, in the manner and subject to the conditions provided in the Order, Series 2007 Bonds may be exchanged for an equal aggregate

principal amount of Series 2007 Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Registrar shall keep at its Principal Office books for the registration of transfer of the Series 2007 Bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Order upon the surrender hereof to the 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 Registrar. Upon any such registration of transfer, the Registrar shall deliver in exchange for this bond a new Series 2007 Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this bond, of the same maturity and bearing interest at the same rate.

The Series 2007 Bonds shall be subject to optional redemption by the City in whole on any date or in part on any Interest Payment Date, at a redemption price equal to 100% of the principal amount thereof to be redeemed.

At least thirty (30) days but not more than sixty (60) days prior to the redemption date of any Series 2007 Bonds to be redeemed, whether such redemption is in whole or in part, the Registrar shall cause a notice of any such redemption signed by the Registrar to be mailed, first class, postage prepaid, to all registered owners of Series 2007 Bonds to be redeemed in whole or in part, provided that failure to mail any such notice to any registered owner or any defect in such notice shall not affect the validity of the proceedings for such redemption as to the Series 2007 Bonds of any other registered owner to whom such notice is properly given.

On the date designated for redemption, notice having been given as aforesaid, the Series 2007 Bonds or portions thereof so called for redemption shall become due and payable at the redemption price provided for the redemption of such Series 2007 Bonds or such portions thereof on such date plus accrued interest to such date.

If less than all the Series 2007 Bonds are called for redemption, the Registrar shall select the Series 2007 Bonds to be redeemed by lot or in such other manner as it shall deem fair and equitable, provided, however, that the remaining Series 2007 Bonds that have not been so called for redemption shall be in Authorized Denominations; and provided, further, that so long as the only registered owner of the Series 2007 Bonds is Cede & Co., such selection shall be made by DTC.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Trustee or Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Series 2007 Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Series 2007 Bonds shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any, and interest on such Series 2007 Bonds are not received by the Trustee or Registrar on or prior to the redemption date, the redemption shall not be made and the Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

The Owner of this bond shall have no right to enforce the provisions of the Order or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Order, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Order.

Modifications or alterations of the Order and the Series Resolution or any order or series resolution supplemental thereto may be made only to the extent and in the circumstances permitted by the Order or the Series Resolution, as the case may be.

This bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Order and the Series Resolution, at all times shall be, and shall be understood to be, an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of North Carolina. This bond is issued with the intent that the laws of the State of North Carolina shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this bond and the adoption of the Order and the Series Resolution have happened, exist and have been performed as so required.

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

IN WITNESS WHEREOF, the City of Roanoke Rapids, North Carolina has caused this bond to be executed by the manual signatures of the Mayor of the City and the City Clerk, and the corporate seal of the City to be impressed hereon, all as of the Original Issuance Date set forth above.

CITY OF ROANOKE RAPIDS

By: _____
Mayor

[SEAL]

By: _____
City Clerk

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within bond has been approved under the provisions of North Carolina Project Development Financing Act.

Secretary, Local Government Commission

CERTIFICATE OF AUTHENTICATION

This bond is a Bond of the Series designated therein and issued under the provisions of the within mentioned Order and Series Resolution.

First-Citizens Bank & Trust Company, as Registrar

By: _____
Authorized Signatory

Date of authentication: March __, 2007

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY NUMBER
OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE

the within bond and all right thereunder, and hereby irrevocably constitutes and appoints
_____, attorney, to transfer the within bond on the books kept
for registration thereof, with full power of substitution in the premises.

Dated:

In the presence of:

NOTICE: Signature must be guaranteed by an
institution which is a participant in the
Securities Transfer Agent Medallion Program
(STAMP) or similar program.

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

THE SERIES 2007 PROJECT

The Series 2007 Project consists of the acquisition and equipping of a new 45,000 square foot, 1,500 seat theater to be known as the “Randy Parton Theater.”