

STATE OF NORTH CAROLINA

**FOURTH AMENDMENT TO  
TRI-PARTY AGREEMENT**

COUNTY OF WAKE

THIS FOURTH AMENDMENT TO THE TRI-PARTY AGREEMENT, effective this \_\_\_\_ day of April, 2007, ("Fourth Amendment"), between the COUNTY OF WAKE, a political subdivision of the State of North Carolina (the "County"), acting by and through its board of County Commissioners (the "County Board"); the CITY OF RALEIGH, a municipal corporation of the State of North Carolina (the "City"), acting by and through its City Council (the "City Council"); and the CENTENNIAL AUTHORITY, a public agency of the State of North Carolina created pursuant to North Carolina General Statute 160A-480.1, et seq., (the "Authority"), acting by and through its appointed membership.

*WITNESSETH:*

**WHEREAS**, the Authority has constructed and operates a multi-purpose regional sports, entertainment and convocation arena complex (the "Arena") in Wake County, North Carolina, pursuant to authority and direction of the North Carolina General Assembly; and

**WHEREAS**, the County and the City have allocated funds, from the proceeds of a prepared foods and beverage tax and a room occupancy tax, to provide for debt service required for repayment of bonds issued for initial construction of the Arena Project upon conditions set forth in the Arena Project Tri-Party Agreement dated June 20, 1997, as amended (the "Amended Tri-Party Agreement"); and

**WHEREAS**, the Authority has now requested that the County and the City allocate additional funds to be received by the Authority beginning in the fiscal year 2007-2008 and continuing each year through and including fiscal year 2021-2022 to assist with long term capital enhancements, improvements, extraordinary repairs and replacements to the Arena and Parking Areas; and

**WHEREAS**, the County and the City have, upon conditions hereinafter set forth, agreed to the Authority's request for assistance in preserving this public facility and maintaining its competitive success.

**NOW, THEREFORE**, in consideration of the mutual covenants and promises contained herein, the County, the City and the Authority agree as follows:

**SECTION 1. New Funding Commitment**

a. In addition to the funds previously committed to the Centennial Authority under the Amended Tri-Party Agreement, the County and City will make available to the Centennial Authority from previously uncommitted proceeds of the Room Occupancy and Food and

Beverage Taxes to be collected beginning in fiscal year 2007-08 the sum of Twenty Six Million (\$26,000,000.00) Dollars to provide for long term capital enhancements, improvements, extraordinary repairs and replacements to the Arena and Parking Areas.

b. Beginning in fiscal year 2007-2008 and continuing until the total allocation is received, the sum of One Million Five Hundred Thousand (\$1,500,000.00) Dollars shall be wired or otherwise transferred quarterly to the Authority or to a Trustee designated by it, if a part of an approved loan or bond agreement, at such locations as may be specified by the Authority in writing to the County and City. Any funds not transferred directly to an approved trustee shall be upon receipt deposited by the Authority in the Authority Building Enhancement Fund.

c. If in any year previously unallocated Room Occupancy and Food and Beverage Tax proceeds shall not allow transmittal of the full annual payment due the Authority, the total receipts shall never the less be forwarded with any deficit added to the next year's obligation. In no event shall the annual payment to the Authority be less than One Million (\$1,000,000.00) Dollars.

d. The chief financial officers of the County and of the City shall approve, with such approval not to be unreasonably delayed, conditioned or withheld, any loan, bond or related agreement, however termed, entered into by the Centennial Authority to obtain construction funds to be repaid in whole or in part by the County and City committed funds. Any loan or bond shall include a "call" provision allowing the prepayment of indebtedness. It is anticipated any new Authority borrowing will take the form of an interim bank loan, evidenced by a note of the Authority, from one or more banks, and a bond issue of the Authority, the proceeds of which will be used to prepay and refund the bank loan.

e. The Centennial Authority shall from its excess operating revenues deposit no less than One Million (\$1,000,000) Dollars annually in the Authority Building Enhancement Fund to provide for long term capital enhancements, improvements, extraordinary repairs and replacements to the Arena and Parking Areas. The Centennial shall review at least every three years its capital spending program with the City and County.

## **SECTION 2. Ad Valorem Property Taxes**

The term of the annual payments in lieu of property taxes to the County and City provided for in the Amended Tri-Party Agreement shall be extended so as to continue through fiscal year 2021-2022. The Authority payment in lieu of property taxes shall be made for any property under the Authority's control which is otherwise exempt under the General Statutes from ad valorem property taxes. The amount of the payment in lieu of taxes shall be based on County and City property tax rates in effect at the time the payment is due and payable. The valuation of any property subject to the payment in lieu of taxes shall be determined by the Wake County tax assessor in the same manner used to determine the valuation of non-tax-exempt properties.

**SECTION 3. Amendment to Tenant Leases**

The Authority shall cause previously existing agreements between the Authority, Gale Force Limited Partnership (Carolina Hurricanes) and North Carolina State University (NCSU) to be amended to require:

a. The Gale Force lease term shall be extended so as to run at least for the duration of the prolonged County and City funding commitment provided for herein..

b. NCSU shall contribute (in addition to its current lease obligations) the sum Six Million (\$6,000,000.00) Dollars in minimum annual payments of Four Hundred Thousand (\$400,000) Dollars to the Authority Building Enhancement Fund to assist with long term capital enhancements, improvements, extraordinary repairs and replacements to the Arena and Parking Areas. The annual contribution shall begin in fiscal year 2007-2008.

**SECTION 4. Duration.**

This Agreement shall remain in effect until all Arena debt service in connection with the original construction borrowing are retired and satisfied as well as for the duration of the increased funding commitment set forth in Section 1 hereof, at which time the County, City and Authority shall renegotiate the terms of their continuing relationship.

**SECTION 5. County and City to Revisit Long Term Funding for Sport and Entertainment Facilities in 2009.**

The City and County agree to review and revisit the RBC Center long term capital improvement funding program in the first quarter of 2009 when the City and County review the convention center funding model as articulated in paragraph 5 of the Eighth Amendment to the Interlocal Agreement.

**SECTION 6. Conflicts with Prior Agreement.**

Except where in conflict herein, the Arena Project Tri-Party Agreement of June 20, 1997 as previously amended shall remain in full force and effect.

IN WITNESS WHEREOF, the Agreement is executed the day and year first above written pursuant to resolutions by the governing boards of the County, the City and the Authority.

**CITY OF RALEIGH**

By: \_\_\_\_\_

Mayor

**COUNTY OF WAKE**

By: \_\_\_\_\_

Chairman

Attest: Sail A. [Signature]  
Clerk



Attest: Susan J. [Signature]  
Clerk



APPROVED AS TO FORM:

[Signature]  
City Attorney

APPROVED AS TO FORM:

[Signature]  
County Attorney

**CENTENNIAL AUTHORITY**

By: R.W. Mullin, [Signature]  
Chairman

Attest: Judith Britt [Signature]  
Secretary

Date: June 5, 2007

APPROVED AS TO FORM:

Clyde Holt III [Signature]  
Authority General Counsel