

EXTRACTS FROM MINUTES OF CITY COUNCIL

A Regular Meeting of the City Council of the City of Charlotte, North Carolina was duly held in the Meeting Chamber at the Charlotte-Mecklenburg Government Center in Charlotte, North Carolina, the regular place of meeting, at 7:00 P.M. on September 12, 2011.

Members Present: Councilmembers: Banres, Burgess, Cannon, Carter, Cooksey, Dulin, Howard, Kinsey, Mitchell, and Peacock.

Members Absent: Councilmember Warren Turner

Also Present: Mayor

* * * * *

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

A RESOLUTION AUTHORIZING THE ISSUANCE UNDER THE PROVISIONS OF THE STATE AND LOCAL GOVERNMENT REVENUE BOND ACT, AS AMENDED, OF THREE SERIES OF AIRPORT REVENUE BONDS OF THE CITY OF CHARLOTTE; DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF SUCH BONDS; THE PRIVATE SALE OF THE BONDS; AND VARIOUS AGREEMENTS AND ACTIONS IN CONNECTION WITH SUCH TRANSACTIONS

WHEREAS, the City of Charlotte, North Carolina, a municipal corporation in the State of North Carolina (the "City") owns and operates within the City a public airport known as the Charlotte Douglas International Airport (together with such additions thereto as may be made from time to time, the "Airport"); and

WHEREAS, the City is empowered, under the Constitution and laws of the State of North Carolina, particularly The State and Local Government Revenue Bond Act (Sections 159-80 *et. seq.*) (the "Act"), to issue its revenue bonds for the purpose of financing airport facilities and refunding prior bonds issued for such purposes; and

WHEREAS, the City Council of the City (the "City Council") on November 18, 1985 adopted a bond order authorizing and securing airport revenue bonds of the City, which the City Council supplemented and amended on June 8, 1992 and August 23, 2004 (the "Bond Order"); and

WHEREAS, the City Council has determined that it is necessary (1) to improve Charlotte Douglas International Airport (the "Airport"), including, but not limited to, the acquisition, rehabilitation, renovation, expansion and construction of (a) certain improvements to the Airport, consisting of the (i) rehabilitation of Runway 18C/36C, (ii) construction of an access road to the newly-constructed west Aircraft Rescue Firefighting Facility, (iii) extension of the Taxiway D, (iv) construction of an in-line

baggage system in the passenger terminal building, including new conveyors and building infrastructure to support screening equipment, (v) expansion of Concourse E to provide additional gates and additional passenger circulation space, (vi) construction of additional passenger terminal space to accommodate a new 4-lane security checkpoint and to expand the ticket lobby, including provision of space on the lower level of the passenger terminal building for an expanded international arrival baggage re-check area and circulation space for passengers to access the new checkpoint in the passenger terminal building lobby, (vii) renovation of ticket counters and airline ticket office space for Delta Airlines, United Airlines and Continental Airlines, including a new in-line baggage screening system and a new ticket counter bag conveyor system designed to support it and a reconstruction of checkpoints A and B in the passenger terminal building, and (viii) construction of a new approximately 3,200 space parking facility, replacing the hourly parking decks located in front of the passenger terminal building and (b) other improvements at the Airport consistent with the Airport's mission (collectively, the "*Airport Improvements*"), (2) fund a debt service reserve for each series of the 2011 Bonds (as hereinafter defined), if necessary, and (3) to pay the costs of issuance of the 2011 Bonds; and

WHEREAS, in order to obtain a portion of the funds to acquire, construct and equip the Airport Improvements, the City has determined to approve the transactions described herein whereby the City will authorize and approve (1) the issuance of, among other things, three series of its airport revenue bonds, one to be known as "*City of Charlotte, North Carolina Airport Revenue Bonds, Series 2011A*" (the "*2011A Bonds*"), the second to be known as "*City of Charlotte, North Carolina Airport Revenue Bonds, Series 2011B*" (the "*2011B Bonds*" and together with the 2011A Bonds, the "*2011AB Bonds*"), and the third to be known as "*City of Charlotte, North Carolina Variable Rate Airport Revenue Bonds, Series 2011C*" (the "*2011C Bonds*" and together with the 2011AB Bonds, the "*2011 Bonds*"), (2) a Bond Purchase Agreement among the Local Government Commission, the City and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Bank, National Association, as the underwriters named therein (the "*2011AB Underwriters*"), providing for the sale of the 2011AB Bonds authorized hereunder (the "*2011AB Bond Purchase Agreement*") and (3) a Bond Purchase Agreement among the Local Government Commission, the City and Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "*2011C Underwriter*" and together with the 2011AB Underwriters, the "*Underwriters*"), providing for the sale of the 2011C Bonds authorized hereunder (the "*2011C Bond Purchase Agreement*" and together with the 2011AB Bond Purchase Agreement, the "*Bond Purchase Agreements*"); and

WHEREAS, the 2011 Bonds will be issued in an aggregate principal amount not to exceed \$175,000,000; and

WHEREAS, the City Council wants to (A) retain Parker Poe Adams & Bernstein LLP, as bond counsel; (B) retain Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Bank, National Association, as underwriters for the 2011AB Bonds; (C) retain Merrill Lynch, Pierce, Fenner & Smith Incorporated, as underwriter for the 2011C Bonds; (D) approve the selection by the Underwriters of McGuireWoods LLP, as Underwriters' counsel; (E) retain Newton and Associates, Inc., as airport consultant, and DEC Associates, Inc., as financial advisor; (F) retain Bank of America, N.A. to provide an irrevocable, direct-pay letter of credit for the 2011C Bonds and (G) retain U.S. Bank National Association, as trustee for the 2011 Bonds (collectively, the "*Financing Team*"); and

WHEREAS, the City Council wants the Chief Financial Officer of the City to file with the Local Government Commission of North Carolina (the "*Commission*") an application for its approval of the 2011 Bonds, on a form prescribed by the Commission, and (1) request in such application that the Commission approve (A) the negotiation of the sale of the 2011 Bonds to the Underwriters, (B) the City's use of the Financing Team in connection with the issuance of the 2011 Bonds; and (2) state in such application such facts and to attach thereto such exhibits in regard to the 2011 Bonds and to the City and its financial condition, as may be required by the Commission, and to take all other action necessary to the issuance of the 2011 Bonds.

WHEREAS, copies of the forms of the following documents relating to the transactions described above have been filed with the City and have been made available to the City Council of the City (the "City Council"):

1. the Bond Purchase Agreements;
2. the Reimbursement and Security Agreement dated as of November 1, 2011 (the "Reimbursement Agreement") between the City and Bank of America, N.A., as credit provider, with respect to the 2011C Bonds;
3. the Remarketing Agreement dated as of November 1, 2011 (the "Remarketing Agreement") between the City and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as remarketing agent for the 2011C Bonds (the "Remarketing Agent");
4. the Preliminary Official Statement (the "Preliminary Official Statement") with respect to the 2011AB Bonds; and
5. the Official Statement (the "2011C Official Statement") with respect to the 2011C Bonds.

WHEREAS, the City Council considered and recognized that variable interest rate debt instruments may subject the City to the risk of higher interest rates with respect to the 2011C Bonds in the future and that in addition to the variable interest cost, the City must pay the fees of the provider of a letter of credit and the remarketing agent for the 2011C Bonds, which fees will increase the variable interest cost to the City;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charlotte, North Carolina that the City Council has determined to adopt, in accordance with Section 208 of the Bond Order, this Resolution authorizing the issuance of the 2011 Bonds, as follows:

Section 1. For purposes of this Resolution, all capitalized, undefined words have the meanings ascribed to them in Appendix A, with respect to the 2011AB Bonds, and Appendix B, with respect to the 2011C Bond (collectively, the "Appendix"). The Appendices are incorporated into this Resolution by reference.

Section 2. That the 2011 Bonds are to be issued by the City in one or more series for the purpose of providing funds (1) to finance the costs of the Airport Improvements, (2) to fund a debt service reserve account for each series of the 2011 Bonds, if necessary, and (3) to pay the costs of issuing the 2011 Bonds all as set out fully in the documents attached to the City's application to the Commission. The use of the proceeds of the 2011 Bonds, as described herein, is necessary in order to meet the expanding needs of the users of the Airport and to assure that the Airport remains in full compliance with all state and federal requirements for the provision of aviation services.

Section 3. That the Financing Team is hereby approved in connection with the issuance by the City of the 2011 Bonds.

Section 4. That the Chief Financial Officer of the City with advice from the City Manager and bond counsel, is hereby authorized, directed and designated to file an application with the North Carolina Local Government Commission for its approval of the issuance of the 2011 Bonds.

Section 5. That the City Council finds and determines and asks the Commission to find and determine from the City's application and supporting documentation:

- (a) that the issuance of the 2011 Bonds is necessary or expedient;
- (b) that the not to exceed stated principal amount of the 2011 Bonds will be sufficient but is not excessive, when added to other moneys available to the Airport, to finance the Airport Improvements;
- (c) that the Airport as now constituted and after the completion of the Airport Improvements is feasible;
- (d) that the City's debt management procedure and policies are excellent; and
- (e) that the 2011 Bonds can be marketed at a reasonable interest cost to the City.

Section 6. The City shall issue not to exceed \$175,000,000 in total aggregate principal amount of its 2011 Bonds.

Section 7. The City Council requests that the Commission sell (1) the 2011AB Bonds through negotiation to the 2011AB Underwriters on such terms as may be agreed on but at a true interest cost not exceeding 6.00% and (2) the 2011C Bonds through negotiation to the 2011C Underwriter at an initial interest rate not exceeding 9.00%. The form and content of the Preliminary Official Statement and 2011C Official Statement are in all respects authorized, approved and confirmed, and the use of the Preliminary Official Statement by the Underwriters in connection with the sale of the 2011AB Bonds, and the use of the 2011C Official Statement by the 2011C Underwriter in connection with the sale of the 2011C Bonds is hereby in all respects authorized, approved and confirmed.

Section 8. The 2011 Bonds shall be dated as of their date of issuance. The City will pay interest on the 2011AB Bonds on each January 1 and July 1, beginning on July 1, 2012, at the rates set forth in a certificate of the Chief Financial Officer of the City rendered pursuant to Appendix A. Principal of the 2011AB Bonds are payable in annual installments on July 1 in each year, as set forth in the certificate of the Chief Financial Officer of the City rendered pursuant to Appendix A. The City will pay interest on the 2011C Bond on the first business day of each month at the rates established in accordance with Appendix B. Principal on the 2011C Bond is payable in annual installment on July 1 in each year, as set forth in the certificate of the Chief Financial Officer of the City rendered pursuant to Appendix B.

Section 9. The form and content of the Preliminary Official Statement are in all respects authorized, approved and confirmed, and the use of the Preliminary Official Statement and the final Official Statement for the 2011AB Bonds, conforming to the contents of the Preliminary Official Statement with the addition of the pricing information for the 2011AB Bonds (the "2011AB Official Statement"), by the 2011AB Underwriters in connection with the sale of the 2011AB Bonds is hereby in all respects authorized, approved and confirmed. The Mayor, the City Manager or Chief Financial Officer of the City is authorized to execute the 2011AB Official Statement on behalf of the City together with such changes, modifications, and deletions as the Chief Financial Officer, with the advice of counsel, may deem necessary and appropriate; such execution and delivery shall be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 10. The City Council has ascertained and hereby determines that the average period of usefulness of the capital projects being financed by the proceeds of the 2011 Bonds is not less than 30 years computed from the date of issuance of the 2011 Bonds.

Section 11. The City covenants to take such action as may be required in the Opinion of Bond Counsel to cause the 2011 Bonds and all actions of the City with respect to the proceeds thereof to comply with Internal Revenue Code of 1986, as amended (the "Code"). The Chief Financial Officer of the City is hereby authorized to execute a no-arbitrage certificate in order to comply with Section 148 of the Code and the applicable Income Tax Regulations thereunder.

Section 12. The Commission is hereby requested to sell the 2011 Bonds through a negotiated sale to the Underwriters pursuant to the terms of the Bond Purchase Agreements. The form and content of the Bond Purchase Agreements are in all respects approved and confirmed, and the Mayor, the City Manager or the Chief Financial Officer of the City is hereby authorized, empowered and directed to execute and deliver the Bond Purchase Agreements for and on behalf of the City, including necessary counterparts, in substantially the form and content presented to the City, but with such changes, modifications, additions or deletions therein as he or she may deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of his or her approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Bond Purchase Agreements, the Mayor, the City Manager and the Chief Financial Officer of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Purchase Agreements as executed. The execution thereof by such officials constitutes conclusive evidence of such approval.

The form and content of the Reimbursement Agreement and the Remarketing Agreement be and the same hereby are in all respects approved and confirmed, and the Mayor, the City Manager or the Chief Financial Officer of the City is hereby authorized, empowered, and directed to execute and deliver the Reimbursement Agreement and the Remarketing Agreement for and on behalf of the City, including necessary counterparts, in substantially the form and content presented to the City, but with such changes, modifications, additions or deletions therein as he or she may deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of his or her approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Reimbursement Agreement and the Remarketing Agreement, the Mayor, the City Manager and the Chief Financial Officer of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Reimbursement Agreement and the Remarketing Agreement as executed.

The Mayor, the City Manager or the Chief Financial Officer of the City is authorized to execute the 2011C Official Statement and the final Official Statement with respect to the 2011AB Bonds, on behalf of the City together with such changes, modifications, and deletions as the Chief Financial Officer, with the advice of counsel, may deem necessary and appropriate; such execution and delivery shall be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 13. No stipulation, obligation or agreement herein contained or contained in the 2011 Bonds, this Resolution, the Bond Purchase Agreements or any other instrument related to the issuance of the 2011 Bonds shall be deemed to be a stipulation, obligation or agreement of any officer, agent or employee of the City in his or her individual capacity, and no such officer, agent or employee shall be personally liable on the 2011 Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 14. The City Manager and the Chief Financial Officer of the City are hereby authorized, empowered and directed to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate in order to consummate the transactions contemplated by (1) this Resolution and (2) the other documents presented to this meeting; except that neither of the above is authorized or empowered to do anything or execute any document

which is in contravention, in any way, of (a) the specific provisions of this Resolution, (b) any agreement to which the City is bound or (c) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of North Carolina.

Section 15. Notwithstanding Section 2.03 of the Bond Order, the 2011 Bonds, and any other Bonds issued pursuant to the Bond Order hereafter, may be executed by of the City Manager or bear the facsimile signature of the City Manager, in substitution of the signature of the Mayor; provided, that the City Clerk has also executed the 2011 Bonds or such other Bond issued pursuant to the Bond Order.

Section 16. From the adoption of this Resolution until the date the 2011 Bonds are issued, the Mayor, the City Clerk, the City Manager and the Chief Financial Officer of the City are hereby authorized, empowered and directed to make any changes, modifications, additions or deletions to the Appendices hereto or the documents hereinabove authorized as he or she may deem necessary, desirable or appropriate (1) that may be requested by the rating agencies rating the 2011 Bonds, (2) that may be necessary to carry out and comply with the provisions of said documents as executed, (3) to effectuate other technical changes to the provisions of the 2011 Bonds necessary to implement the intent of this Resolution, or (4) change the makeup of the financial institutions serving as Underwriters or add other financial institutions thereto. Furthermore, the Mayor, the City Clerk, the City Manager and the Chief Financial Officer of the City are authorized to take any and all further actions to execute and deliver any and all other documents as may be necessary in the issuance of the 2011 Bonds and the execution and delivery of the Bond Purchase Agreements. Any changes, modifications, additions or deletions to the Appendices shall be set forth in a certificate executed by the City Manager or the Chief Financial Officer of the City on the date the 2011 Bonds are issued. After the issuance of the 2011 Bonds, the City Manager and the Chief Financial Officer, and their respective designees, are hereby authorized to take any further action necessary to undertake the administration of the 2011 Bonds as contemplated in this Resolution and the Appendices hereto.

Section 17. The Mayor, the City Manager, the Chief Financial Officer of the City and the City Clerk are hereby authorized and directed to prepare and furnish, when the 2011 Bonds are issued, certified copies of all the proceedings and records of the City Council relating to the 2011 Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the 2011 Bonds as such facts appear on the books and records in such party's custody and control or as otherwise known to them; and all such certified copies, certificates, affidavits and documents, including any heretofore furnished, shall constitute representations of the City as to the truth of all statements contained therein.

Section 18. All acts and doings of the Mayor, the City Manager, the Chief Financial Officer of the City and the City Clerk that are in conformity with the purposes and intents of this Resolution and in the furtherance of the issuance of the 2011 Bonds and the execution, delivery and performance of the Bond Purchase Agreements are in all respects approved and confirmed.

Section 19. If any one or more of the agreements or provisions herein contained is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or for any reason whatsoever is held invalid, then such covenants, agreements or provisions are null and void and separable from the remaining agreements and provisions and will in no way affect the validity of any of the other agreements and provisions hereof or of the 2011 Bonds authorized hereunder.

Section 20. This Resolution is adopted with the intent that the laws of the State govern its construction.

Section 21. All resolutions or parts thereof of the City Council in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 22. This Resolution is effective on its adoption.

On motion of Councilmember Barnes, seconded by Councilmember Cannon, the foregoing order entitled: "A RESOLUTION AUTHORIZING THE ISSUANCE UNDER THE PROVISIONS OF THE STATE AND LOCAL GOVERNMENT REVENUE BOND ACT, AS AMENDED, OF THREE SERIES OF AIRPORT REVENUE BONDS OF THE CITY OF CHARLOTTE; DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF SUCH BONDS; THE PRIVATE SALE OF THE BONDS; AND VARIOUS AGREEMENTS AND ACTIONS IN CONNECTION WITH SUCH TRANSACTIONS" was adopted by the following vote: Unanimously

AYES:

NAYS:

PASSED, ADOPTED AND APPROVED this 12th day of September, 2011.

* * * *

APPENDIX A

To

RESOLUTION PROVIDING FOR THE ISSUANCE OF:

CITY OF CHARLOTTE, NORTH CAROLINA

AIRPORT REVENUE BONDS, SERIES 2011A

and

AIRPORT REVENUE BONDS, SERIES 2011B

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I. Definitions.....	1
Section 1.01. Meaning of Words and Terms.....	1
Section 1.02. Parties Interested Herein.....	4
Section 1.03. Ratification.....	4
ARTICLE II. Authorization, Form, Issuance, Delivery And Registration of 2011AB Bonds.....	5
Section 2.01. Authorization of Financing and Authorization of 2011AB Bonds.....	5
Section 2.02. Issuance of 2011AB Bonds.....	5
Section 2.03. Delivery of 2011AB Bonds.....	5
Section 2.04. Details of 2011AB Bonds; Payment.....	7
Section 2.05. Arbitrage and Tax Covenants.....	8
ARTICLE III. Redemption of the 2011AB Bonds.....	10
Section 3.01. Privilege of Redemption and Redemption Prices.....	10
Section 3.02. Optional Redemption of the 2011AB Bonds.....	10
Section 3.03. Extraordinary Optional Redemption of 2011AB Bonds.....	10
Section 3.04. Sinking Fund Redemption.....	10
Section 3.05. Notice of Redemption.....	10
Section 3.06. Selection of 2011AB Bonds To Be Redeemed.....	11
Section 3.07. No Partial Redemption After Default.....	12
ARTICLE IV. Revenues, Accounts and Funds.....	13
Section 4.01. Establishment of Accounts.....	13
Section 4.02. Revenues Received by the City.....	13
Section 4.03. Application of Money in the Series 2011A Subaccount of the Revenue Bond Sinking Fund Account.....	14
Section 4.04. Application of Money in the Series 2011A Revenue Bond Redemption Account.....	16
Section 4.05. Application of Money in the Series 2011B Subaccount of the Revenue Bond Sinking Fund Account.....	16
Section 4.06. Application of Money in the Series 2011B Revenue Bond Redemption Account.....	18
Section 4.07. Application of Money in the Accounts of the Construction Fund.....	19
Section 4.08. Application of Money in Series 2011A Subaccount of the Revenue Bond Reserve Account.....	19
Section 4.09. Application of Money in Series 2011B Subaccount of the Revenue Bond Reserve Account.....	20
Section 4.10. Investment of Money.....	21
Section 4.11. Payment of Principal, Interest and Premium and Pledge of Net Revenues.....	21
ARTICLE V. Use of Bond Proceeds.....	26
ARTICLE VI. Supplemental Series Resolutions.....	27
Section 6.01. Supplemental Series Resolutions Without Consent of Owners.....	27
Section 6.02. Modification of Series Resolution with Consent of Owners.....	27
Section 6.03. 2011AB Bonds Affected.....	28
Section 6.04. Exclusion of 2011AB Bonds.....	28

Section 6.05.	Responsibilities of Trustee and City Under this Article.....	29
ARTICLE VIII	Miscellaneous Provisions	30
Section 8.01.	Headings.....	30
Section 8.02.	Application to Local Government Commission.....	30
Section 8.03.	Approval of Amount of 2011AB Bonds and Interest Rate	30
Section 8.04.	Authorization for Other Acts.....	30
Section 8.05.	Acceptance of Duties by Paying Agent.....	30
Section 8.06.	Holidays	30
Section 8.07.	Replacement of Registrar or Paying Agent.....	31
Section 8.08.	Notice to Rating Agencies	31
Section 8.09.	Continuing Disclosure.....	31
EXHIBIT A	FORM OF 2011A Bond	
EXHIBIT B	FORM OF 2011B Bond	

ARTICLE I.

DEFINITIONS

Section 1.01. *Meaning of Words and Terms.*

(a) *Definitions.* All words and phrases defined in Article I of the Bond Order are incorporated herein by reference. In addition, the following terms, except where the context indicates otherwise, have the respective meanings set forth below:

"Airport Improvements" means certain improvements to the Airport financed with the proceeds of the 2011 Bonds, consisting of (a) the (i) rehabilitation of Runway 18C/36C, (ii) construction of an access road to the newly-constructed west Aircraft Rescue Firefighting Facility, (iii) extension of the Taxiway D, (iv) construction of an in-line baggage system in the passenger terminal building, including new conveyors and building infrastructure to support screening equipment, (v) expansion of Concourse E to provide additional gates and additional passenger circulation space, (vi) construction of additional passenger terminal space to accommodate a new 4-lane security checkpoint and to expand the ticket lobby, including provision of space on the lower level of the passenger terminal building for an expanded international arrival baggage re-check area and circulation space for passengers to access the new checkpoint in the passenger terminal building lobby, (vii) renovation of ticket counters and airline ticket office space for Delta Airlines, United Airlines and Continental Airlines, including a new in-line baggage screening system and a new ticket counter bag conveyor system designed to support it and a reconstruction of checkpoints A and B in the passenger terminal building, and (viii) construction of a new approximately 3,200 space parking facility, replacing the hourly parking decks located in front of the passenger terminal building and (b) other improvements at the Airport consistent with the Airport's mission.

"Appendix A" means this Appendix A which is attached to, and incorporated in, the Series Resolution.

"Authorized Denomination" means \$5,000 and any integral multiple thereof.

"Bond Counsel" means an attorney or firm of attorneys of recognized national standing in the field of law relating to municipal bonds, selected by the City.

"Bond Registrar" means U.S. Bank National Association, or any successor or successors thereto appointed pursuant to the Bond Order, the Series Resolution or this Appendix A.

"Code" means the Internal Revenue Code of 1986, as from time to time amended.

"Direct Participant" means a participant in the book-entry system maintained by DTC.

"DTC" means The Depository Trust Company, New York, New York.

"Finance Director" means the Chief Financial Officer of the City, the person performing the duties of the Finance Director or the official succeeding to the Finance Director's principal functions, the Assistant Finance Director or any Deputy Finance Director.

"Fitch Ratings" means Fitch, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating

agency (other than S&P or Moody's) as may be designated in writing by the City and approved in writing by the LGC.

"Interest Payment Date" means July 1, 2012 and each July 1 and January 1 thereafter.

"Mail" means first-class United States mail, postage prepaid.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency (other than S&P or Fitch Ratings) as may be designated in writing by the City and approved in writing by the LGC.

"Paying Agent" means the Trustee or any successor or successors thereto appointed pursuant to the Bond Order or this Appendix A.

"Purchase Contract" means, collectively, the Bond Purchase Agreement among the Local Government Commission, the City and the 2011AB Underwriters, providing for the initial purchase of the 2011AB Bonds.

"Qualified Surety Bond" means any surety bond or other insurance policy, which has liquidity features equivalent to a letter of credit, or any letter of credit deposited in a subaccount of the Revenue Bond Reserve Account in lieu of or in partial substitution for monies on deposit therein, the issuer of which, at the time of the issuance of the Qualified Surety Bond, is rated in the highest rating categories by either S&P, Moody's or Fitch Ratings.

"Qualified Surety Bond Provider" means a provider of a Qualified Surety Bond.

"Rating Agency" means Moody's, S&P or Fitch Ratings. Except as otherwise provided herein, if more than one Rating Agency maintains a credit rating with respect to the 2011AB Bonds, then any action, approval or consent by or notice to a Rating Agency shall be effective only if such action, approval, consent or notice is given by or to each such Rating Agency.

"Regular Record Date" means, with respect to each Interest Payment Date the 15th day of the calendar month immediately preceding the Interest Payment Date whether or not a Business Day.

"Reserve Requirement" means, for the 2011A Bonds or the 2011B Bonds, the lesser of (1) 10% of the issuance price of the 2011A Bonds or the 2011B Bonds, respectively, (2) the maximum amount required to pay principal and interest on the 2011A Bonds or the 2011B Bonds, respectively, for any current or succeeding Fiscal Year or (3) 125% of the average annual principal and interest requirements on the 2011A Bonds or 2011B Bonds, respectively.

"Series Resolution" means, the Series Resolution adopted by the City Council of the City on September 12, 2011, the appendices attached thereto, and any amendments or supplements thereto.

"Series 2011A Subaccount of the Revenue Bond Interest Account" means the subaccount created and so designated by Section 4.01.

"Series 2011A Subaccount of the Revenue Bond Principal Account" means the subaccount created and so designated by Section 4.01.

"Series 2011A Subaccount of the Revenue Bond Redemption Account" means the subaccount created and so designated by Section 4.01.

"Series 2011A Subaccount of the Revenue Bond Reserve Account" means the subaccount created and so designated by Section 4.01.

"Series 2011A Subaccount of the Revenue Bond Sinking Fund Account" means the subaccount created and so designated by Section 4.01.

"Series 2011B Subaccount of the Revenue Bond Interest Account" means the subaccount created and so designated by Section 4.01.

"Series 2011B Subaccount of the Revenue Bond Principal Account" means the subaccount created and so designated by Section 4.01.

"Series 2011B Subaccount of the Revenue Bond Redemption Account" means the subaccount created and so designated by Section 4.01.

"Series 2011B Subaccount of the Revenue Bond Reserve Account" means the subaccount created and so designated by Section 4.01.

"Series 2011B Subaccount of the Revenue Bond Sinking Fund Account" means the subaccount created and so designated by Section 4.01.

"Sinking Fund Requirement" means the principal amount of the 2011AB Bonds to be retired by mandatory redemption pursuant to section 3.04 of this Appendix A as specified by the Finance Director in his certificate delivered under Section 2.03(4)(B) of this Appendix A. If during any 12-month period ended June 30 the total principal amount of the 2011A Bonds or 2011B Bonds retired by purchase or redemption under the provisions of this Appendix A is greater than the amount of the corresponding Sinking Fund Requirement for such 2011AB Bonds, the next succeeding Sinking Fund Requirements for such 2011A Bonds or 2011B Bonds will be reduced in such amount aggregating the amount of such excess.

"S&P" means Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency (other than Moody's or Fitch Ratings) as may be designated in writing by the City and approved in writing by the LGC.

"2011 Bonds" means the 2011AB Bonds and the 2011C Bonds.

"2011AB Bonds" means the 2011A Bonds and the 2011B Bonds.

"2011AB Underwriters" means the investment banking firms of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Bank, National Association and any other investment banking firm or underwriter that may be named in accordance with the Purchase Contract.

"2011A Bonds" means the City of Charlotte, North Carolina Airport Revenue Bonds, Series 2011A issued pursuant to the Bond Order and the Series Resolution, the terms of which are set forth in this Appendix A.

"2011B Bonds" means the City of Charlotte, North Carolina Airport Revenue Bonds, Series 2011B, issued pursuant to the Bond Order and the Series Resolution, the terms of which are set forth in this Appendix A.

"2011C Bond" means the City of Charlotte, North Carolina Variable Rate Airport Revenue Bond, Series 2011C issued pursuant to the Bond Order and the Series Resolution, the terms of which are set forth in Appendix B to the Series Resolution.

(b) **Construction.** This Appendix A, except where the context by clear implication herein otherwise requires, is subject to and to be construed in the same manner as provided by Section 102 of the Bond Order.

Section 1.02. Parties Interested Herein. Except as otherwise expressly provided in this Appendix A, nothing herein expressed or implied is intended or to be construed to confer on or to give to any Person, other than the City, the City Council, the Paying Agent, the Registrar, the Trustee, the 2011AB Underwriters and the owners from time to time of the 2011AB Bonds, any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the City are for the sole and exclusive benefit of the City, the City Council, the Paying Agent, the Registrar, the Trustee, the 2011AB Underwriters and the owners of the 2011AB Bonds, except as herein otherwise provided.

Section 1.03. Ratification. All action heretofore taken (not inconsistent with the provisions of this Appendix A) by the City directed toward the financing of the Airport Improvements (as defined in the Series Resolution), toward the sale and delivery of the 2011AB Bonds for that purpose, and toward the acceptance and execution of the Purchase Contract submitted by the 2011AB Underwriters to the City, hereby is ratified, approved and confirmed.

[End of Article I]

ARTICLE II.

AUTHORIZATION, FORM, ISSUANCE, DELIVERY AND REGISTRATION OF 2011AB BONDS

Section 2.01. *Authorization of Financing and Authorization of 2011AB Bonds.* The financing of the Airport Improvements which constitute Additional Facilities under the Bond Order are hereby authorized. For the purpose of providing funds for the financing of the Cost of the Additional Facilities, funding an account in the Revenue Bond Reserve Account for the 2011A Bonds and paying the costs of issuing the 2011A Bonds, there is hereby authorized and shall be issued, under and pursuant to the Constitution and the laws of the State, including the Act, the Bond Order and the Series Resolution and this Appendix A, the 2011A Bonds of the City in the amounts and subject to the conditions herein provided. For the purpose of providing funds for the financing of the Cost of the Additional Facilities, funding an account in the Revenue Bond Reserve Account for the 2011B Bonds and paying the costs of issuing the 2011B Bonds, there is hereby authorized and shall be issued, under and pursuant to the Constitution and the laws of the State, including the Act, the Bond Order and the Series Resolution and this Appendix A, the 2011B Bonds of the City in the amounts and subject to the conditions herein provided. No 2011AB Bonds may be issued under the provisions of this Appendix A and the Bond Order except in accordance with this Article. The total principal amount of 2011AB Bonds that may be issued is hereby expressly limited to \$143,705,000, except as provided in Sections 204 and 210 of the Bond Order, and the total principal amount of each series of the 2011AB will be set forth in the certificate of the Finance Director delivered in accordance with Section 2.03(4).

Section 2.02. *Issuance of 2011AB Bonds.*

(a) The 2011A Bonds will be designated "*City of Charlotte, North Carolina Airport Revenue Bonds, Series 2011A.*" The 2011A Bonds will be issuable as fully registered bonds in any Authorized Denomination. The 2011A Bonds will be numbered from RA-1 upwards. The 2011A Bonds will be substantially in the form set forth in Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by this Appendix A.

(b) The 2011B Bonds will be designated "*City of Charlotte, North Carolina Airport Revenue Bonds, Series 2011B.*" The 2011B Bonds will be issuable as fully registered bonds in any Authorized Denomination. The 2011B Bonds will be numbered from RB-1 upwards. The 2011B Bonds will be substantially in the form set forth in Exhibit B, with such appropriate variations, omissions and insertions as are permitted or required by this Appendix A.

Section 2.03. *Delivery of 2011AB Bonds.* Before the delivery by the Trustee of any of the 2011AB Bonds, the items required under Section 717 of the Bond Order must be filed with the Trustee. The 2011AB Bonds must be in Authorized Denominations and executed substantially in the form and in the manner set forth in the Exhibits to this Appendix A and will be deposited with the Bond Registrar for authentication, but before the 2011AB Bonds may be authenticated and delivered by the Bond Registrar to the Treasurer of the State for redelivery to the 2011AB Underwriters, there must be filed with the Trustee the following:

1. a copy, certified by the City Clerk, of the Series Resolution;
2. a copy, certified by the Secretary or any Deputy Secretary of the Local Government Commission, of the resolution of the Local Government Commission approving the issuance of and awarding the 2011AB Bonds;
3. a copy, certified by the City Clerk, of the Bond Order;

4. a certificate or certificates of the Finance Director collectively setting forth the following:
 - (A) the aggregate principal amount of the 2011A Bonds and the 2011B Bonds to be issued, not in excess of the maximum amount previously established in Section 201;
 - (B) the interest rates for the 2011A Bonds and the 2011B Bonds, such interest rate not to be in excess of 6.00% for any maturity;
 - (C) the amount of the Reserve Requirement which is required to be deposited to each subaccount of the Revenue Bond Reserve Account;
 - (D) the disposition of the proceeds of the 2011AB Bonds to the Series 2011A Subaccount of the Revenue Bond Reserve Account, to the Series 2011A Construction Account of the Construction Fund, to the Series 2011B Subaccount of the Revenue Bond Reserve Account and to the Series 2011B Cost of Issuance Account of the Construction Fund;
 - (E) the designation of the principal amount of each maturity of each of the 2011A Bonds and 2011B Bonds and the Sinking Fund Requirements, if any, for the 2011A Bonds and the 2011B Bonds; and
 - (F) the designation of the premium (not to exceed 2.00%) for optional redemption of the 2011A Bonds and the 2011B Bonds under Section 3.02;
5. an opinion of the Airport's Attorney to the effect that the City has title to the Airport, subject to Permitted Encumbrances or other exceptions satisfactory to the 2011AB Underwriters;
6. evidence of compliance by the City with the provisions of Section 717 of the Bond Order;
7. copies of insurance certificates and a statement, signed by the City's Director of Insurance and Risk Management or insurance agent, to the effect that the insurance required by the Bond Order is in effect; and
8. an opinion of the City Attorney stating that (i) the Series Resolution has been duly and validly adopted by the City, (ii) no provision of the Bond Order or the Series Resolution violates any provision of the Act or results in or constitutes a default under any agreement, indenture or other instrument to which the City is a party or by which the City may be bound, and of which he has knowledge, (iii) the City's adoption of the Series Resolution and execution and issuance of the 2011AB Bonds are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not theretofore obtained or effected, and no taxes are payable in connection therewith, and (iv) the form, terms, execution, issuance and delivery of the 2011AB Bonds have been duly and validly authorized by the City, and the 2011AB Bonds constitute valid and binding special obligations of the City in accordance with their terms.

When the documents mentioned in paragraphs (1) to (8) of this Section have been filed with the Trustee and when the 2011AB Bonds have been executed and authenticated as required by this Series Resolution,

the Trustee shall deliver the 2011AB Bonds at the times as prescribed in the Purchase Contract to the Treasurer of the State of North Carolina for redelivery to or on the order of the 2011AB Underwriters, but only on payment to the Trustee of the purchase price of the 2011AB Bonds. The Trustee is entitled to rely on the resolutions and certificates mentioned in paragraphs (1) through (8) of this Section as to all matters stated therein.

Section 2.04. Details of 2011AB Bonds; Payment.

(a) The 2011AB Bonds will mature on July 1 of the years and in the amounts and will bear interest (computed on the basis of a 360-day year of twelve 30-day months) as set forth in the Finance Director's certificate referred to in Section 2.03(4) above.

(b) Both the principal of and the interest on the 2011AB Bonds are payable in any lawful coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Each 2011AB Bond shall bear interest from its date until its principal sum has been paid, but if such 2011AB Bond has matured or has been called for redemption and the redemption date has occurred and funds are available for the payment thereof in full in accordance with the terms of the Bond Order, such 2011A Bond or 2011B Bond shall then cease to bear interest as of the maturity date or Redemption Date. The 2011AB Bonds will be dated as of their date of issuance, except that 2011AB Bonds issued in exchange for or on the registration of transfer of 2011AB Bonds will be dated as of the Interest Payment Date next preceding the date of authentication thereof, unless (1) the date of such authentication precedes June 15, 2012, in which case they will be dated as of the date of issuance, (2) the date of such authentication is after a Record Date and before the following Interest Payment Date, in which event they will be dated as of such following Interest Payment Date or (3) the date of such authentication is an Interest Payment Date to which interest on the 2011A Bonds or 2011B Bonds has been paid in full or duly provided for in accordance with the terms of this Appendix A, in which case they will be dated as of such Interest Payment Date; except that if, as shown by the records of the Paying Agent, interest on the 2011A Bonds or 2011B Bonds is in default, 2011A Bonds or 2011B Bonds executed and delivered in exchange for or on registration of transfer of 2011A Bonds or 2011B Bonds will be dated as of the date to which interest on the 2011A Bonds or 2011B Bonds, respectively, has been paid in full. If no interest has been paid on the 2011A Bonds or 2011B Bonds, 2011A Bonds or 2011B Bonds executed and delivered in exchange for or on the registration of transfer of 2011A Bonds or 2011B Bonds will be dated as of their date of issuance.

(c) The 2011AB Bonds will be initially delivered by means of a book-entry system with no physical distribution of definitive 2011AB Bonds made to the public. One definitive 2011AB Bond for each maturity of each series is to be delivered to The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the 2011AB Bonds in denominations of \$5,000 or any integral multiple thereof, with transfers of beneficial ownership effected on the records of DTC and its participants (the "DTC Participants") pursuant to rules and procedures established by DTC.

Each DTC Participant will be credited in the records of DTC with the amount of such DTC Participant's interest in the 2011A Bonds or the 2011B Bonds. Beneficial ownership interests in the 2011AB Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners will not receive definitive 2011AB Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner will be recorded through

the records of the DTC Participant from which such Beneficial Owner purchased its 2011AB Bonds. Transfers of ownership interests in the 2011AB Bonds will be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. So long as Cede & Co., as nominee for DTC, is the Registered Owner of the 2011AB Bonds, the Trustee shall treat Cede & Co. as the only owner of the 2011AB Bonds for all purposes under the Bond Order and this Appendix A, including receipt of all principal and premium, if any, and interest on the 2011AB Bonds, receipt of notices, voting and requesting or directing the Trustee to take or not to take, or consenting to, certain actions under the Bond Order or this Appendix A.

Payments of principal, interest and premium, if any, with respect to the 2011AB Bonds, so long as DTC is the only Owner of the 2011AB Bonds, will be paid by the Trustee directly to DTC or its nominee, Cede & Co., as provided in the Blanket Letter of Representation dated November 21, 1996 from the City and the Trustee to DTC (the "*Letter of Representation*"). DTC will remit such payments to DTC Participants, and such payments thereafter will be paid by DTC Participants to the Beneficial Owners. The Trustee and the City are not and will not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

If (a) DTC determines not to continue to act as securities depository for the 2011AB Bonds or (b) the Trustee and the City determine to discontinue the book entry system in accordance with DTC's rules and the City fails to identify another qualified securities depository to replace DTC, the City will deliver fully registered definitive 2011AB Bonds to DTC in accordance with DTC's rules and procedures.

The City and the Trustee have no responsibility or obligation with respect to (A) the accuracy of any records maintained by DTC or any DTC Participant; (B) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal of and premium, if any, and interest on the 2011AB Bonds; (C) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any beneficial owner which is required or permitted under the terms of the Bond Order or this Appendix A to be given to Owners; (D) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the 2011AB Bonds; or (E) any consent given or other action taken by DTC or its nominee, Cede & Co., as Owner.

(d) The 2011AB Bonds are payable at the corporate trust office of the Paying Agent on presentation and surrender. Interest on the 2011AB Bonds will be paid by the Paying Agent by check or draft mailed on the Interest Payment Date to each Owner as its name and address appear on the registration books kept by the Registrar at the close of business on the Record Date. At the written request of any Owner of at least \$1,000,000 in aggregate principal amount of the 2011AB Bonds, principal and interest may be payable by wire transfer at the address specified in writing by the Owner to the Paying Agent by the Record Date. CUSIP number identification with appropriate dollar amounts for each CUSIP number shall accompany all payments of principal of, premium, if any, and interest on any 2011AB Bonds, whether by check or by wire transfer.

(e) U.S. Bank National Association, Charlotte, North Carolina, is hereby appointed as Bond Registrar with respect to the 2011AB Bonds.

Section 2.05. *Arbitrage and Tax Covenants.* The City covenants that it will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from federal income taxation of the interest on the 2011AB Bonds and, if it should take or permit, or omit to take or

cause to be taken, any such action, the City will take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly on having knowledge thereof. The City acknowledges that the continued exclusion of interest on the 2011AB Bonds or from an Owner's gross income for federal income tax purposes depends, in part, on compliance with the arbitrage limitations imposed by Section 148 of the Code. The City covenants that it will comply with all the requirements of Section 148 of the Code, including the rebate requirements, and that it will not permit at any time any of the proceeds of the 2011AB Bonds or other funds under their control be used, directly or indirectly, to acquire any asset or obligation, the acquisition of which would cause the 2011AB Bonds to be "*arbitrage bonds*" for purposes of Section 148 of the Code.

[End of Article II]

ARTICLE III

REDEMPTION OF THE 2011AB BONDS

Section 3.01. *Privilege of Redemption and Redemption Prices.* The 2011AB Bonds are redeemable, on notice as provided below, at the times, at the redemption prices and on the terms contained in this Article III and in Article III of the Bond Order.

Section 3.02. *Optional Redemption of the 2011AB Bonds.*

(a) The 2011A Bonds may be redeemed before their maturities, at the option of the City, from any funds that may be available for such purpose, either in whole or in part at the redemption price, including a premium (calculated on the par amount on the 2011A Bonds called for redemption) not to exceed 2.00%, all as set forth in the Finance Director's certificate referred to in Section 2.03(4) above.

(b) The 2011B Bonds may be redeemed before their maturities, at the option of the City, from any funds that may be available for such purpose, either in whole or in part at the redemption price, including a premium (calculated on the par amount on the 2011B Bonds called for redemption) not to exceed 2.00%, all as set forth in the Finance Director's certificate referred to in Section 2.03(4) above.

Section 3.03. *Extraordinary Optional Redemption of 2011AB Bonds.* The 2011AB Bonds will be subject to optional redemption by the City, in whole or in part on any date at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date of redemption, on instructions from the City, from the Net Proceeds of insurance or Eminent Domain which are deposited in the Series 2011A Subaccount of the Revenue Bond Redemption Account or the Series 2011B Subaccount of the Revenue Bond Redemption Account, respectively, as provided in the Bond Order.

Section 3.04. *Sinking Fund Redemption.* The 2011AB Bonds are required to be redeemed to the extent of any Sinking Fund Requirement on each July 1 on which there is a Sinking Fund Requirement from money required to be deposited in the Series 2011A Subaccount of the Revenue Bond Sinking Fund Account or the Series 2011B Subaccount of the Revenue Bond Sinking Fund Account, respectively, at a redemption price equal to the principal amount of the 2011AB Bonds being redeemed, without premium, plus accrued interest to the date of redemption.

Section 3.05. *Notice of Redemption.* Notice of redemption will be given by the Trustee not less than 30 days nor more than 60 days before the Redemption Date (1) to the North Carolina Local Government Commission by Mail or facsimile transmission, (2)(a) to DTC or its nominee by registered or certified mail at the address provided to the Trustee by DTC or as otherwise permitted by DTC's rules and procedures or (b) if DTC or its nominee is no longer the Owner of the 2011AB Bonds, by Mail to the then-registered Owners of 2011AB Bonds to be redeemed at the last address shown on the registration books kept by the Registrar, (3) to each of the then-existing securities depositories, by Mail or facsimile transmission and (4) to the Municipal Securities Rulemaking Board (the "MSRB") in a electronic format as prescribed by the MSRB.

Such notice must (1) specify the 2011AB Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due on such redemption must be payable (which must be the principal office of the Paying Agent) and if less than all of the 2011AB Bonds are to be redeemed, the numbers of the 2011AB Bonds and the portions of 2011AB Bonds to be redeemed, and

(2) state that on the redemption date, the 2011AB Bonds to be redeemed will cease to bear interest. If at the time of mailing of notice of redemption there is not on deposit with the Trustee moneys sufficient to redeem the 2011AB Bonds called for redemption, which moneys are or will be available for redemption of the 2011AB Bonds, such notice will state that it is conditional on the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date. Any notice, once given, may be withdrawn by notice delivered in the manner set forth above, on receipt by the Trustee of written instructions from the City with respect to such withdrawal.

Failure to provide such notice to any Owner or any defect therein will not affect the validity of any proceedings for such redemption as to any other Owner to whom such notice was properly given. Failure to provide such notice to the North Carolina Local Government Commission or the securities depositories and national information services as provided above will not affect the validity of any proceedings for such redemption.

If money is on deposit with the Trustee to pay the redemption price of the 2011AB Bonds called for redemption including premium, if any, thereon on a redemption date, 2011AB Bonds or portions thereof so called for redemption as hereinabove specified will not bear interest after such redemption date and will not be considered to be Outstanding or to have any other rights under the Bond Order other than the right to receive payment. No payment of principal will be made by the Paying Agent on any 2011AB Bonds or portions thereof called for redemption until such 2011AB Bonds or portions thereof have been delivered for payment or cancellation or the Paying Agent has received the items required by Section 210 of the Bond Order with respect to any mutilated, lost, stolen or destroyed 2011AB Bonds.

Section 3.06. *Selection of 2011AB Bonds To Be Redeemed.* Notwithstanding Section 302 of the Bond Order, in the case of any partial redemption of 2011AB Bonds, the City will select the series of the 2011AB Bonds and the maturity or maturities of the 2011AB Bonds within a series to be redeemed and DTC will select the 2011AB Bonds within the same maturity of a series pursuant to its rules and procedures or, if the book-entry system with DTC or any other securities depository has been discontinued, the Registrar will select the 2011AB Bonds to be redeemed by lot in such manner as the Registrar in its discretion may deem proper.

If a 2011A Bond or 2011B Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2011A Bond or 2011B Bond may be redeemed, but only in a principal amount such that the unredeemed portion of such 2011A Bond or 2011B Bond is equal to an Authorized Denomination. For any 2011A Bond or 2011B Bond in a denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2011A Bond or 2011B Bond as representing a single 2011A Bond or 2011B Bond in the minimum Authorized Denomination plus that number of 2011A Bonds or 2011B Bonds that is obtained by dividing the remaining principal amount of such 2011A Bond or 2011B Bond by the minimum Authorized Denomination.

If it is determined that one or more, but not all, of the Authorized Denominations of principal amount represented by any 2011A Bond or 2011B Bond is to be called for redemption, then, on written notice of intention to redeem such Authorized Denominations of principal amount of such 2011A Bond or 2011B Bond, the Owner of such 2011A Bond or 2011B Bond, on surrender of such 2011A Bond or 2011B Bond to the Paying Agent for payment of the principal amount of such 2011A Bond or 2011B Bond, will be entitled to receive new 2011A Bond or 2011B Bond in the aggregate principal amount of the unredeemed balance of the principal amount of such 2011A Bond or 2011B Bond. New 2011A Bond or 2011B Bond representing the unredeemed balance of the principal amount of such 2011A Bond or 2011B Bond will be issued to the Owner thereof.

If the Owner of any 2011A Bond or 2011B Bond of a denomination greater than the amount being redeemed fails to present such 2011A Bond or 2011B Bond to the Paying Agent for payment and exchange as aforesaid, such 2011A Bond or 2011B Bond will, nevertheless, become due and payable on the date fixed for redemption to the extent of the denomination being redeemed and to that extent only.

Section 3.07. *No Partial Redemption After Default.* Anything in this Appendix A to the contrary notwithstanding, if an Event of Default occurs and is continuing hereunder there will be no redemption of less than all of the 2011AB Bonds Outstanding.

[End of Article III]

ARTICLE IV.

REVENUES, ACCOUNTS AND FUNDS

Section 4.01. *Establishment of Accounts.* The following Subaccounts are hereby established:

- (a) Series 2011A Subaccount of the Revenue Bond Interest Account;
- (b) Series 2011A Subaccount of the Revenue Bond Principal Account;
- (c) Series 2011A Subaccount of the Revenue Bond Redemption Account;
- (d) Series 2011A Subaccount of the Revenue Bond Reserve Account;
- (e) Series 2011A Subaccount of the Revenue Bond Sinking Fund Account;
- (f) Series 2011A Construction Account of the Construction Fund;
- (g) Series 2011B Subaccount of the Revenue Bond Interest Account;
- (h) Series 2011B Subaccount of the Revenue Bond Principal Account;
- (i) Series 2011B Subaccount of the Revenue Bond Redemption Account;
- (j) Series 2011B Subaccount of the Revenue Bond Reserve Account;
- (k) Series 2011B Subaccount of the Revenue Bond Sinking Fund Account;
- (l) Series 2011B Construction Account of the Construction Fund;

All accounts are established with and held by the Trustee under the Bond Order.

Section 4.02. *Revenues Received by the City.* On or before the 25th day of each month beginning November 25, 2011, the City shall, subject to the provisions of the Bond Order, deposit or cause to be deposited from Net Revenues with the Trustee the following amounts and the Trustee shall apply such amounts to the various accounts and subaccounts specified herein:

- (a) (1) into the Series 2011A Subaccount of the Revenue Bond Interest Account an amount in substantially equal monthly installments necessary, after taking into account money transferred from the PFC Revenue Account or otherwise deposited therein by the City, to have funds on hand each June 25 and December 25, commencing January 25, 2011, to pay the next maturing installment of interest, on the 2011A Bonds then Outstanding; and
- (2) into the Series 2011A Subaccount of the Revenue Bond Principal Account an amount in substantially equal monthly installments necessary, after taking into account money transferred from the PFC Revenue Account or otherwise deposited therein by the City, to have funds on hand each June 25, commencing June 25, 2012, to pay the next maturing installment of principal, on the 2011A Bonds then Outstanding; or
- (3) into the Series 2011A Subaccount of the Revenue Bond Sinking Fund Account, after taking into account money transferred from the PFC Revenue Account or

otherwise deposited therein by the City, 1/12th of the amount required to retire the 2011A Bonds to be called by mandatory redemption pursuant to Section 3.04 on the next ensuing July 1, commencing on July 25th of the year preceding each Sinking Fund Requirement payment, in accordance with the Sinking Fund Requirement therefor; and

(b) (1) into the Series 2011B Subaccount of the Revenue Bond Interest Account an amount in substantially equal monthly installments necessary, after taking into account money transferred from the PFC Revenue Account or otherwise deposited therein by the City, to have funds on hand each June 25 and December 25, commencing December 25, 2011, to pay the next maturing installment of interest, on the 2011B Bonds then Outstanding; and

(2) into the Series 2011B Subaccount of the Revenue Bond Principal Account an amount in substantially equal monthly installments necessary, after taking into account money transferred from the PFC Revenue Account or otherwise deposited therein by the City, to have funds on hand each June 25, commencing June 25, 2012 to pay the next maturing installment of principal, on the 2011B Bonds then Outstanding; or

(3) into the Series 2011B Subaccount of the Revenue Bond Sinking Fund Account, after taking into account money transferred from the PFC Revenue Account or otherwise deposited therein by the City, 1/12th of the amount required to retire the 2011B Bonds to be called by mandatory redemption pursuant to Section 3.04 on the next ensuing July 1, commencing on July 25th of the year preceding each Sinking Fund Requirement payment, in accordance with the Sinking Fund Requirement therefor.

In each month following a month in which the Trustee has failed to make any deposit required by this Section 4.02, the City shall pay, but only from Net Revenues, and the Trustee shall deposit, in addition to the amounts then due, an amount sufficient to cure the deficiency in the deposits in the prior months unless such deficiency has been cured by a transfer of money to such fund or account from other funds and accounts created hereby, pursuant to the terms of this Appendix A.

Section 4.03. *Application of Money in the Series 2011A Subaccount of the Revenue Bond Sinking Fund Account.* Money held in the Series 2011A Subaccount of the Revenue Bond Sinking Fund Account will be applied during each Fiscal Year to the purchase or retirement of 2011A Bonds then Outstanding as follows:

(a) The Trustee shall, at the request of the City, endeavor to purchase and cancel 2011A Bonds or portions thereof subject to redemption by operation of the Series 2011A Subaccount of the Revenue Bond Sinking Fund Account or maturing on the next ensuing July 1 at the most advantageous price readily obtainable with reasonable diligence. The purchase price of each such 2011A Bond shall not exceed par plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such 2011A Bonds to the date of settlement therefore from the Series 2011A Subaccount of the Revenue Bond Interest Account and the purchase price from the Series 2011A Subaccount of the Revenue Bond Sinking Fund Account, but no such purchase shall be made by the Trustee from money in the Series 2011A Subaccount of the Revenue Bond Sinking Fund Account within the period of 45 days immediately preceding any July 1 on which such 2011A Bonds are subject to redemption, except from money other than the money set aside in the Series 2011A Subaccount of the Revenue Bond Sinking Fund Account for the redemption of 2011A Bonds. The aggregate purchase price of 2011A Bonds during each Fiscal Year shall not exceed the amount to be deposited in the Series 2011A Subaccount of the Revenue Bond Sinking Fund Account on account of the Sinking Fund Requirement for the

2011A Bonds for such Fiscal Year. If in any Fiscal Year the sum of the amount on deposit in the Series 2011A Subaccount of the Revenue Bond Sinking Fund Account for the payment of any 2011A Bonds and the principal amount of the 2011A Bonds that were purchased during such Fiscal Year pursuant to the provisions of this paragraph (a) or delivered during such Fiscal Year to the Trustee by the City exceeds the Sinking Fund Requirement for the Outstanding 2011A Bonds for such Fiscal Year, the Trustee shall endeavor to purchase Outstanding 2011A Bonds with such excess money;

(b) The Trustee shall call for redemption on July 1 in each Fiscal Year 2011A Bonds in a principal amount equal to the aggregate Sinking Fund Requirement for the 2011A Bonds for such Fiscal Year, less the principal amount of any such 2011A Bonds retired during such Fiscal Year by purchase pursuant to paragraph (a) of this Section or delivered during such Fiscal Year to the Trustee by the City. On each redemption date the Trustee shall withdraw from the Series 2011A Subaccount of the Revenue Bond Sinking Fund Account the amount required to pay the Redemption Price of the 2011A Bonds so called for redemption. The amount of interest on the 2011A Bonds so called for redemption shall be paid from the Series 2011A Subaccount of the Revenue Bond Interest Account. If such date is the stated maturity date of any such 2011A Bonds, the Trustee shall not call such 2011A Bonds for redemption but, on such maturity, shall withdraw the amount required for paying the principal of such 2011A Bonds when due and payable.

If at any date there is money in the Series 2011A Subaccount of the Revenue Bond Sinking Fund Account and no 2011A Bonds are then Outstanding or if on any payment date money remains therein after the mandatory redemption of 2011A Bonds in accordance with the Sinking Fund Requirement therefor, the Trustee shall withdraw such money and shall apply the same as follows: (a) deposit in the Series 2011A Subaccount of the Revenue Bond Reserve Account, the amounts, if any, required to be paid thereto in such month pursuant to Section 503(g) of the Bond Order and (b) deliver all remaining amounts to the City.

If the balance in the Series 2011A Subaccount of the Revenue Bond Sinking Fund Account on the 25th day of the month next preceding a payment date on which 2011A Bonds are to be redeemed in accordance with the Sinking Fund Requirements therefor is insufficient to satisfy such Sinking Fund Requirement, the Trustee shall transfer to such Subaccount such amounts as may be necessary to remedy the deficiency, drawing on money in the Series 2011A Subaccount of the Revenue Bond Reserve Account.

If, in any Fiscal Year, by the application of money in the Series 2011A Subaccount of the Revenue Bond Sinking Fund Account the Trustee should purchase or receive from the City and cancel 2011A Bonds in excess of the aggregate Sinking Fund Requirements for such Fiscal Year, the Trustee shall file with the City not later than the 20th day before the next August 1 a statement identifying the 2011A Bonds purchased or delivered during such Fiscal Year and the amount of such excess. The City shall thereafter cause a certificate of the Finance Director to be filed with the Trustee not later than the 10th day before such August 1, setting forth with respect to the amount of such excess the Fiscal Years in which the Sinking Fund Requirements with respect to 2011A Bonds are to be reduced and the amount by which the Sinking Fund Requirements so determined are to be reduced.

On the retirement of any 2011A Bonds by purchase or redemption under the provisions of this Section, the Trustee shall file with the City a statement identifying such 2011A Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such 2011A Bonds, and the amount paid as interest thereon. The expenses incurred in connection with the

purchase or redemption of any such 2011A Bonds shall be paid by the City from the Operating Fund or from any other available money.

Section 4.04. *Application of Money in the Series 2011A Revenue Bond Redemption Account.* The Trustee shall apply money in the Series 2011A Revenue Bond Redemption Subaccount to the purchase or redemption of 2011A Bonds as follows:

(a) Subject to the provisions of paragraph (c) of this Section, at the request of the City, the Trustee shall endeavor to purchase and cancel 2011A Bonds or portions thereof, regardless of whether such 2011A Bonds or portions thereof are then subject to redemption, at the most advantageous price readily obtainable with reasonable diligence, provided that the purchase price of each 2011A Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Owner of such 2011A Bond under the provisions of this Appendix A if such 2011A Bond or such portion thereof should be called for redemption on such date from the money in the Series 2011A Subaccount of the Revenue Bond Redemption Account. The Trustee shall pay the interest accrued on such 2011A Bonds or portions thereof to the date of settlement from the Series 2011A Subaccount of the Revenue Bond Interest Account and the purchase price from the Series 2011A Subaccount of the Revenue Bond Redemption Account, but no such purchase shall be made by the Trustee from money in the Series 2011A Subaccount of the Revenue Bond Redemption Account within the period of 45 days immediately preceding any Interest Payment Date on which such 2011A Bonds or portions thereof are to be redeemed, except from money other than the money set aside in the Series 2011A Subaccount of the Revenue Bond Redemption Account for the redemption of Bonds.

(b) Subject to the provisions of paragraph (c) of this Section, the Trustee shall call for redemption on a date permitted by this Appendix A such amount of 2011A Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Series 2011A Subaccount of the Revenue Bond Redemption Account as nearly as may be. The Trustee shall pay the accrued interest on the 2011A Bonds or portions thereof to be redeemed to the date of redemption from the Series 2011A Subaccount of the Revenue Bond Interest Account and the Redemption Price of such 2011A Bonds or portions thereof from the Series 2011A Subaccount of the Revenue Bond Redemption Account. The Trustee shall withdraw from the Series 2011A Subaccount of the Revenue Bond Redemption Account and set aside the respective amounts required to pay the Redemption Price of the 2011A Bonds or portions thereof so called for redemption.

(c) Money in the Series 2011A Subaccount of the Revenue Bond Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of 2011A Bonds then Outstanding in accordance with the Sinking Fund Requirement.

On the retirement of any 2011A Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the City a statement identifying such 2011A Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such 2011A Bonds and the amount paid as interest thereon. The expense incurred by the Trustee in connection with the purchase or redemption of any such 2011A Bonds shall be paid by the City from the Operating Fund or from any other available money.

Section 4.05. *Application of Money in the Series 2011B Subaccount of the Revenue Bond Sinking Fund Account.* Money held in the Series 2011B Subaccount of the Revenue Bond Sinking Fund Account will be applied during each Fiscal Year to the purchase or retirement of 2011B Bonds then Outstanding as follows:

(a) The Trustee shall, at the request of the City, endeavor to purchase and cancel 2011B Bonds or portions thereof subject to redemption by operation of the Series 2011B Subaccount of the Revenue Bond Sinking Fund Account or maturing on the next ensuing July 1 at the most advantageous price readily obtainable with reasonable diligence. The purchase price of each such 2011B Bond shall not exceed par plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such 2011B Bonds to the date of settlement therefore from the Series 2011B Subaccount of the Revenue Bond Interest Account and the purchase price from the Series 2011B Subaccount of the Revenue Bond Sinking Fund Account, but no such purchase shall be made by the Trustee from money in the Series 2011B Subaccount of the Revenue Bond Sinking Fund Account within the period of 45 days immediately preceding any July 1 on which such 2011B Bonds are subject to redemption, except from money other than the money set aside in the Series 2011B Subaccount of the Revenue Bond Sinking Fund Account for the redemption of 2011B Bonds. The aggregate purchase price of 2011B Bonds during each Fiscal Year shall not exceed the amount to be deposited in the Series 2011B Subaccount of the Revenue Bond Sinking Fund Account on account of the Sinking Fund Requirement for the 2011B Bonds for such Fiscal Year. If in any Fiscal Year the sum of the amount on deposit in the Series 2011B Subaccount of the Revenue Bond Sinking Fund Account for the payment of any 2011B Bonds and the principal amount of the 2011B Bonds that were purchased during such Fiscal Year pursuant to the provisions of this paragraph (a) or delivered during such Fiscal Year to the Trustee by the City exceeds the Sinking Fund Requirement for the Outstanding 2011B Bonds for such Fiscal Year, the Trustee shall endeavor to purchase Outstanding 2011B Bonds with such excess money;

(b) The Trustee shall call for redemption on July 1 in each Fiscal Year 2011B Bonds in a principal amount equal to the aggregate Sinking Fund Requirement for the 2011B Bonds for such Fiscal Year, less the principal amount of any such 2011B Bonds retired during such Fiscal Year by purchase pursuant to paragraph (a) of this Section or delivered during such Fiscal Year to the Trustee by the City. On each redemption date the Trustee shall withdraw from the Series 2011B Subaccount of the Revenue Bond Sinking Fund Account the amount required to pay the Redemption Price of the 2011B Bonds so called for redemption. The amount of interest on the 2011B Bonds so called for redemption shall be paid from the Series 2011B Subaccount of the Revenue Bond Interest Account. If such date is the stated maturity date of any such 2011B Bonds, the Trustee shall not call such 2011B Bonds for redemption but, on such maturity, shall withdraw the amount required for paying the principal of such 2011B Bonds when due and payable.

If at any date there is money in the Series 2011B Subaccount of the Revenue Bond Sinking Fund Account and no 2011B Bonds are then Outstanding or if on any payment date money remains therein after the mandatory redemption of 2011B Bonds in accordance with the Sinking Fund Requirement therefor, the Trustee shall withdraw such money and shall apply the same as follows: (a) deposit in the Series 2011B Subaccount of the Revenue Bond Reserve Account, the amounts, if any, required to be paid thereto in such month pursuant to Section 503(g) of the Bond Order and (b) deliver all remaining amounts to the City.

If the balance in the Series 2011B Subaccount of the Revenue Bond Sinking Fund Account on the 25th day of the month next preceding a payment date on which 2011B Bonds are to be redeemed in accordance with the Sinking Fund Requirements therefor is insufficient to satisfy such Sinking Fund Requirement, the Trustee shall transfer to such Subaccount such amounts as may be necessary to remedy the deficiency, drawing on money in the Series 2011B Subaccount of the Revenue Bond Reserve Account.

If, in any Fiscal Year, by the application of money in the Series 2011B Subaccount of the Revenue Bond Sinking Fund Account the Trustee should purchase or receive from the City and cancel 2011B Bonds in excess of the aggregate Sinking Fund Requirements for such Fiscal Year, the Trustee shall file with the City not later than the 20th day before the next August 1 a statement identifying the 2011B Bonds purchased or delivered during such Fiscal Year and the amount of such excess. The City shall thereafter cause a certificate of the Finance Director to be filed with the Trustee not later than the 10th day before such August 1, setting forth with respect to the amount of such excess the Fiscal Years in which the Sinking Fund Requirements with respect to 2011B Bonds are to be reduced and the amount by which the Sinking Fund Requirements so determined are to be reduced.

On the retirement of any 2011B Bonds by purchase or redemption under the provisions of this Section, the Trustee shall file with the City a statement identifying such 2011B Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such 2011B Bonds, and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such 2011B Bonds shall be paid by the City from the Operating Fund or from any other available money.

Section 4.06. *Application of Money in the Series 2011B Revenue Bond Redemption Account.* The Trustee shall apply money in the Series 2011B Revenue Bond Redemption Subaccount to the purchase or redemption of 2011B Bonds as follows:

(a) Subject to the provisions of paragraph (c) of this Section, at the request of the City, the Trustee shall endeavor to purchase and cancel 2011B Bonds or portions thereof, regardless of whether such 2011B Bonds or portions thereof are then subject to redemption, at the most advantageous price readily obtainable with reasonable diligence, provided that the purchase price of each 2011B Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Owner of such 2011B Bond under the provisions of this Appendix A if such 2011B Bond or such portion thereof should be called for redemption on such date from the money in the Series 2011B Subaccount of the Revenue Bond Redemption Account. The Trustee shall pay the interest accrued on such 2011B Bonds or portions thereof to the date of settlement from the Series 2011B Subaccount of the Revenue Bond Interest Account and the purchase price from the Series 2011B Subaccount of the Revenue Bond Redemption Account, but no such purchase shall be made by the Trustee from money in the Series 2011B Subaccount of the Revenue Bond Redemption Account within the period of 45 days immediately preceding any Interest Payment Date on which such 2011B Bonds or portions thereof are to be redeemed, except from money other than the money set aside in the Series 2011B Subaccount of the Revenue Bond Redemption Account for the redemption of Bonds.

(b) Subject to the provisions of paragraph (c) of this Section, the Trustee shall call for redemption on a date permitted by this Appendix A such amount of 2011B Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Series 2011B Subaccount of the Revenue Bond Redemption Account as nearly as may be. The Trustee shall pay the accrued interest on the 2011B Bonds or portions thereof to be redeemed to the date of redemption from the Series 2011B Subaccount of the Revenue Bond Interest Account and the Redemption Price of such 2011B Bonds or portions thereof from the Series 2011B Subaccount of the Revenue Bond Redemption Account. The Trustee shall withdraw from the Series 2011B Subaccount of the Revenue Bond Redemption Account and set aside the respective amounts required to pay the Redemption Price of the 2011B Bonds or portions thereof so called for redemption.

(c) Money in the Series 2011B Subaccount of the Revenue Bond Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of 2011B Bonds then Outstanding in accordance with the Sinking Fund Requirement.

On the retirement of any 2011B Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the City a statement identifying such 2011B Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such 2011B Bonds and the amount paid as interest thereon. The expense incurred by the Trustee in connection with the purchase or redemption of any such 2011B Bonds shall be paid by the City from the Operating Fund or from any other available money.

Section 4.07. *Application of Money in the Accounts of the Construction Fund.* Money held in each account of the Construction Fund will be applied in accordance with Article IV of the Bond Order. The Finance Director shall specify in each requisition the account from which the requisition is to be paid.

Section 4.08. *Application of Money in Series 2011A Subaccount of the Revenue Bond Reserve Account.*

(a) There will be deposited in the Series 2011A Subaccount of the Revenue Bond Reserve Account the amount certified by the Finance Director under Section 2.03(4). The Trustee shall use money deposited in the Series 2011A Subaccount of the Revenue Bond Reserve Account solely for the purpose of paying the principal of and the interest on the 2011A Bonds whenever and to the extent that money in the Series 2011A Subaccount of the Revenue Bond Interest Account is insufficient to pay the interest on the 2011A Bonds or money in the Series 2011A Subaccount of the Revenue Bond Principal Account or the Series 2011A Subaccount of the Revenue Bond Sinking Fund Account is insufficient to pay the principal of the 2011A Bonds. The Trustee shall withdraw such money in accordance with the order of priorities set forth in Section 4.02. If on any Interest Payment Date the amount on deposit in an account of the Series 2011A Subaccount of the Revenue Bond Reserve Account exceeds the Reserve Requirement therefor, the Trustee shall transfer such excess to the Series 2011A Subaccount of the Revenue Bond Interest Account.

(b) If the City delivers a Qualified Surety Bond to the Trustee in satisfaction of the Reserve Requirement, in whole or in part:

(i) If and to the extent that money on deposit in the 2011A Subaccount of the Revenue Bond Reserve Account, plus all amounts on deposit in and credited to the 2011A Subaccount of the Revenue Bond Fund, in excess of the amount of the Qualified Surety Bond, are insufficient to pay the amount of principal and interest coming due, then on the later of: (i) one (1) day after receipt by the Qualified Surety Bond Provider of a demand for payment ("*Demand for Payment*"), duly executed by the Paying Agent certifying that payment due under this Appendix A and the Bond Order has not been made to the Paying Agent; or (ii) the payment date of the 2011A Bonds as specified in the Demand for Payment presented by the Paying Agent to the Qualified Surety Bond Provider, the Qualified Surety Bond Provider will make a deposit of funds in an account with the Paying Agent sufficient for the payment to the Paying Agent of amounts which are then due to the Paying Agent under this Appendix A (as specified in the Demand for Payment) up to but not in excess of the Surety Bond Coverage, as defined in the Qualified Surety Bond.

(ii) the Trustee, or Paying Agent, if appropriate, shall, after submitting to the Qualified Surety Bond Provider the Demand for Payment as provided in (i) above, make

available to the Qualified Surety Bond Provider all records relating to the funds and accounts maintained under this Appendix A.

(iii) the Trustee, or Paying Agent, if appropriate, shall, on receipt of money received from the draw on the Qualified Surety Bond, as specified in the Demand for Payment, credit the 2011A Subaccount of the Revenue Bond Reserve Account to the extent of money received pursuant to such Demand.

(iv) the 2011A Subaccount of the Revenue Bond Reserve Account is to be replenished in the following priority: (A) principal and interest on the Qualified Surety Bond is to be paid from first available Revenues; (B) after all such amounts are paid in full, amounts necessary to fund the 2011A Subaccount of the Revenue Bond Reserve Account to the required level, after taking into account the amounts available under the Qualified Surety Bond are to be deposited from next available Revenues.

Section 4.09. *Application of Money in Series 2011B Subaccount of the Revenue Bond Reserve Account.*

(a) There will be deposited in the Series 2011B Subaccount of the Revenue Bond Reserve Account the amount certified by the Finance Director under Section 2.03(4). The Trustee shall use money deposited in the Series 2011B Subaccount of the Revenue Bond Reserve Account solely for the purpose of paying the principal of and the interest on the 2011B Bonds whenever and to the extent that money in the Series 2011B Subaccount of the Revenue Bond Interest Account is insufficient to pay the interest on the 2011B Bonds or money in the Series 2011B Subaccount of the Revenue Bond Principal Account or the Series 2011B Subaccount of the Revenue Bond Sinking Fund Account is insufficient to pay the principal of the 2011B Bonds. The Trustee shall withdraw such money in accordance with the order of priorities set forth in Section 4.02. If on any Interest Payment Date the amount on deposit in an account of the Series 2011B Subaccount of the Revenue Bond Reserve Account exceeds the Reserve Requirement therefor, the Trustee shall transfer such excess to the Series 2011B Subaccount of the Revenue Bond Interest Account.

(b) If the City delivers a Qualified Surety Bond to the Trustee in satisfaction of the Reserve Requirement, in whole or in part:

(i) If and to the extent that money on deposit in the 2011B Subaccount of the Revenue Bond Reserve Account, plus all amounts on deposit in and credited to the 2011B Subaccount of the Revenue Bond Fund, in excess of the amount of the Qualified Surety Bond, are insufficient to pay the amount of principal and interest coming due, then on the later of: (i) one (1) day after receipt by the Qualified Surety Bond Provider of a Demand for Payment, duly executed by the Paying Agent certifying that payment due under this Appendix A and the Bond Order has not been made to the Paying Agent; or (ii) the payment date of the 2011B Bonds as specified in the Demand for Payment presented by the Paying Agent to the Qualified Surety Bond Provider, the Qualified Surety Bond Provider will make a deposit of funds in an account with the Paying Agent sufficient for the payment to the Paying Agent of amounts which are then due to the Paying Agent under this Appendix A (as specified in the Demand for Payment) up to but not in excess of the Surety Bond Coverage, as defined in the Qualified Surety Bond.

(ii) the Trustee, or Paying Agent, if appropriate, shall, after submitting to the Qualified Surety Bond Provider the Demand for Payment as provided in (i) above, make available to the Qualified Surety Bond Provider all records relating to the funds and accounts maintained under this Appendix A.

(iii) the Trustee, or Paying Agent, if appropriate, shall, on receipt of money received from the draw on the Qualified Surety Bond, as specified in the Demand for Payment, credit the 2011B Subaccount of the Revenue Bond Reserve Account to the extent of money received pursuant to such Demand.

(iv) the 2011B Subaccount of the Revenue Bond Reserve Account is to be replenished in the following priority: (A) principal and interest on the Qualified Surety Bond is to be paid from first available Revenues; (B) after all such amounts are paid in full, amounts necessary to fund the 2011B Subaccount of the Revenue Bond Reserve Account to the required level, after taking into account the amounts available under the Qualified Surety Bond are to be deposited from next available Revenues.

Section 4.10. *Investment of Money.* Money held for the credit of all subaccounts or accounts established under this Appendix A on deposit with the Trustee are to be continuously invested and reinvested by the Trustee in such Investment Obligations as the City may direct 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 or accounts will be required for the purposes intended. No Investment Obligations in any such subaccount or account may mature beyond the latest maturity date of any 2011AB Bonds Outstanding at the time such Investment Obligations are deposited.

The interest accruing on Investment Obligations in the subaccounts established hereunder and any profit or loss realized on the disposition or maturity of such Investment Obligations are to be credited to or charged against the following Funds, accounts and subaccounts: interest and profit or loss resulting from each of the subaccounts established under Section 4.01 other than the Series 2011A Construction Account of the Construction Fund and the Series 2011B Construction Account of the Construction Fund shall be credited to or charged against the Revenue Fund, and interest and profit or loss resulting from the Series 2011A Construction Account of the Construction Fund and the Series 2011B Construction Account of the Construction Fund shall be credited to or charged against that account.

Section 4.11. *Payment of Principal, Interest and Premium and Pledge of Net Revenues.* The City covenants that it will promptly pay the principal of and the interest on every 2011AB Bond issued under this Appendix A at the places, on the dates and in the manner provided herein and in the 2011AB Bonds, and any premium required for the retirement of the 2011AB Bonds by purchase or redemption, according to the true intent and meaning thereof. The City represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the 2011AB Bonds authorized hereby and to pledge the Net Revenues in the manner and to the extent herein and in the Bond Order set forth; that all action on its part for the issuance of the 2011AB Bonds initially issued hereunder has been duly and effectively taken; and that such 2011AB Bonds in the hands of the Owners thereof are and will be valid and binding special obligations of the City according to their terms.

Except to the extent of a lien on Net Revenues from the Airport, the 2011AB Bonds are not payable from the general funds of the City and do not constitute a legal or equitable pledge, lien or encumbrance on any of the properties of the City or on any of its income, receipts or revenues, except as provided in this Appendix A and the Bond Order, and neither the credit nor the taxing power of the City are pledged for the payment of the 2011AB Bonds, or the City's obligations to comply with any covenant or agreement under this Appendix A or any other agreement entered into by the City pursuant to its authority.

[End of Article IV]

ARTICLE V.

USE OF BOND PROCEEDS

The proceeds of the 2011AB Bonds are to be deposited in accordance with the certificate of the Finance Director delivered under Section 2.03(4).

[End of Article V]

ARTICLE VI.

SUPPLEMENTAL SERIES RESOLUTIONS

Section 6.01. *Supplemental Series Resolutions Without Consent of Owners.* The City may, from time to time and at any time, adopt such resolutions supplemental hereto as are consistent with the terms and provisions of this Appendix A and, in the opinion of the Trustee, do not affect adversely the interest of the Owners including, without limitation:

(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, or to make any other provisions with respect to matters or questions arising under this Appendix A that shall be consistent with the provisions of this Appendix A, or

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

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

(d) to permit the qualification of the Series Resolution under any federal statute now or hereafter in effect or under any state Blue Sky law, or

(e) to provide for the issuance of any of the 2011A Bonds or the 2011B Bonds in bearer form, or

(f) to make modifications in the provisions for the issuance of any of the 2011A Bonds or the 2011B Bonds under a book-entry system, or

(g) to obtain a rating on any of the 2011A Bonds or the 2011B Bonds from a national rating service.

Section 6.02. *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 51% in aggregate principal amount of the 2011AB Bonds then Outstanding have the right, from time to time anything contained in this Appendix A 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 are necessary or considered 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 Appendix A or in any supplemental series resolution; but nothing herein contained permits, or may be construed as permitting (a) an extension of the maturity of the principal of or the interest on any 2011AB Bond or (b) a reduction in the principal amount of any 2011AB Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a pledge of Net Revenues other than any pledge created or permitted by the Bond Order or the Series Resolution, or (d) a preference or priority of any 2011AB Bond over any other 2011AB Bond, or (e) a reduction in the aggregate principal amount of 2011AB Bonds required for consent to such supplemental series resolution. Nothing herein contained, however, may be construed as

making necessary the approval by the Owners of the adoption and acceptance of any supplemental series resolution as authorized in Section 7.01.

The Trustee shall, at the expense of the City, such expense to be paid solely from the Operating Fund or from any other available money, 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 office of the Trustee for inspection by all Owners. The Trustee is not, however, subject to any liability to any Owner by reason of its failure to mail the notice required by this Section, and any such failure will not affect the validity of such supplemental series resolution when approved and consented to as provided in this Section.

Whenever the City delivers to the Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than 51% in aggregate principal amount of 2011AB Bonds then Outstanding that are affected 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, then the City may adopt such supplemental series resolution in substantially such form, without liability or responsibility to any Owner, whether or not such Owner has consented thereto.

If the Owners of not less than 51% in aggregate principal amount of the 2011AB Bonds Outstanding have consented to and approved the adoption thereof as herein provided, to the extent permitted by law, no Owner has any right to object to the adoption of such supplemental series resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City from adopting the same or from taking any action pursuant to the provisions thereof.

On the adoption of any supplemental series resolution pursuant to the provisions of this Section or Section 7.01, this Appendix A shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Appendix A, the Trustee and all Owners shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Appendix A as so modified and amended.

Section 6.03. 2011AB Bonds Affected. For purposes of this Appendix A, 2011AB Bonds are 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 2011AB Bonds. The Trustee may in its discretion determine whether any 2011AB Bonds would be affected by any supplemental series resolution and any such determinations is conclusive on the Owners of all 2011AB Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee is not liable for any such determination made in good faith.

Section 6.04. Exclusion of 2011AB Bonds. 2011AB Bonds owned or held by or for the account of the City shall not be deemed Outstanding 2011AB Bonds for the purpose of any consent or other action or any calculation of Outstanding 2011AB Bonds provided for in this Article, and City as Owner of such 2011AB Bonds is not 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 Finance Director, on which the Trustee may rely, describing all 2011AB Bonds so to be excluded.

Section 6.05. *Responsibilities of Trustee and City Under this Article.* The Trustee and the City are 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 is entitled to receive, and is fully protected in relying on, 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 Appendix A, and that it is or is not proper for it, under the provisions of this Article, to accept such supplemental series resolution.

[End of Article VII]

ARTICLE VIII.

MISCELLANEOUS PROVISIONS

Section 8.01. *Headings.* Any heading preceding the text of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, are solely for convenience of reference and does not constitute a part of this Appendix A or affect its meaning, construction or effect.

Section 8.02. *Application to Local Government Commission.* The City Council hereby ratifies and confirms its request to the Local Government Commission to sell the 2011AB Bonds at private sale and without advertisement in accordance with the provisions of Section 159-123 of the General Statutes of North Carolina.

Section 8.03. *Approval of Amount of 2011AB Bonds and Interest Rate.* The Finance Director is hereby authorized and directed to approve (1) the actual amount of the 2011A Bonds and the 2011B Bonds and each maturity of the 2011AB Bonds and the Sinking Fund Requirements for the 2011AB Bonds to be issued under this Appendix A to the limits specified in Section 203, (2) the interest rates for each maturity of the 2011A Bonds and the 2011B Bonds, not in excess of the maximum set forth in Section 203, (3) the sale of such 2011AB Bonds at a price to be finally determined by the City Manager or the Finance Director of not less than 95.0% of the face amount thereof and (4) such other matters that the Finance Director may deliver a certificate as to under Section 2.03 and elsewhere in this Appendix A.

Section 8.04. *Authorization for Other Acts.*

(a) The Finance Director and other officers, agents and employees of the City and the officers and agents of the Trustee are hereby authorized and directed to do all acts and things required of them by the provisions of the 2011AB Bonds, the Bond Order, the Series Resolution, this Appendix A and the Purchase Contract for the full, punctual and complete performance of the terms, covenants, provisions and agreements of the same and also to do all acts and things required of them by the provisions of this Appendix A, including the advancement of any fees and expenses in connection with the transactions described therein with the expectation that such fees and expenses will be reimbursed to the City from 2011AB Bond proceeds.

(b) The Mayor, the Finance Director, the Airport Manager, the Airport Attorney, the City Attorney, the City Clerk and any Deputy City Clerk, or any of them or their deputies, are further authorized and directed (without limitation except as may be expressly set forth herein) to employ and compensate advisers, bond counsel, counsel, and consultants, to take such action and to execute and deliver any such documents, deeds, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary and appropriate to effect the transactions contemplated by the Bond Order, the Series Resolution, this Appendix A and the Purchase Contract.

Section 8.05. *Acceptance of Duties by Paying Agent.* Each Paying Agent (other than the Trustee) shall signify its acceptance of the duties and obligations imposed on it by the Bond Order and the Series Resolution by executing and delivering to the City and the Trustee a written acceptance thereof.

Section 8.06. *Holidays.* Except as otherwise provided herein, whenever any payment or action to be made or taken hereunder is stated to be due on a day which is not a Business Day, such payment or

action will be made or taken on the next following Business Day, and such extension of time will be included in computing interest, if any, in connection with such payment or action.

Section 8.07. Replacement of Registrar or Paying Agent. If the Registrar or Paying Agent initially appointed under this Appendix A resigns (whether before or after the issuance of any 2011AB Bonds), or if the Finance Director reasonably determines that the Registrar or Paying Agent has become incapable of performing its duties hereunder, the City may, on notice mailed to each Owner of the 2011AB Bonds, if any, at such Owner's address last shown on the registration records, appoint a successor Registrar or Paying Agent which meets any requirement set forth in the Bond Order, including the prior approval by the Local Government Commission of a successor Registrar. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. The same institution is not required to serve as both Registrar and Paying Agent hereunder, but the City has the right to have the same institution serve as both Registrar and Paying Agent hereunder. Whenever in this Appendix A the Registrar or Paying Agent is named or referred to, such provision is deemed to include any successor of the Registrar or Paying Agent, respectively.

Section 8.08. Notice to Rating Agencies. The Trustee shall mail notice to each Rating Agency then rating the 2011AB Bonds and the LGC of the occurrence of any of the following events of which it has actual knowledge or has been informed: (1) any amendment or supplement to the Bond Order or the Series Resolution; or (2) any redemption of Outstanding 2011AB Bonds.

Section 8.09. Continuing Disclosure. The City agrees, in accordance with Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"), to provide:

(1) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2011, to the Municipal Securities Rulemaking Board (the "MSRB"), the audited financial statements of the City for the preceding Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or if such audited financial statements are not then available, unaudited financial statements of the City for such Fiscal Year to be replaced subsequently by audited financial statements of the City to be delivered within 15 days after such audited financial statements become available for distribution;

(2) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2011, to the MSRB, the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year (which data shall be prepared at least annually, shall specify the date as to which such information was prepared and shall be delivered together with any subsequent material events notices specified in subparagraph (3) below) for the type of information included under the captions in the Official Statement dated on or about October 19, 2011, as identified in the Official Statement to the extent such items are not included in the financial statements referred to in paragraph (1) above;

(3) in a timely manner not in excess of 10 Business Days after the occurrence of the event, to the MSRB notice of any of the following events with respect to the 2011AB Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on the debt service reserves reflecting financial difficulties;

- (d) unscheduled draws on any credit enhancements reflecting financial difficulties;
 - (e) substitution of any credit or liquidity providers, or their failure to perform;
 - (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material events affecting the tax status of the 2011AB Bonds;
 - (g) modification of the rights of the Beneficial Owners of the 2011AB Bonds, if material;
 - (h) call of any of the 2011AB Bonds, if material, and tender offers;
 - (i) defeasance of any of the 2011AB Bonds;
 - (j) release, substitution or sale of any property securing repayment of the 2011AB Bonds, if material;
 - (k) rating changes;
 - (l) bankruptcy, insolvency, receivership or similar event of the City;
 - (m) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
 - (n) the appointment of a successor or additional trustee, or the change in the name of a trustee, if material;
- (4) in a timely manner, to the MSRB, notice of a failure of the City to provide required annual financial information described in (a) or (b) above on or before the date specified.

The City agrees to provide all documents described in this section in a electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB; provided, however, the City may discharge its undertakings described above by transmitting the documents or notices referred to above in a manner subsequently authorized or required by the SEC in lieu of the manner described above.

The City agrees that its undertaking under this Article is intended to be for the benefit of the Owners and the beneficial owners of the 2011AB Bonds and is enforceable by the Trustee or by any of them, including an action for specific performance of the City's obligations under this Article, but a failure to comply will not be an event of default under Section 802 of the Bond Order and will not result in acceleration of the payment of the 2011AB Bonds. An action must be instituted, had and maintained in the manner provided in this paragraph for the benefit of all of the Owners and beneficial owners of the 2011AB Bonds.

The City may modify from time to time, consistent with the Rule, the information provided to the extent necessary or appropriate in the judgment of the City, but:

- (1) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the City;
- (2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of the Official Statement, after taking into account any amendments or interpretations of the Rule as well as any changes in circumstances; and
- (3) any such modification does not materially impair the interest of the Owners or the beneficial owners, as determined by the Trustee or Bond Counsel or by the approving vote of the Owners of a majority in principal amount of the 2011AB Bonds pursuant to Section 7.02 of this Appendix A.

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

The provisions of this Article terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on the 2011AB Bonds.

EXHIBIT A

FORM OF 2011A BOND

CITY OF CHARLOTTE, NORTH CAROLINA
AIRPORT REVENUE BONDS,
SERIES 2011A

No. RA-1

\$1 1

<u>INTEREST RATE</u>	<u>DATED DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
[]%	November __, 2011	July 1, 20__	161036__

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT: [] DOLLARS

The City of Charlotte, North Carolina (the "City"), a municipal corporation of the State of North Carolina (the "State"), for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the Owner named above the Principal Amount stated above on the Maturity Date set forth above (or earlier as hereinafter described), and to pay such Owner at the address as it appears on the registration books kept by U.S. Bank, National Association, the Registrar, the Trustee and the Paying Agent for the 2011A Bonds (the "Registrar," the "Paying Agent" and the "Trustee"), at the close of business on the 15th day of the month preceding each hereinafter-described Interest Payment Date (each, a "Regular Record Date"), interest on such Principal Amount at the Interest Rate set forth above from the Interest Payment Date next preceding the date of authentication (unless (1) the date of such authentication precedes June 15, 2012, in which case they will be dated as of the date of issuance, (2) the date of such authentication is after a Regular Record Date and before the following Interest Payment Date, in which event they will be dated as of such following Interest Payment Date or (3) the date of such authentication is an Interest Payment Date to which interest on the 2011A Bonds has been paid in full or duly provided for, in which case this 2011A Bond will bear interest from such date) until the principal hereof has been paid or provided for in accordance with the Indenture hereinafter referred to, payable January 1, 2012 and thereafter semiannually on July 1 and January 1 in each year (each an "Interest Payment Date"). Both principal and interest and any premium on the redemption before the maturity of all or part hereof are payable in lawful coin or currency of the United States of America and (except for interest which is payable by check or draft as stated above) are payable at the principal corporate trust office of the Paying Agent in Charlotte, North Carolina.

THE 2011A BONDS ARE SPECIAL OBLIGATIONS OF THE CITY. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE 2011A BONDS ARE NOT PAYABLE FROM THE GENERAL FUNDS OF THE CITY, NOR DO THEY CONSTITUTE A LEGAL OR EQUITABLE PLEDGE, CHARGE, LIEN, OR ENCUMBRANCE ON ANY OF ITS PROPERTY OR ON ANY OF ITS INCOME, RECEIPTS, OR REVENUES EXCEPT THE FUNDS WHICH ARE PLEDGED UNDER THE INDENTURE (HEREINAFTER DEFINED). NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR THE CITY ARE PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2011A BONDS, AND NO OWNER OF THIS 2011A BOND HAS THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER BY THE STATE OR THE CITY OR THE FORFEITURE OF ANY OF ITS PROPERTY IN CONNECTION WITH ANY DEFAULT.

The 2011A Bonds will be initially delivered by means of a book-entry system with no physical distribution of definitive 2011A Bonds made to the public. One definitive 2011A Bond for each maturity

EXH A-1

will be delivered to The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the 2011A Bonds in Authorized Denominations (hereinafter defined) with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Principal of, premium, if any, and interest on this 2011A Bond will be payable to DTC or its nominee as registered owner of the 2011A Bonds by wire transfer in immediately available funds. The City, the Paying Agent and the Trustee are not responsible or liable for maintaining, supervising, or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If (a) DTC determines not to continue to act as securities depository for the 2011A Bonds or (b) the Trustee and the City determine to discontinue the book entry system in accordance with DTC's rules and the City fails to identify another qualified securities depository to replace DTC, the City will deliver fully registered definitive 2011A Bonds to DTC in accordance with DTC's rules and procedures.

The City, the Paying Agent, the Registrar and the Trustee have no responsibility or obligation with respect to (a) the accuracy of any records maintained by DTC; (b) the payment by DTC of any amount in respect of the principal of and premium, if any, and interest on the 2011A Bonds; (c) the delivery or timeliness of delivery by DTC of any notice which is required or permitted under the terms of the Indenture (hereinafter defined) to be given to Owners; (d) the selection of Owners to receive payments in the event of any partial redemption of the 2011A Bonds; or (e) any consent given or other action taken by DTC, or its nominee.

This Bond is one of an issue of Bonds designated "*Airport Revenue Bonds, Series 2011A*" (the "*2011A Bonds*") issued under a bond order adopted by the City Council of the City (the "*City Council*") on November 18, 1985, which the City Council supplemented and amended on June 8, 1992 and August 23, 2004 (the "*Bond Order*") and a resolution adopted by the City Council on September 12, 2011 (the "*Series Resolution*"). Unless the context indicates otherwise, all capitalized, undefined terms used herein have the meanings ascribed to them in the Bond Order, the Series Resolution or the Appendix A attached to, and incorporated in, the Series Resolution. The City intends to issue its Airport Revenue Bonds, Series 2011B (the "*2011B Bonds*") and Variable Rate Airport Revenue Bonds, Series 2010C (the "*2010C Bonds*") and collectively with the 2011A Bonds and 2011B Bonds, the "*2011 Bonds*"), on or about the time the City issues its 2011A Bonds, under the Bond Order. Under the Bond Order, the City has previously issued several series of Bonds (the "*Existing Bonds*"). The 2011B Bonds, the 2010C Bonds, the Existing Bonds and any additional Bonds which may be issued under the Bond Order are parity obligations under the Bond Order.

The 2011 Bonds are being issued to pay a portion of the costs (1) to improve Charlotte/Douglas International Airport (the "*Airport*"), including, but not limited to (a) the (i) rehabilitation of Runway 18C/36C, (ii) construction of an access road to the newly-constructed west Aircraft Rescue Firefighting Facility, (iii) extension of the Taxiway D, (iv) construction of an in-line baggage system in the passenger terminal building, including new conveyors and building infrastructure to support screening equipment, (v) expansion of Concourse E to provide additional gates and additional passenger circulation space, (vi) construction of additional passenger terminal space to accommodate a new 4-lane security checkpoint and to expand the ticket lobby, including provision of space on the lower level of the passenger terminal building for an expanded international arrival baggage re-check area and circulation space for passengers to access the new checkpoint in the passenger terminal building lobby, (vii) renovation of ticket counters and airline ticket office space for Delta Airlines, United Airlines and Continental Airlines, including a new in-line baggage screening system and a new ticket counter bag conveyor system designed to support it and a reconstruction of checkpoints A and B in the passenger terminal building, and (viii) construction of a new approximately 3,200 space parking facility, replacing the hourly parking decks located in front of the passenger terminal building and (b) other improvements at the Airport consistent with the Airport's

EXH A-2

mission, (2) to fund debt service reserves therefor, if necessary, and (3) to pay the costs of issuance of the 2011 Bonds.

The 2011A Bonds, together with interest thereon, are special obligations of the City payable solely from Revenues after payment of the Current Expenses of the Airport and constitute a valid claim of the respective Owners thereof only against the funds and other money held by the Trustee for the benefit of the Owners of the 2011A Bonds, which amounts are pledged and assigned pursuant to the Bond Order for the equal and ratable payment of the 2011A Bonds and will be used for no other purpose than to pay the principal of, premium, if any, and interest on the 2011A Bonds, except as may be otherwise expressly authorized in the Bond Order and the Appendix A.

As used herein, "Revenues" means (a) except to the extent hereinafter excluded, all payments, proceeds, fees, charges, rents and all other income derived by or for the City for the use of and for the services and facilities furnished by or from the operation or ownership of, the Airport and all other income derived by the City from the operation or ownership of the Airport and all rights to receive the same, whether in the form of accounts receivable, contract rights or other rights, and the proceeds of such rights whether now owned or held or hereafter coming into existence, (b) amounts which the City is authorized, but not obligated, to pay or transfer to the Revenue Fund to the extent of any such payments or transfers, including transfers from the Airport Discretionary Fund which amounts shall become Revenues only at the time of payment or transfer of the Revenue Fund, (c) amounts transferred from the Rebate Account to the Revenue Fund following each Fiscal Year, and (d) any proceeds of business interruption insurance. Revenues does not include, unless paid or transferred pursuant to (b) above, (1) any gifts, grants, bequests, contributions or donations; (2) proceeds from the sale and disposition of all or any part of all or any part of the Airport; (3) reimbursements to the City of its advances to the Operating Fund specified in the series resolution relating to the Project Bonds; (4) investment income to the extent of amounts transferred from the Revenue Fund to the Rebate Account as of the last day of each Fiscal Year; (5) the investment income on, and the income and gains realized on the maturity or sale of, securities held by or on behalf of the City in any Funds and Accounts established by the Bond Order, but only to the extent such income and gains are not directed to the Revenue Fund as provided in the Bond Order or in any series resolution; (6) to the extent and for so long as such payments are pledged to secure the financing of the same, debt service from the financing of any facilities to which reference is made in the Bond Order, except to the extent otherwise provided by the City in respect of any such facilities; (7) any proceeds of Eminent Domain or insurance other than the business interruption insurance mentioned above; (8) the investment income on, and the income and gains realized on the maturity or sale of, securities held by or on behalf of the City in the fund in which Airport revenues relating to the period prior to the date of beneficial occupancy under certain 1978 airport agreements are held; (9) taxes collected at the Airport; (10) revenues described in clauses (a) and (c) above of Excluded Cost Centers; and (11) the proceeds of any indebtedness; (12) payments made by the counterparty in connection with any interest rate exchange or swap agreement; and (13) PFC Revenues.

"Current Expenses" means (A) the City's cost of capital items (including the cost of capital leases) in an amount not to exceed in any Fiscal Year 15% of all current expenses as hereinafter determined and budgeted for such Fiscal Year, plus (B) the City's current expenses for the operation, maintenance and repair of the Airport as determined in accordance with generally accepted accounting principles, including, without limiting the generality of the foregoing: (a) all ordinary and usual expenses of operation, maintenance and repair, (b) administrative expenses, (c) salaries, (d) interest with respect to working capital loans, (e) payments to any retirement plan or plans properly chargeable to the Airport, (f) insurance expenses, (g) engineering expenses relating to the operation, maintenance or repair of the Airport, (h) fees and expenses of the Trustee, legal expenses, and fees of consultants, and (i) any other expenses required to be paid by the City under the Bond Order or by law. Current Expenses does not include (u) any reserves for extraordinary replacements or repairs, (v) any allowance for depreciation, (w) any interest other than as provided in (d) above, (x) any principal payment in respect of capital leases,

BXHA-3

except as permitted under (A) above, or indebtedness other than Bonds, (y) any deposits to any Fund or Account created under the Bond Order and payments of principal, premium, if any, and interest from such Funds and Accounts, or (z) any of the foregoing set forth in paragraphs (A) and (B) with respect to Excluded Cost Centers.

Pursuant to the Bond Order the City has, for the benefit of the Owners of the 2011A Bonds, assigned Net Revenues, the City's rights to receive Net Revenues, the money and Investment Obligations in the Renewal and Improvement Fund to the extent such money and Investment Obligations have not been encumbered by the City and the money and Investment Obligations in the subaccounts of the Revenue Bond Fund relating to the 2011A Bonds, to the Trustee in trust.

Reference is made to the Bond Order and the Series Resolution for a more complete statement of the provisions thereof and of the rights of the City, the Trustee and the Owners of the 2011A Bonds. Copies of the Bond Order and the Series Resolution are on file and may be inspected at the principal office of the Trustee in Charlotte, North Carolina. By the purchase and acceptance of this 2011A Bond, the Owner hereof signifies assent to all of the provisions of the aforementioned documents.

This Bond is issued and the Bond Order and Series Resolution were made and entered into under and pursuant to the Constitution and laws of the State, and particularly in conformity with the provisions, restrictions and limitations of General Statutes of North Carolina Section 159-80 *et seq.*, as amended.

This Bond is exchangeable on the presentation and surrender hereof at the principal corporate trust office of the Bond Registrar for the 2011A Bonds in Authorized Denominations. On surrender for registration of transfer, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner hereof or his or her attorney duly authorized in writing, the Bond Registrar will authenticate and deliver in the name of the transferee or transferees a new fully registered 2011A Bond or 2011A Bonds. The Bond Registrar may require the payment by any Owner requesting registration of transfer or exchange of 2011A Bonds of any tax, fee or other governmental charge required to be paid with respect to such registration of transfer or exchange. The Bond Registrar is not required to register the transfer of or exchange any 2011A Bonds selected, called or being called for redemption in whole or in part. The person in whose name this Bond is registered will be deemed and regarded as the absolute owner hereof for all purposes, and payment of this Bond will be made only to or on the written order of the Owner hereof to his or her legal representative. All such payments will be valid and effectual to satisfy and discharge this Bond to the extent of the sum or sums paid.

The 2011A Bonds maturing on or after July 1, 20__ may be redeemed before their maturities, at the option of the City, from any funds that may be available for such purpose, either in whole or in part on any date beginning on or after July 1, 20__, at the redemption price, equal to the principal amount of 2011A Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption.

The 2011A Bonds are subject to optional redemption by the City, in whole or in part on any date at a Redemption Price equal to the principal amount thereof, without premium, plus accrued interest to the date of redemption, on instructions from the City, from the Net Proceeds of insurance or Eminent Domain which are deposited in the Series 2011A Subaccount of the Revenue Bond Redemption Account, as provided in the Bond Order.

The 2011A Bonds are required to be redeemed to the extent of any Sinking Fund Requirement on each July 1 on which there is a Sinking Fund Requirement from money required to be deposited in the applicable subaccount of the Revenue Bond Sinking Fund Account, at a Redemption Price equal to the principal amount of the 2011A Bonds being redeemed, without premium, plus accrued interest to the date of redemption.

The 2011A Bonds maturing on July 1, 20__ are subject to mandatory sinking fund redemption in part without premium on each July 1 in the following amount of the Sinking Fund Requirement per year at a redemption price equal to the amount of 2011A Bonds to be redeemed plus accrued interest thereon to the redemption date and without premium:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
-------------	---------------	-------------	---------------

* Maturity

The 2011A Bonds maturing on July 1, 20__ are subject to mandatory sinking fund redemption in part without premium on each July 1 in the following amount of the Sinking Fund Requirement per year at a redemption price equal to the amount of 2011A Bonds to be redeemed plus accrued interest thereon to the redemption date and without premium:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
-------------	---------------	-------------	---------------

* Maturity

Notice of redemption will be given by the Trustee not less than 30 days nor more than 60 days before the Redemption Date (1) to the North Carolina Local Government Commission by Mail or facsimile transmission, (2)(a) to DTC or its nominee by registered or certified mail at the address provided to the Trustee by DTC or as otherwise permitted by DTC's rules and procedures or (b) if DTC or its nominee is no longer the Owner of the 2011A Bonds, by Mail to the then-registered Owners of 2011AB Bonds to be redeemed at the last address shown on the registration books kept by the Registrar, (3) to each of the then-existing securities depositories, by Mail or facsimile transmission and (4) to the Municipal Securities Rulemaking Board (the "MSRB") in a electronic format as prescribed by the MSRB.

Such notice must (1) specify the 2011A Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due on such redemption must be payable (which must be the principal office of the Paying Agent) and if less than all of the 2011A Bonds are to be redeemed, the numbers of the 2011A Bonds and the portions of 2011A Bonds to be redeemed, and (2) state that on the redemption date, the 2011A Bonds to be redeemed will cease to bear interest. If at the time of mailing of notice of redemption there is not on deposit with the Trustee moneys sufficient to redeem the 2011A Bonds called for redemption, which moneys are or will be available for redemption of the 2011A Bonds, such notice will state that it is conditional on the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date. Any notice, once given, may be withdrawn by notice delivered in the manner set forth above, on receipt by the Trustee of written instructions from the City with respect to such withdrawal.

Failure to provide such notice to any Owner or any defect therein will not affect the validity of any proceedings for such redemption as to any other Owner to whom such notice was properly given. Failure to provide such notice to the North Carolina Local Government Commission or the securities depositories and national information services as provided above will not affect the validity of any proceedings for such redemption.

If money is on deposit with the Trustee to pay the redemption price of the 2011A Bonds called for redemption including premium, if any, thereon on a redemption date, 2011A Bonds or portions thereof so called for redemption as hereinabove specified will not bear interest after such redemption date and will not be considered to be Outstanding or to have any other rights under the Bond Order other than the right to receive payment. No payment of principal will be made by the Paying Agent on any 2011A Bonds or portions thereof called for redemption until such 2011A Bonds or portions thereof have been delivered for payment or cancellation or the Paying Agent has received the items required by Section 210 of the Bond Order with respect to any mutilated, lost, stolen or destroyed 2011A Bonds.

In the case of any partial redemption of 2011A Bonds, the City will select the 2011A Bonds and the maturity or maturities of the 2011A Bonds to be redeemed and DTC will select the 2011A Bonds within the same maturity pursuant to its rules and procedures or, if the book-entry system with DTC or any other securities depository has been discontinued, the Bond Registrar will select the 2011A Bonds to be redeemed by lot in such manner as the Bond Registrar in its discretion may deem proper.

If a 2011A Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2011A Bond may be redeemed, but only in a principal amount such that the unredeemed portion of such 2011A Bond is equal to an Authorized Denomination. For any 2011A Bond in a denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2011A Bond as representing a single 2011A Bond in the minimum Authorized Denomination plus that number of 2011A Bonds that is obtained by dividing the remaining principal amount of such 2011A Bond by the minimum Authorized Denomination.

If it is determined that one or more, but not all, of the Authorized Denominations of principal amount represented by any 2011A Bond is to be called for redemption, then, on written notice of intention to redeem such Authorized Denominations of principal amount of such 2011A Bond, the Owner of such 2011A Bond, on surrender of such 2011A Bond to the Paying Agent for payment of the principal amount of such 2011A Bond, will be entitled to receive new 2011A Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2011A Bond. New 2011A Bonds representing the unredeemed balance of the principal amount of such 2011A Bonds will be issued to the Owner thereof.

If the Owner of any 2011A Bond of a denomination greater than the amount being redeemed fails to present such 2011A Bond to the Paying Agent for payment and exchange as aforesaid, such 2011A Bond will, nevertheless, become due and payable on the date fixed for redemption to the extent of the denomination being redeemed and to that extent only.

The Bond Order permits amendment thereto on the agreement of the City and the Trustee and with the approval of not less than 51% in aggregate principal amount of the Bonds then Outstanding under the Bond Order. The Bond Order also contains provisions permitting the City and the Trustee to enter into amendments to the Bond Order without the consent of the Owners of the Bonds then Outstanding for certain purposes which do not affect adversely the interest of the Owners of the Bonds.

Appendix A permits amendment thereto on the agreement of the City and the Trustee and with the approval of not less than 51% in aggregate principal amount of the 2011A Bonds and the 2011B Bonds then Outstanding. Appendix A also contains provisions permitting the City and the Trustee to enter into amendments to Appendix A without the consent of the Owners of the 2011A Bonds then Outstanding for certain purposes which do not affect adversely the interest of the Owners of the 2011A Bonds.

Any consent or request by the Owner of this 2011A Bond is conclusive and binding on such Owner and on all future Owners of this 2011A Bond and of any 2011A Bond issued on the transfer of this 2011A Bond whether or not notation of such consent or request is made on this 2011A Bond.

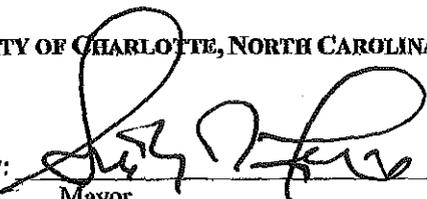
This 2011A Bond is issued with the intent that the laws of the State of North Carolina shall govern its legality, validity, enforceability and construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this 2011A Bond and the execution of the Bond Order and the Series Resolution have happened, existed and have been performed as so required.

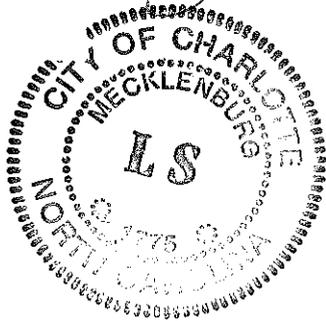
This Bond is not valid or does not become obligatory for any purpose or be entitled to any benefit or security under the Bond Order until it has been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the City of Charlotte, North Carolina has caused this 2011A Bond to be executed with the manual or facsimile signatures of the Mayor and City Clerk, and has caused the City's official seal or a facsimile thereof to be impressed or imprinted hereon.

CITY OF CHARLOTTE, NORTH CAROLINA

By: 
Mayor

[SEAL]
By: 
City Clerk



The issue hereof has been approved under the
provisions of The State and Local Government Revenue Bond Act.

T. VANCE HOLLOMAN
Secretary of the Local Government Commission

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

November __ 10, 2011

This 2011A Bond is one of the Airport Revenue Bonds, Series 2011A designated herein issued under the provisions of the within-mentioned Bond Order and Series Resolution.

U.S. BANK NATIONAL ASSOCIATION
as Bond Registrar

By: _____
Vice President

ASSIGNMENT

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

(Please print or typewrite Name and Address,
including Zip Code, and Federal Taxpayer Identification or
Social Security Number of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within Bond on the books kept for registration thereof,
with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed by a
participant of the Securities Transfer Agent
Medallion Program ("*STAMP*") or similar
program.

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

TRANSFER FEE MAY BE REQUIRED

EXHA-9

EXHIBIT B

FORM OF 2011B BOND

CITY OF CHARLOTTE, NORTH CAROLINA
AIRPORT REVENUE BONDS,
SERIES 2011B

No. RB-1 \$ []

<u>INTEREST RATE</u>	<u>DATED DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
[]%	November __, 2012	July 1, 20__	161036__

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: [] DOLLARS

The City of Charlotte, North Carolina (the "City"), a municipal corporation of the State of North Carolina (the "State"), for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the Owner named above the Principal Amount stated above on the Maturity Date set forth above (or earlier as hereinafter described), and to pay such Owner at the address as it appears on the registration books kept by U.S. Bank, National Association, the Registrar, the Trustee and the Paying Agent for the 2011B Bonds (the "Registrar," the "Paying Agent" and the "Trustee"), at the close of business on the 15th day of the month preceding each hereinafter-described Interest Payment Date (each, a "Regular Record Date"), interest on such Principal Amount at the Interest Rate set forth above from the Interest Payment Date next preceding the date of authentication (unless (1) the date of such authentication precedes June 15, 2012, in which case they will be dated as of the date of issuance, (2) the date of such authentication is after a Record Date and before the following Interest Payment Date, in which event they will be dated as of such following Interest Payment Date or (3) the date of such authentication is an Interest Payment Date to which interest on the 2011B Bonds has been paid in full or duly provided for, in which case this 2011B Bond will bear interest from such date) until the principal hereof has been paid or provided for in accordance with the Indenture hereinafter referred to, payable January 1, 2012 and thereafter semiannually on July 1 and January 1 in each year (each an "Interest Payment Date"). Both principal and interest and any premium on the redemption before the maturity of all or part hereof are payable in lawful coin or currency of the United States of America and (except for interest which is payable by check or draft as stated above) are payable at the principal corporate trust office of the Paying Agent in Charlotte, North Carolina

THE 2011B BONDS ARE SPECIAL OBLIGATIONS OF THE CITY. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE 2011B BONDS ARE NOT PAYABLE FROM THE GENERAL FUNDS OF THE CITY, NOR DO THEY CONSTITUTE A LEGAL OR EQUITABLE PLEDGE, CHARGE, LIEN, OR ENCUMBRANCE ON ANY OF ITS PROPERTY OR ON ANY OF ITS INCOME, RECEIPTS, OR REVENUES EXCEPT THE FUNDS WHICH ARE PLEDGED UNDER THE INDENTURE (HEREINAFTER DEFINED). NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR THE CITY ARE PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2011B BONDS, AND NO OWNER OF THIS 2011B BOND HAS THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER BY THE STATE OR THE CITY OR THE FORFEITURE OF ANY OF ITS PROPERTY IN CONNECTION WITH ANY DEFAULT.

The 2011B Bonds will be initially delivered by means of a book-entry system with no physical distribution of definitive 2011B Bonds made to the public. One definitive 2011B Bond for each maturity

EXH B-1

will be delivered to The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the 2011B Bonds in Authorized Denominations (hereinafter defined) with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Principal of, premium, if any, and interest on this 2011B Bond will be payable to DTC or its nominee as registered owner of the 2011B Bonds by wire transfer in immediately available funds. The City, the Paying Agent and the Trustee are not responsible or liable for maintaining, supervising, or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If (a) DTC determines not to continue to act as securities depository for the 2011B Bonds or (b) the Trustee and the City determine to discontinue the book entry system in accordance with DTC's rules and the City fails to identify another qualified securities depository to replace DTC, the City will deliver fully registered definitive 2011B Bonds to DTC in accordance with DTC's rules and procedures.

The City, the Paying Agent, the Registrar and the Trustee have no responsibility or obligation with respect to (a) the accuracy of any records maintained by DTC; (b) the payment by DTC of any amount in respect of the principal of and premium, if any, and interest on the 2011B Bonds; (c) the delivery or timeliness of delivery by DTC of any notice which is required or permitted under the terms of the Indenture (hereinafter defined) to be given to Owners; (d) the selection of Owners to receive payments in the event of any partial redemption of the 2011B Bonds; or (e) any consent given or other action taken by DTC, or its nominee.

This Bond is one of an issue of Bonds designated "*Airport Revenue Bonds, Series 2011B*" (the "*2011B Bonds*") issued under a bond order adopted by the City Council of the City (the "*City Council*") on November 18, 1985, which the City Council supplemented and amended on June 8, 1992 and August 23, 2004 (the "*Bond Order*") and a resolution adopted by the City Council on September 12, 2011 (the "*Series Resolution*"). Unless the context indicates otherwise, all capitalized, undefined terms used herein have the meanings ascribed to them in the Bond Order, the Series Resolution or the Appendix A attached to, and incorporated in, the Series Resolution. The City intends to issue its Airport Revenue Bonds, Series 2011A (the "*2011A Bonds*") and Variable Rate Airport Revenue Bonds, Series 2010C (the "*2010C Bonds*" and collectively with the 2011A Bonds and 2011B Bonds, the "*2011 Bonds*"), on or about the time the City issues its 2011B Bonds, under the Bond Order. Under the Bond Order, the City has previously issued several series of Bonds (the "*Existing Bonds*"). The 2011A Bonds, the 2010C Bonds, the Existing Bonds and any additional Bonds which may be issued under the Bond Order are parity obligations under the Bond Order.

The 2011 Bonds are being issued to pay a portion of the costs (1) to improve Charlotte/Douglas International Airport (the "*Airport*"), including, but not limited to (a) the (i) rehabilitation of Runway 18C/36C, (ii) construction of an access road to the newly-constructed west Aircraft Rescue Firefighting Facility, (iii) extension of the Taxiway D, (iv) construction of an in-line baggage system in the passenger terminal building, including new conveyors and building infrastructure to support screening equipment, (v) expansion of Concourse E to provide additional gates and additional passenger circulation space, (vi) construction of additional passenger terminal space to accommodate a new 4-lane security checkpoint and to expand the ticket lobby, including provision of space on the lower level of the passenger terminal building for an expanded international arrival baggage re-check area and circulation space for passengers to access the new checkpoint in the passenger terminal building lobby, (vii) renovation of ticket counters and airline ticket office space for Delta Airlines, United Airlines and Continental Airlines, including a new in-line baggage screening system and a new ticket counter bag conveyor system designed to support it and a reconstruction of checkpoints A and B in the passenger terminal building, and (viii) construction of a new approximately 3,200 space parking facility, replacing the hourly parking decks located in front of the passenger terminal building and (b) other improvements at the Airport consistent with the Airport's

EXHIB-2

mission, (2) to fund debt service reserves therefor, if necessary, and (3) to pay the costs of issuance of the 2011 Bonds.

The 2011B Bonds, together with interest thereon, are special obligations of the City payable solely from Revenues after payment of the Current Expenses of the Airport and constitute a valid claim of the respective Owners thereof only against the funds and other money held by the Trustee for the benefit of the Owners of the 2011B Bonds, which amounts are pledged and assigned pursuant to the Bond Order for the equal and ratable payment of the 2011B Bonds and will be used for no other purpose than to pay the principal of, premium, if any, and interest on the 2011B Bonds, except as may be otherwise expressly authorized in the Bond Order and the Appendix A.

As used herein, "Revenues" means (a) except to the extent hereinafter excluded, all payments, proceeds, fees, charges, rents and all other income derived by or for the City for the use of and for the services and facilities furnished by or from the operation or ownership of, the Airport and all other income derived by the City from the operation or ownership of the Airport and all rights to receive the same, whether in the form of accounts receivable, contract rights or other rights, and the proceeds of such rights whether now owned or held or hereafter coming into existence, (b) amounts which the City is authorized, but not obligated, to pay or transfer to the Revenue Fund to the extent of any such payments or transfers, including transfers from the Airport Discretionary Fund which amounts shall become Revenues only at the time of payment or transfer of the Revenue Fund, (c) amounts transferred from the Rebate Account to the Revenue Fund following each Fiscal Year, and (d) any proceeds of business interruption insurance. Revenues does not include, unless paid or transferred pursuant to (b) above, (1) any gifts, grants, bequests, contributions or donations; (2) proceeds from the sale and disposition of all or any part of all or any part of the Airport; (3) reimbursements to the City of its advances to the Operating Fund specified in the series resolution relating to the Project Bonds; (4) investment income to the extent of amounts transferred from the Revenue Fund to the Rebate Account as of the last day of each Fiscal Year; (5) the investment income on, and the income and gains realized on the maturity or sale of, securities held by or on behalf of the City in any Funds and Accounts established by the Bond Order, but only to the extent such income and gains are not directed to the Revenue Fund as provided in the Bond Order or in any series resolution; (6) to the extent and for so long as such payments are pledged to secure the financing of the same, debt service from the financing of any facilities to which reference is made in the Bond Order, except to the extent otherwise provided by the City in respect of any such facilities; (7) any proceeds of Eminent Domain or insurance other than the business interruption insurance mentioned above; (8) the investment income on, and the income and gains realized on the maturity or sale of, securities held by or on behalf of the City in the fund in which Airport revenues relating to the period prior to the date of beneficial occupancy under certain 1978 airport agreements are held; (9) taxes collected at the Airport; (10) revenues described in clauses (a) and (c) above of Excluded Cost Centers; and (11) the proceeds of any indebtedness; (12) payments made by the counterparty in connection with any interest rate exchange or swap agreement; and (13) PFC Revenues.

"Current Expenses" means (A) the City's cost of capital items (including the cost of capital leases) in an amount not to exceed in any Fiscal Year 15% of all current expenses as hereinafter determined and budgeted for such Fiscal Year, plus (B) the City's current expenses for the operation, maintenance and repair of the Airport as determined in accordance with generally accepted accounting principles, including, without limiting the generality of the foregoing: (a) all ordinary and usual expenses of operation, maintenance and repair, (b) administrative expenses, (c) salaries, (d) interest with respect to working capital loans, (e) payments to any retirement plan or plans properly chargeable to the Airport, (f) insurance expenses, (g) engineering expenses relating to the operation, maintenance or repair of the Airport, (h) fees and expenses of the Trustee, legal expenses, and fees of consultants, and (i) any other expenses required to be paid by the City under the Bond Order or by law. Current Expenses does not include (u) any reserves for extraordinary replacements or repairs, (v) any allowance for depreciation, (w) any interest other than as provided in (d) above, (x) any principal payment in respect of capital leases,

EXHB-3

except as permitted under (A) above, or indebtedness other than Bonds, (y) any deposits to any Fund or Account created under the Bond Order and payments of principal, premium, if any, and interest from such Funds and Accounts, or (z) any of the foregoing set forth in paragraphs (A) and (B) with respect to Excluded Cost Centers.

Pursuant to the Bond Order the City has, for the benefit of the Owners of the 2011B Bonds, assigned Net Revenues, the City's rights to receive Net Revenues, the money and Investment Obligations in the Renewal and Improvement Fund to the extent such money and Investment Obligations have not been encumbered by the City and the money and Investment Obligations in the subaccounts of the Revenue Bond Fund relating to the 2011B Bonds, to the Trustee in trust.

Reference is made to the Bond Order and the Series Resolution for a more complete statement of the provisions thereof and of the rights of the City, the Trustee and the Owners of the 2011B Bonds. Copies of the Bond Order and the Series Resolution are on file and may be inspected at the principal office of the Trustee in Charlotte, North Carolina. By the purchase and acceptance of this 2011B Bond, the Owner hereof signifies assent to all of the provisions of the aforementioned documents.

This Bond is issued and the Bond Order and Series Resolution were made and entered into under and pursuant to the Constitution and laws of the State, and particularly in conformity with the provisions, restrictions and limitations of General Statutes of North Carolina Section 159-80 *et seq.*, as amended.

This Bond is exchangeable on the presentation and surrender hereof at the principal corporate trust office of the Bond Registrar for the 2011B Bonds in Authorized Denominations. On surrender for registration of transfer, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner hereof or his or her attorney duly authorized in writing, the Bond Registrar will authenticate and deliver in the name of the transferee or transferees a new fully registered 2011B Bond or 2011B Bonds. The Bond Registrar may require the payment by any Owner requesting registration of transfer or exchange of 2011B Bonds of any tax, fee or other governmental charge required to be paid with respect to such registration of transfer or exchange. The Bond Registrar is not required to register the transfer of or exchange any 2011B Bonds selected, called or being called for redemption in whole or in part. The person in whose name this Bond is registered will be deemed and regarded as the absolute owner hereof for all purposes, and payment of this Bond will be made only to or on the written order of the Owner hereof to his or her legal representative. All such payments will be valid and effectual to satisfy and discharge this Bond to the extent of the sum or sums paid.

The 2011B Bonds maturing on or after July 1, 20__ may be redeemed before their maturities, at the option of the City, from any funds that may be available for such purpose, either in whole or in part on any date beginning on or after July 1, 20__, at the redemption price, equal to the principal amount of 2011B Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption.

The 2011B Bonds are subject to optional redemption by the City, in whole or in part on any date at a Redemption Price equal to the principal amount thereof, without premium, plus accrued interest to the date of redemption, on instructions from the City, from the Net Proceeds of insurance or Eminent Domain which are deposited in the Series 2011B Subaccount of the Revenue Bond Redemption Account, as provided in the Bond Order.

The 2011B Bonds are required to be redeemed to the extent of any Sinking Fund Requirement on each July 1 on which there is a Sinking Fund Requirement from money required to be deposited in the applicable subaccount of the Revenue Bond Sinking Fund Account, at a Redemption Price equal to the principal amount of the 2011B Bonds being redeemed, without premium, plus accrued interest to the date of redemption.

EXH B-4

The 2011B Bonds maturing on July 1, 20__ are subject to mandatory sinking fund redemption in part without premium on each July 1 in the following amount of the Sinking Fund Requirement per year at a redemption price equal to the amount of 2011B Bonds to be redeemed plus accrued interest thereon to the redemption date and without premium:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
-------------	---------------	-------------	---------------

* Maturity

The 2011B Bonds maturing on July 1, 20__ are subject to mandatory sinking fund redemption in part without premium on each July 1 in the following amount of the Sinking Fund Requirement per year at a redemption price equal to the amount of 2011B Bonds to be redeemed plus accrued interest thereon to the redemption date and without premium:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
-------------	---------------	-------------	---------------

* Maturity

Notice of redemption will be given by the Trustee not less than 30 days nor more than 60 days before the Redemption Date (1) to the North Carolina Local Government Commission by Mail or facsimile transmission, (2)(a) to DTC or its nominee by registered or certified mail at the address provided to the Trustee by DTC or as otherwise permitted by DTC's rules and procedures or (b) if DTC or its nominee is no longer the Owner of the 2011B Bonds, by Mail to the then-registered Owners of 2011B Bonds to be redeemed at the last address shown on the registration books kept by the Registrar, (3) to each of the then-existing securities depositories, by Mail or facsimile transmission and (4) to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB.

Such notice must (1) specify the 2011B Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due on such redemption must be payable (which must be the principal office of the Paying Agent) and if less than all of the 2011B Bonds are to be redeemed, the numbers of the 2011B Bonds and the portions of 2011B Bonds to be redeemed, and (2) state that on the redemption date, the 2011B Bonds to be redeemed will cease to bear interest. If at the time of mailing of notice of redemption there is not on deposit with the Trustee moneys sufficient to redeem the 2011B Bonds called for redemption, which moneys are or will be available for redemption of the 2011B Bonds, such notice will state that it is conditional on the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date. Any notice, once given, may be withdrawn by notice delivered in the manner set forth above, on receipt by the Trustee of written instructions from the City with respect to such withdrawal.

Failure to provide such notice to any Owner or any defect therein will not affect the validity of any proceedings for such redemption as to any other Owner to whom such notice was properly given. Failure to provide such notice to the North Carolina Local Government Commission or the securities depositories and national information services as provided above will not affect the validity of any proceedings for such redemption.

If money is on deposit with the Trustee to pay the redemption price of the 2011B Bonds called for redemption including premium, if any, thereon on a redemption date, 2011B Bonds or portions thereof so called for redemption as hereinabove specified will not bear interest after such redemption date and will not be considered to be Outstanding or to have any other rights under the Bond Order other than the right to receive payment. No payment of principal will be made by the Paying Agent on any 2011B Bonds or portions thereof called for redemption until such 2011B Bonds or portions thereof have been delivered for payment or cancellation or the Paying Agent has received the items required by Section 210 of the Bond Order with respect to any mutilated, lost, stolen or destroyed 2011B Bonds.

In the case of any partial redemption of 2011B Bonds, the City will select the 2011B Bonds and the maturity or maturities of the 2011B Bonds to be redeemed and DTC will select the 2011B Bonds within the same maturity pursuant to its rules and procedures or, if the book-entry system with DTC or any other securities depository has been discontinued, the Bond Registrar will select the 2011B Bonds to be redeemed by lot in such manner as the Bond Registrar in its discretion may deem proper.

If a 2011B Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2011B Bond may be redeemed, but only in a principal amount such that the unredeemed portion of such 2011B Bond is equal to an Authorized Denomination. For any 2011B Bond in a denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2011B Bond as representing a single 2011B Bond in the minimum Authorized Denomination plus that number of 2011B Bonds that is obtained by dividing the remaining principal amount of such 2011B Bond by the minimum Authorized Denomination.

If it is determined that one or more, but not all, of the Authorized Denominations of principal amount represented by any 2011B Bond is to be called for redemption, then, on written notice of intention to redeem such Authorized Denominations of principal amount of such 2011B Bond, the Owner of such 2011B Bond, on surrender of such 2011B Bond to the Paying Agent for payment of the principal amount of such 2011B Bond, will be entitled to receive new 2011B Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2011B Bond. New 2011B Bonds representing the unredeemed balance of the principal amount of such 2011B Bonds will be issued to the Owner thereof.

If the Owner of any 2011B Bond of a denomination greater than the amount being redeemed fails to present such 2011B Bond to the Paying Agent for payment and exchange as aforesaid, such 2011B Bond will, nevertheless, become due and payable on the date fixed for redemption to the extent of the denomination being redeemed and to that extent only.

The Bond Order permits amendment thereto on the agreement of the City and the Trustee and with the approval of not less than 51% in aggregate principal amount of the Bonds then Outstanding under the Bond Order. The Bond Order also contains provisions permitting the City and the Trustee to enter into amendments to the Bond Order without the consent of the Owners of the Bonds then Outstanding for certain purposes which do not affect adversely the interest of the Owners of the Bonds.

Appendix A permits amendment thereto on the agreement of the City and the Trustee and with the approval of not less than 51% in aggregate principal amount of the 2011B Bonds and the 2011B Bonds then Outstanding. Appendix A also contains provisions permitting the City and the Trustee to enter into amendments to Appendix A without the consent of the Owners of the 2011B Bonds then Outstanding for certain purposes which do not affect adversely the interest of the Owners of the 2011B Bonds.

Any consent or request by the Owner of this 2011B Bond is conclusive and binding on such Owner and on all future Owners of this 2011B Bond and of any 2011B Bond issued on the transfer of this 2011B Bond whether or not notation of such consent or request is made on this 2011B Bond.

This 2011B Bond is issued with the intent that the laws of the State of North Carolina shall govern its legality, validity, enforceability and construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this 2011B Bond and the execution of the Bond Order and the Series Resolution have happened, existed and have been performed as so required.

This Bond is not valid or does not become obligatory for any purpose or be entitled to any benefit or security under the Bond Order until it has been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the City of Charlotte, North Carolina has caused this 2011B Bond to be executed with the manual or facsimile signatures of the Mayor and City Clerk, and has caused the City's official seal or a facsimile thereof to be impressed or imprinted hereon.

CITY OF CHARLOTTE, NORTH CAROLINA

By: _____
Mayor

[SEAL]

By: _____
City Clerk

EXH B-7

September 12, 2011
Resolution Book 43, Page 216

The issue hereof has been approved under the
provisions of The State and Local Government Revenue Bond Act.

T. VANCE HOLLOMAN
Secretary of the Local Government Commission

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

November __, 2011

This 2011B Bond is one of the Airport Revenue Bonds, Series 2011B designated herein issued under the provisions of the within-mentioned Bond Order and Series Resolution.

U.S. BANK NATIONAL ASSOCIATION
as Bond Registrar

By: _____
Vice President

ASSIGNMENT

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

(Please print or typewrite Name and Address,
including Zip Code, and Federal Taxpayer Identification or
Social Security Number of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within Bond on the books kept for registration thereof,
with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed by a
participant of the Securities Transfer Agent
Medallion Program ("*STAMP*") or similar
program.

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

TRANSFER FEE MAY BE REQUIRED

EXH B-9

**APPENDIX B
To
RESOLUTION PROVIDING FOR THE ISSUANCE OF:**

**CITY OF CHARLOTTE, NORTH CAROLINA
VARIABLE RATE AIRPORT REVENUE BONDS,
SERIES 2011C**

TABLE OF CONTENTS

	PAGE
ARTICLE 1 DEFINITIONS	
<i>Section 1.01</i> <i>Definitions</i>	1
<i>Section 1.02</i> <i>Parties Interested Herein</i>	6
<i>Section 1.03</i> <i>Ratification</i>	7
ARTICLE 2 AUTHORIZATION, EXECUTION, DELIVERY AND PAYMENT OF 2011C BONDS	
<i>Section 2.01</i> <i>Authorization</i>	8
<i>Section 2.02</i> <i>Interest Rates and Computation of Interest for 2011C Bonds</i>	11
<i>Section 2.03</i> <i>Conversion of 2011C Bonds</i>	11
<i>Section 2.04</i> <i>Notice to 2011C Bondholders of Conversion</i>	12
<i>Section 2.05</i> <i>Conditions to Conversion</i>	12
<i>Section 2.06</i> <i>Interest Payment Dates for 2011C Bonds</i>	12
<i>Section 2.07</i> <i>Interest Rates for 2011C Bonds</i>	12
<i>Section 2.08</i> <i>Arbitrage and Tax Covenants</i>	15
<i>Section 2.09</i> <i>Book-Entry System; Recording and Transfer of Ownership of the 2011C Bonds</i>	15
ARTICLE 3 TENDER AND PURCHASE OF 2011C BONDS	
<i>Section 3.01</i> <i>Right of Weekly Rate 2011C Bondholders to Tender Weekly Rate Bonds</i>	17
<i>Section 3.02</i> <i>Mandatory Tender for Purchase of the 2011C Bonds</i>	17
<i>Section 3.03</i> <i>Purchase and Remarketing of Multi-Modal Bonds</i>	19
<i>Section 3.04</i> <i>The Credit Facility</i>	25
<i>Section 3.05</i> <i>Alternate Credit Facility</i>	25
<i>Section 3.06</i> <i>Notice of Termination, Expiration or Substitution of Credit Facility</i>	26
<i>Section 3.07</i> <i>Credit Provider or Alternate Credit Provider</i>	26
<i>Section 3.08</i> <i>No Tender, Sales or Remarketing in Certain Circumstances</i>	26
ARTICLE 4 REDEMPTION OF 2011C BONDS	
<i>Section 4.01</i> <i>Privilege of Redemption and Redemption Price</i>	28
<i>Section 4.02</i> <i>Extraordinary Redemption of 2011C Bonds</i>	28
<i>Section 4.03</i> <i>Mandatory Sinking Fund Redemption</i>	28
<i>Section 4.04</i> <i>Optional Redemption of 2011C Bonds</i>	28
<i>Section 4.05</i> <i>Partial Redemption</i>	28
<i>Section 4.06</i> <i>Notice to Trustee; Notice of Redemption</i>	29

Section 4.07 *Defeasance of 2011C Bonds* 30

ARTICLE 5 FUNDS AND ACCOUNTS

Section 5.01 *Establishment of Funds and Accounts; Disposition of Proceeds* 31
Section 5.02 *Revenues Received by the City* 31
Section 5.03 *Application of Money in the Series 2011C Subaccount of the Revenue Bond Interest Account and the Series 2011C Subaccount of the Revenue Bond Principal Account* 32
Section 5.04 *Application of Money in the Series 2011C Subaccount of the Revenue Bond Sinking Fund Account* 33
Section 5.05 *Application of Money in the Series 2011C Revenue Bond Redemption Account* 34
Section 5.06 *Application of Money in the Series 2011C Construction Account of the Construction Fund* .. 35
Section 5.07 *Application of Money in Series 2011C Subaccount of the Revenue Bond Reserve Account* ... 35
Section 5.08 *Investment of Money* 36
Section 5.09 *Payment of Principal, Interest and Premium and Pledge of Net Revenues* 36
Section 5.10 *Bond Purchase Fund* 37

ARTICLE 6 TENDER AGENT

Section 6.01 *Tender Agent; Appointment and Acceptance of Duties* 38
Section 6.02 *Tender Agent; General Responsibilities* 38
Section 6.03 *Tender Agent; Procedures for Tendering 2011C Bonds* 39
Section 6.04 *Resignation or Removal of Tender Agent and Appointment of Successor* 40

ARTICLE 7 THE REMARKETING AGENT

Section 7.01 *The Remarketing Agent* 41
Section 7.02 *Removal or Resignation of Remarketing Agent* 41
Section 7.03 *Successor Remarketing Agents* 41
Section 7.04 *Modification of Remarketing Agent's Duties* 41

ARTICLE 8 THE CREDIT FACILITY

Section 8.01 *Credit Facility* 43
Section 8.02 *Release of Credit Facility* 43
Section 8.03 *Reduction or Termination of Credit Facility* 43
Section 8.04 *Amendment of Credit Facility* 44
Section 8.05 *References to Credit Provider* 44

ARTICLE 9 SUPPLEMENTAL SERIES RESOLUTION

Section 9.01 *Supplemental Series Resolutions Without Consent of Owners* 45
Section 9.02 *Modification of Series Resolution with Consent of Owners* 45
Section 9.03 *2011C Bonds Affected* 46

<i>Section 9.04</i>	<i>Exclusion of 2011C Bonds</i>	46
<i>Section 9.05</i>	<i>Responsibilities of Trustee and City Under this Article</i>	46
<i>Section 9.06</i>	<i>Consent of the Credit Provider and LGC</i>	47
ARTICLE 10 MISCELLANEOUS		
<i>Section 10.01</i>	<i>Non-Presentation of 2011C Bonds</i>	48
<i>Section 10.02</i>	<i>Notices</i>	48
<i>Section 10.03</i>	<i>Several Capacities</i>	49
<i>Section 10.04</i>	<i>Headings</i>	50
<i>Section 10.05</i>	<i>Application to Local Government Commission</i>	50
<i>Section 10.06</i>	<i>Approval of Amount of 2011C Bonds and Interest Rate</i>	50
<i>Section 10.07</i>	<i>Approval of Official Statement and Other Documents</i>	50
<i>Section 10.08</i>	<i>Authorization for Other Acts</i>	50
<i>Section 10.09</i>	<i>Acceptance of Duties by Trustee as Paying Agent</i>	51
<i>Section 10.10</i>	<i>Holidays</i>	51
<i>Section 10.11</i>	<i>Replacement of Bond Registrar or Paying Agent</i>	51
<i>Section 10.12</i>	<i>Amendments to Bond Order Affecting Credit Provider</i>	51
<i>Section 10.13</i>	<i>Provisions Relating to LGC</i>	51
<i>Section 10.14</i>	<i>Acceptance and Execution of Purchase Contract; Approval of Award</i>	51
<i>Section 10.15</i>	<i>Continuing Disclosure</i>	52

Exhibit A – Form of 2011C Bond

ARTICLE 1

DEFINITIONS

Section 1.01 *Definitions.* All words and phrases defined in Article I of the Bond Order are incorporated herein by reference. In addition, the following terms, except where the context indicates otherwise, have the respective meanings set forth below.

(a) *Additional Definitions.* The terms in this Section 1.01 defined for all purposes of this Appendix B and of any instrument amendatory hereof or supplemental hereto, and of any other instrument or any other document pertaining hereto, except where the context by clear implication otherwise requires, have the meanings herein specified:

"Alternate Credit Facility" means an irrevocable direct-pay letter of credit and related reimbursement agreement, financial guaranty insurance policy, municipal bond insurance policy, liquidity facility, line of credit or similar agreement providing for the payment of principal of, interest on, and, if applicable, purchase price on the 2011C Bonds, as amended, supplemented or extended from time to time.

"Appendix B" means this Appendix B which is attached to, and incorporated in, the Series Resolution.

"Authorized Denominations" means with respect to the 2011C Bonds bearing interest at a Fixed Rate or at a Term Rate, \$5,000 and any integral multiple thereof, if the 2011C Bonds have an investment grade rating by any Rating Agency then rating the 2011C Bonds; with respect to any Multi-Modal Bond bearing interest at a Weekly Rate, or, if the 2011C Bonds do not have an investment grade rating by any Rating Agency then rating the 2011C Bonds, at a Fixed Rate or a Term Rate, \$100,000 and any integral multiple of \$5,000 in excess thereof.

"Bank Bonds" means any 2011C Bonds purchased by the Credit Provider for so long as such 2011C Bonds bear interest at the Bank Bond Rate. If the Credit Facility for the 2011C Bonds is a Letter of Credit, Bank Bonds means 2011C Bonds purchased by the Tender Agent in the name of the City and pledged as collateral to the Bank as described in the applicable Reimbursement Agreement.

"Bank Bond Rate," at any date of determination, means the interest rate per annum for Bank Bonds determined pursuant to the provisions of the Credit Facility or Reimbursement Agreement in effect on such date; provided, however, that in no event shall the Bank Bond Rate exceed the Maximum Rate. The Bank Bond Rate may not be amended or modified without the consent of the LGC.

"Beneficial Owner" means, when the 2011C Bonds are in Book-Entry Form, any person who acquires a beneficial ownership in the 2011C Bonds held by the Securities Depository.

"Bond Order" means the bond order adopted by the City Council on November 18, 1985, authorizing and securing airport revenue bonds of the City, as supplemented and amended on June 8, 1992 and August 23, 2004, as supplemented or amended from time to time.

"Bond Purchase Fund" mean the Fund so designated and established by Section 5.10.

"Bond Registrar" means the Trustee.

"Book-Entry Form" or *"Book-Entry System"* means a form or system, as applicable, under which physical certificates in fully registered form are registered only in the name of the Securities Depository or its nominee, with the physical certificates held in the custody of the Securities Depository or its agent.

"Business Day" means, for so long as the Credit Facility is a Letter of Credit, any day other than (i) a Saturday, a Sunday or any other day on which banking institutions located in the state or in the city in which the Designated Office of the Trustee, the Remarketing Agent, or in which the office of the Credit Provider from which payments are made pursuant to the Letter of Credit is located, are authorized or required to remain closed or (ii) a day on which the New York Stock Exchange is closed.

"Credit Facility" means a Letter of Credit issued by a Credit Provider in favor of the Trustee, in its capacity as Trustee and Tender Agent, for the account of the City, and any amendments or supplements thereto or extensions thereof, that provides security for the payment of principal of, interest on, and, if such 2011C Bonds are in a Weekly Rate Period or Term Rate Period, purchase price on such 2011C Bonds, and, on acceptance by the Trustee or Tender Agent of any Alternate Credit Facility, such Alternate Credit Facility. The term *"Credit Facility"* may also include any financial guaranty insurance policy, municipal bond insurance policy, liquidity facility, line of credit or similar agreement, or combination thereof, issued for the account of the City.

"Credit Modification Date" means either (a) the fifth Business Day next preceding the date on which a Credit Facility then in effect is stated to expire (unless extended), or (b) if the Credit Facility will terminate before its stated expiration date on account of the delivery of an Alternate Credit Facility, the proposed Alternate Credit Facility Effective Date with respect to such Alternate Credit Facility.

"Credit Provider" means Bank of America, N.A., or any provider of a Credit Facility then in effect for the 2011C Bonds.

"Delivery Office" means the office of the Tender Agent as may be specified by the Tender Agent for receiving 2011C Bonds and the notices set forth in Sections 3.01 and 3.02.

"Designated Office" means, as applicable, the office located at the address for notices to be sent as set forth in Section 10.02 unless otherwise designated in writing to the appropriate parties.

"Electronic Means" means, facsimile transmission, email transmission or other similar electronic means of communication providing evidence of transmission, including a telephone communication confirmed by any other method set forth in this definition.

"Favorable Opinion of Bond Counsel" means an opinion of nationally recognized bond counsel acceptable to the City, which opinion is addressed to the City, the Credit Provider, the Remarketing Agent (if any), and the Trustee, to the effect that the action proposed to be taken is authorized or permitted by this Appendix B and will not adversely affect the exclusion of interest on any of the 2011C Bonds from gross income for purposes of federal income taxation under Section 103 of the Code.

"Fitch Ratings" means Fitch, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency (other than S&P or Moody's) as may be designated in writing by the City, with the consent of the LGC.

"Fixed Rate" means, as to the applicable Multi-Modal Bonds, a non-variable interest rate or rates to the final maturity of the 2011C Bonds established in accordance with Section 2.07.

"Fixed Rate Period" means, as to the applicable Multi-Modal Bonds, the period of time, which shall end at maturity, during which such Multi-Modal Bonds bear interest at a Fixed Rate.

"Interest Accrual Date" means, (1) with respect to any Weekly Rate Period, the first day thereof and, thereafter, the first Business Day of each month during that Weekly Rate Period, (2) with respect to the Term Rate Period, the date on which such Multi-Modal Bonds become subject to the Term Rate Period, and each Interest Payment Date in respect thereof, other than the last such Interest Payment Date and (3) with respect to the Fixed Rate Period, the date on which such Multi-Modal Bonds become subject to the Fixed Rate Period, and each Interest Payment Date in respect thereof, other than the last such Interest Payment Date.

"Interest Payment Date" means, (1) for any Weekly Rate Period, the first Business Day of each calendar month, the date on which Bank Bonds are remarketed and, if applicable, purchased from the Credit Provider, the date on which the applicable Multi-Modal Bonds become subject to the Fixed Rate Period, any date on which such Multi-Modal Bonds become subject to mandatory tender, and the maturity or redemption date of the applicable Multi-Modal Bonds; (2) with respect to any Bank Bonds, each date set forth in the Reimbursement Agreement; (3) with respect to Multi-Modal Bonds for the Term Rate Period, January 1 and July 1 of each year, and commencing with respect to any Multi-Modal Bonds while in the Term Rate Period, the January 1 or July 1 following the beginning of the Term Rate Period as shall be determined by the City at or prior to the conversion of such Multi-Modal Bonds to a Term Rate, and in all cases on the day following the end of each Term Rate Period or redemption date of such Bonds, and (4) with respect to Multi-Modal Bonds for the Fixed Rate Period, January 1 and July 1 of each year, and commencing with respect to any Multi-Modal Bonds while in the Fixed Rate Period, the January 1 and July 1 following the beginning of the Fixed Rate Period as shall be determined by the City at or prior to the conversion of such Multi-Modal Bonds to a Fixed Rate, and in all cases on the maturity or redemption date of such Bonds.

"Interest Rate Period" means the Weekly Rate Period, the Term Rate Period or the Fixed Rate Period.

"Letter of Credit" means an irrevocable, direct-pay letter of credit issued by a Credit Provider that provides security for the payment of principal of, interest on, and purchase price of the 2011C Bonds.

"Letter of Representations" means the Blanket Letter of Representations dated as of November 21, 1996 between the City and the Securities Depository and any other letter of representations between the City and a successor Securities Depository appointed pursuant to Section 2.09.

"LGC" means the Local Government Commission of North Carolina, a division of the Department of State Treasurer, and any successor or successors thereto or its designated representative.

"Maximum Rate" means (a) as to the Multi-Modal Bonds other than Bank Bonds, 12% per annum, and (b) as to Bank Bonds or any obligation owed by the City to a Credit Provider, the rate per annum required under the Reimbursement Agreement or other Credit Facility, not to exceed 22% per annum. The Maximum Rate may not be amended or modified without the consent of the LGC.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency (other than S&P or Fitch Ratings) as may be designated in writing by the City, with the consent of the LGC.

"Multi-Modal Bonds" means 2011C Bonds bearing interest at a Weekly Rate, a Term Rate or a Fixed Rate.

"Participant" means one of the entities which is a member of the Securities Depository and deposits securities, directly or indirectly, in the Book-Entry System.

"Paying Agent" means the Trustee.

"Purchase Contract" means the Bond Purchase Agreement among the LGC, the City and the Purchaser, providing for the initial purchase of the 2011C Bonds.

"Purchaser" means Merrill Lynch, Pierce, Fenner & Smith Incorporated.

"Purchase Date" means the day that any 2011C Bond is subject to purchase pursuant to optional or mandatory tender under this Appendix B.

"Purchase Price" or *"purchase price"* means the principal amount of 2011C Bonds payable on a Purchase Date plus accrued interest with respect thereto; provided, however, if the Purchase Date is also an Interest Payment Date, purchase price shall not include accrued interest; and provided, further, purchase price shall not include any defaulted interest or premium on the 2011C Bonds.

"Qualified Surety Bond" means any surety bond or other insurance policy, which has liquidity features equivalent to a letter of credit, or any letter of credit deposited in a subaccount of the Revenue Bond Reserve Account in lieu of or in partial substitution for monies on deposit therein, the issuer of which, at the time of the issuance of the Qualified Surety Bond, is rated in the highest rating categories by either S&P, Moody's or Fitch Ratings.

"Qualified Surety Bond Provider" means a provider of a Qualified Surety Bond.

"Rating Confirmation Notice" means a written notice from each of the Rating Agencies that as of the effective date of an Alternate Credit Facility, the long-term and short-term ratings on the 2011C Bonds will not be lowered or withdrawn from the then-current rating as a result of action proposed to be taken by the City.

"Record Date" means with respect to each Interest Payment Date for the 2011C Bonds bearing interest at a Term Rate or a Fixed Rate, the 15th day of the calendar month immediately preceding such Interest Payment Date, and with respect to each Interest Payment Date for Multi-Modal Bonds bearing interest at a Weekly Rate, the last Business Day preceding such Interest Payment Date.

"Redemption Price" means 100% of the principal of the 2011C Bonds called for redemption, plus the premium, if any, and interest accrued to the redemption date.

"Reimbursement Agreement" means, as to the 2011C Bonds, initially, the Reimbursement and Security Agreement dated as of November 1, 2011, executed by and among the City and the initial Credit Provider named therein, as the same may be amended or supplemented from time to time, and, subsequently, any similar agreement relating to any Alternate Credit Facility, as the same may be amended or supplemented from time to time.

"Remarketing Agent" means the Remarketing Agent appointed and qualified under Article VIII.

"Remarketing Agreement" means, initially, the Remarketing Agreement between the City and the Remarketing Agent, and any amendments and supplements thereto and, subsequently, any similar agreement between the City and any successor Remarketing Agent, and any amendments and supplements thereto.

"Reserve Requirement" means, with respect to the 2011C Bonds, the lesser of (i) 10% of the original principal amount of the 2011C Bonds, (ii) the maximum amount required to pay principal of and interest on the 2011C Bonds for any current or succeeding Fiscal Year, (iii) 125% of the average annual principal and interest requirements on the 2011C Bonds or (iv) such other amount prescribed by the Code. For purposes of calculating the principal and interest requirements on the 2011C Bonds, the 2011C Bonds shall be treated as though they bear interest at a rate per annum as specified by the Finance Director in his certificate delivered under Section 2.01(4) of this Appendix B.

"Securities Depository" means The Depository Trust Company, New York, New York, until a successor Securities Depository has become such pursuant to the applicable provisions of this Appendix B, and, thereafter, *"Securities Depository"* means the successor Securities Depository. Any Securities Depository shall be a securities depository that is a clearing agency under federal law operating and maintaining, with its Participants or otherwise, a Book-Entry System to record ownership of Beneficial Interests in 2011C Bonds, and to effect transfers of 2011C Bonds, in a Book-Entry Form.

"Series Resolution" means, the Series Resolution adopted by the City Council of the City on September 12, 2011, the appendices attached thereto, and any amendments or supplements thereto.

"Series 2011C Subaccount of the Revenue Bond Interest Account" means the subaccount created and so designated by Section 5.01.

"Series 2011C Subaccount of the Revenue Bond Principal Account" means the subaccount created and so designated by Section 5.01.

"Series 2011C Subaccount of the Revenue Bond Redemption Account" means the subaccount created and so designated by Section 5.01.

"Series 2011C Subaccount of the Revenue Bond Reserve Account" means the subaccount created and so designated by Section 5.01.

"Series 2011C Subaccount of the Revenue Bond Sinking Fund Account" means the subaccount created and so designated by Section 5.01.

"Sinking Fund Requirement" means the principal amount of the 2011C Bonds to be retired by mandatory redemption pursuant to Section 4.03 of this Appendix B as specified by the Finance Director in his certificate delivered under Section 2.01(4) of this Appendix B. If, in any Fiscal Year, the Trustee purchases or receives from the City and cancels 2011C Bonds in excess of the aggregate Sinking Fund Requirements for such Fiscal Year, the City will file a certificate of the Finance Director with the Trustee not later than the applicable May 20, setting forth the amount by which the Sinking Fund Requirements so determined are to be reduced in an aggregate amount not to exceed such excess amount.

"S&P" means Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency (other than Moody's or Fitch

Ratings) as may be designated in writing by the City and approved in writing, with the consent of the LGC.

"*S&P Weekly Index*" means the Standard & Poor's Weekly High Grade Index which is an index published by S&P composed of thirty-four MIG-1 rated municipal tax-exempt notes that are not subject to alternative minimum taxes and the coupon of which is adjusted to price that component on par and track the high-grade weekly tax-exempt levels.

"*Tender Agent*" means, as to 2011C Bonds, any entity appointed by the City and qualified in the manner provided in this Appendix B, which may be the Trustee and must be a commercial bank with trust powers and, if the Credit Facility is a Letter of Credit, must be the Trustee.

"*Tender Notice*" means, as to 2011C Bonds, the notice from an Owner of a 2011C Bond to the Tender Agent and to the Remarketing Agent identifying 2011C Bonds to be purchased on a specified date pursuant to this Appendix B.

"*Term Rate*" means, with respect to each 2011C Bond, a term, non-variable interest rate on such 2011C Bond established in accordance with Section 2.02.

"*Term Rate Period*" means each period during which a Term Rate is in effect.

"*2011C Bonds*" means the City of Charlotte's Variable Rate Airport Revenue Bonds, Series 2011C, issued pursuant to the Bond Order and the Series Resolution and this Appendix B attached thereto.

"*2011C Credit Facility Account*" means the Account so designated and established within the Bond Purchase Fund.

"*2011C General Account*" means the Account so designated and established within the Bond Purchase Fund.

"*2011C Purchase Account*" means the Account so designated and established within the Bond Purchase Fund.

"*Weekly Rate*" means, as to the applicable Multi-Modal Bonds, a variable interest rate established weekly in accordance with Sections 2.02 and 2.07.

"*Weekly Rate Period*" means, as to the applicable Multi-Modal Bonds, each period during which a Weekly Rate is in effect for such Multi-Modal Bonds.

(b) **Construction.** This Appendix B, except where the context by clear implication herein otherwise requires, is subject to and to be construed in the same manner as provided by Section 102 of the Bond Order. Unless the context otherwise requires, all references herein to time mean New York City time unless otherwise expressly stated.

Section 1.02 Parties Interested Herein. Except as otherwise expressly provided in this Appendix B, nothing herein expressed or implied is intended or to be construed to confer on or to give to any Person, other than the City, the City Council, the Paying Agent, the Tender Agent, the Bond Registrar, the Trustee, the Credit Provider, the Remarketing Agent, the Purchaser and the owners from time to time of the 2011C Bonds, any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained

by and on behalf of the City are for the sole and exclusive benefit of the City, the City Council, the Paying Agent, the Tender Agent, the Bond Registrar, the Trustee, the Credit Provider, the Remarketing Agent, the Purchaser and the owners of the 2011C Bonds, except as herein otherwise provided. The Credit Provider is intended to be a third party beneficiary of the provisions of this Appendix B.

Section 1.03 *Ratification.* All action heretofore taken (not inconsistent with the provisions of the Series Resolution and this Appendix B) by the City directed toward the financing of the Additional Facilities, toward the sale and delivery of the 2011C Bonds for that purpose, and toward the acceptance and execution of the Purchase Contract submitted by the Purchaser to the City, hereby is ratified, approved and confirmed.

[Bnd of Article I]

ARTICLE 2

AUTHORIZATION, EXECUTION, DELIVERY AND PAYMENT OF 2011C BONDS

Section 2.01 *Authorization.*

(a) The financing of the Additional Facilities is hereby authorized. For the purpose of providing funds for the financing of the Cost of the Additional Facilities, funding an account in the Revenue Bond Reserve Account for the 2011C Bonds and paying the costs of issuing the 2011C Bonds, there is hereby authorized and shall be issued, under and pursuant to the Constitution and the laws of the State, including the Act, the Bond Order and the Series Resolution, the 2011C Bonds of the City in the amounts and subject to the conditions herein provided. No 2011C Bonds may be issued under the provisions of this Appendix B, the Series Resolution and the Bond Order except in accordance with this Article. The total principal amount of 2011C Bonds that may be issued is hereby expressly limited to \$31,295,000, except as provided in Sections 204 and 210 of the Bond Order.

The 2011C Bonds will be designated "*City of Charlotte, North Carolina Variable Rate Airport Revenue Bonds, Series 2011C*". The 2011C Bonds will be issuable as fully registered bonds in any Authorized Denomination. The 2011C Bonds will be numbered from RC-1 upwards. The 2011C Bonds will be substantially in the form set forth in Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by this Appendix B.

The 2011C Bonds and any premiums on the redemption thereof before maturity will be payable in lawful money of the United States of America and at the Designated Office of the Trustee on presentation and surrender. Interest on the Bonds will be paid by the Trustee by check mailed on the Interest Payment Date to each Owner as its name and address appear on the register kept by the Trustee at the close on the Record Date.

Before the delivery by the Trustee of any of the 2011C Bonds, the items required under Section 717 of the Bond Order must be filed with the Trustee. The 2011C Bonds must be in Authorized Denominations and executed substantially in the form and in the manner set forth in the Exhibit to this Appendix B and will be deposited with the Bond Registrar for authentication, but before the 2011C Bonds may be authenticated and delivered by the Bond Registrar to the Treasurer of the State for redelivery to the Purchaser, there must be filed with the Trustee the following:

1. a copy, certified by the City Clerk, of the Series Resolution;
2. a copy, certified by the Secretary or any Deputy Secretary of the Local Government Commission, of the resolution of the Local Government Commission approving the issuance of and awarding the 2011C Bonds;
3. a copy, certified by the City Clerk, of the Bond Order;
4. a certificate or certificates of the Finance Director collectively setting forth the following:
 - (A) the aggregate principal amount of 2011C Bonds to be issued, not in excess of the maximum amount previously established in Section 2.01(a);
 - (B) the amount of the Reserve Requirement which is required to be deposited to the Series 2011C Subaccount of the Revenue Bond Reserve Account, including the

- assumed interest rate that the 2011C Bonds will be treated at for purposes of such deposit;
- (C) the initial interest rate for the 2011C Bonds, such interest rate not to be in excess of 9.00%, and the first Interest Payment Date for the 2011C Bonds;
 - (D) the disposition of the proceeds of the 2011C Bonds to the Series 2011C Subaccount of the Revenue Bond Reserve Account, the Series 2011C Construction Account of the Construction Fund, and to pay certain expenses incurred in connection with the issuance of the 2011C Bonds; and
 - (E) the designation of the principal amount of the Sinking Fund Requirements for the 2011C Bonds;
5. an opinion of the Airport's Attorney to the effect that the City has title to the Airport, subject to Permitted Encumbrances or other exceptions satisfactory to the Purchaser;
 6. evidence of compliance by the City with the provisions of Section 717 of the Bond Order;
 7. copies of insurance certificates and a statement, signed by the City's Director of Insurance and Risk Management or insurance agent, to the effect that the insurance required by the Bond Order is in effect;
 8. an opinion of the City Attorney stating that (i) the Series Resolution has been duly and validly adopted by the City, (ii) no provision of the Bond Order or the Series Resolution violates any provision of the Act or results in or constitutes a default under any agreement, indenture or other instrument to which the City is a party or by which the City may be bound, and of which he has knowledge, (iii) the City's adoption of the Series Resolution and execution and issuance of the 2011C Bonds are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not theretofore obtained or effected, and no taxes are payable in connection therewith, and (iv) the form, terms, execution, issuance and delivery of the 2011C Bonds have been duly and validly authorized by the City, and the 2011C Bonds constitute valid and binding special obligations of the City in accordance with their terms;
 9. the Credit Facility; and
 10. an opinion of counsel to the Credit Provider to the effect that the Credit Facility has been duly authorized, executed and delivered and is the legal, valid and binding agreement of the Credit Provider enforceable in accordance with its terms.

When the documents mentioned in paragraphs (1) to (10), inclusive, of this Section have been filed with the Trustee and when the 2011C Bonds have been executed and authenticated as required by this Appendix B, the Trustee shall deliver the 2011C Bonds at one time to the Treasurer of the State of North Carolina for redelivery to or on the order of the Purchaser, but only on payment to the Trustee of the purchase price of the 2011C Bonds. The Trustee is entitled to rely on the resolutions and certificates mentioned in paragraphs (1) through (10) of this Section as to all matters stated therein.

(b) The 2011C Bonds shall be dated as of the date of their initial issuance, if issued before the first Interest Payment Date, or if issued on any later date, as of the Interest Payment Date next preceding their date of issuance, or if issued on an Interest Payment Date, as of such date; provided, however, that if the interest on the 2011C Bonds is in default, 2011C Bonds issued in exchange for 2011C Bonds surrendered for transfer or exchange will be dated as of the date to which interest has been paid in full on the Bonds so surrendered.

(c) Except as otherwise provided in the 2011C Bonds, the 2011C Bonds shall be issued in Authorized Denominations. The form of the 2011C Bonds and the Trustee's certificate of authentication are to be substantially as set forth in Exhibit A.

(d) (1) The principal of the 2011C Bonds is payable on presentation at the corporate trust office of the Trustee for the 2011C Bonds, provided, however, that principal of the Bank Bonds is payable as provided in the Reimbursement Agreement. Interest on the 2011C Bonds is payable by check or draft mailed by the Trustee to the Holder(s) thereof as the same appears as of the Record Date on the books of the City maintained by the Bond Registrar, provided that interest on any 2011C Bonds that constitute Bank Bonds, so long as the Credit Facility is not a Letter of Credit, are payable to the Credit Provider as provided in the Reimbursement Agreement.

(2) On the written request of a Holder of at least \$1,000,000 in aggregate Principal Amount of 2011C Bonds Outstanding received by the Trustee and the Paying Agent on or prior to one Business Day preceding any Record Date for the 2011C Bonds in accordance with their terms, payment of the principal or Redemption Price of and interest on such 2011C Bonds, as applicable, will be made by wire transfer of immediately available funds by the Trustee or the Paying Agent, as applicable, on such payment date to an account designated by such Holder in such request.

(3) CUSIP identification numbers may be printed on the 2011C Bonds, and included in redemption and payment notices in respect thereof, but no such number is a part of any 2011C Bond or a part of the contract evidenced thereby, and no liability hereafter attaches to the City, the Trustee, the Paying Agent or any of their respective officers or agents because of or on account of said CUSIP identification numbers.

(e) The proceeds of the 2011C Bonds are to be deposited in accordance with the certificate of the Finance Director delivered under Section 2.01(4).

(f) The 2011C Bonds may be converted, at the election of the City, but only on satisfaction of the applicable conditions to any such conversion as are set forth herein, to or from a Weekly Rate Period, to or from a Term Rate Period or to (but not from) a Fixed Rate Period.

(g) Notwithstanding any other provision of this Appendix B or the 2011C Bonds, so long as the 2011C Bonds are in a Book-Entry System and the Securities Depository is the registered owner of the 2011C Bonds, a Beneficial Owner may give notice to elect to have its 2011C Bonds purchased or tendered, through its Participant, to the Remarketing Agent, and may effect delivery of such 2011C Bonds by causing the Direct Participant to transfer the Participant's interest in the 2011C Bonds, on DTC's records, to the Remarketing Agent. The requirement for physical delivery of 2011C Bonds in connection with an optional tender or a mandatory purchase may be deemed satisfied when the ownership rights in the 2011C Bonds are transferred by Direct Participants on DTC's records and followed by a book entry credit of tendered 2011C Bonds to the Remarketing Agent's DTC account.

Section 2.02 *Interest Rates and Computation of Interest for 2011C Bonds.*

(a) The 2011C Bonds shall mature on July 1 in the year as set forth in the certificate of the Finance Director delivered under Section 2.01(4), and shall initially bear interest at the Weekly Rate (unless and until converted).

(b) The interest rates contained in the records of the Trustee are conclusive and binding, absent manifest error, on the City, the Remarketing Agent, the Paying Agent, the Trustee, the Credit Provider and the Owners.

(c) Notwithstanding anything contained herein to the contrary, in no event shall the rate of interest on any Multi-Modal Bond exceed at any time the Maximum Rate.

(d) Notwithstanding anything contained herein to the contrary, in no event is any Owner entitled to receive any interest payment on any Multi-Modal Bond in excess of the amount permitted by any applicable usury or similar law.

(e) Interest on the Multi-Modal Bonds is to be computed, in the case of the Fixed Rate Period or a Term Rate Period, on the basis of a 360-day year consisting of twelve 30-day months, and in the case of a Weekly Rate Period, on the basis of a 365 or 366-day year, as the case may be, for the actual number of days elapsed.

(f) Notwithstanding anything to the contrary, herein, the interest on each Bank Bond will be calculated with respect to the outstanding principal amount thereof at the rate of interest set forth in the Reimbursement Agreement for Bank Bonds for each day from and including the date such 2011C Bond becomes a Bank Bond to, but not including, the date such 2011C Bond is paid in full or is remarketed. Interest on Bank Bonds shall be payable as provided in the Reimbursement Agreement, not to exceed the Maximum Rate.

Section 2.03 *Conversion of 2011C Bonds.*

(a) Subject to the conditions described in Section 2.03(b), Section 2.04 and Section 2.05, by written direction delivered to the Trustee, the Paying Agent, the Bond Registrar, the Tender Agent and the Remarketing Agent, the City may elect at any time to convert the Outstanding Multi-Modal Bonds to a Fixed Rate to maturity, or to or from a Weekly Rate, or to or from a Term Rate.

In connection with the establishment of a Fixed Rate for the Multi-Modal Bonds, the Remarketing Agent shall designate such principal amount of such Multi-Modal Bonds as corresponds to the Sinking Fund Installments as set forth in the certificate of the Finance Director delivered in accordance with Section 2.01. Notwithstanding the foregoing, the City may specify another method of establishing the principal amounts of the 2011C Bonds, the term 2011C Bonds, the Serial Maturity Dates and the Term Maturity Dates on receipt by the City, the Trustee and the Remarketing Agent of a Favorable Opinion of Bond Counsel and with the consent of the LGC.

(b) Any direction given by the City (1) shall specify, as applicable, the proposed new Interest Rate Period and the effective date thereof (which shall be any Business Day selected by the City occurring not less than 35 days following the second Business Day after the date of receipt by the Trustee of such direction); (2) shall specify that the 2011C Bonds will bear interest at the Weekly Rate, Term Rate or Fixed Rate, as the case may be, during, as applicable, the proposed Weekly Rate Period, the Term Rate Period or Fixed Rate Period; and (3) shall state that on the first day of, as applicable, the proposed Weekly Rate Period, the Term Rate Period or Fixed Rate Period all 2011C Bonds shall be purchased or

deemed purchased as provided in Section 3.02(a) at a purchase price equal to the principal amount thereof, plus accrued interest, if any. The Trustee shall authenticate and deliver new 2011C Bonds or make an appropriate notation on 2011C Bonds authenticated and delivered by it which shall specify the new Interest Rate Period to which such 2011C Bonds are subject after conversion pursuant to this Section.

Section 2.04 Notice to 2011C Bondholders of Conversion. The Trustee shall mail notice of the new Interest Rate Period established pursuant to Section 2.03 to the registered owners of the affected Multi-Modal Bonds, the Remarketing Agent and the Credit Provider not less than 30 days prior to the effective date of the new Interest Rate Period. Such notice shall state (1) that the interest rate on such Multi-Modal Bonds will be adjusted, subject to receipt of a Favorable Opinion of Bond Counsel, on the effective date of the new Interest Rate Period, to the Weekly Rate, the Term Rate or the Fixed Rate, as applicable; (2) the effective date of such new Interest Rate Period; (3) that on the first day of the new Interest Rate Period all such Multi-Modal Bonds shall be purchased or deemed purchased as provided in Section 3.02(a) at a purchase price equal to the principal amount thereof, plus accrued interest, if any; and (4) the procedures for such purchase. A form of such notice shall be provided to the Trustee by the City.

Section 2.05 Conditions to Conversion. A conversion to a new Interest Rate Period for the Multi-Modal Bonds shall not take place unless the City shall deliver, or cause to be delivered to the Trustee, the Tender Agent and the Remarketing Agent two Favorable Opinions of Bond Counsel, the first to be delivered with the direction specified in Section 2.03 and the second to be delivered on the effective date of the new Interest Rate Period. If such opinion is not received on the proposed effective date of the new Interest Rate Period, then all such Multi-Modal Bonds shall be purchased or deemed purchased on such date and all such Multi-Modal Bonds shall continue to be in the prior Interest Rate Period.

In addition, a conversion to a Weekly Rate Period or Term Rate Period shall not take place unless the City shall deliver, or cause to be delivered, to the Trustee, the Tender Agent (if applicable) and the Remarketing Agent a Credit Facility, or an amendment thereto, providing for interest coverage for a period of time acceptable to the Rating Agencies as evidenced in writing by such Rating Agencies. After conversion to a Fixed Rate Period, no Credit Facility shall be required during any such Interest Rate Period.

Section 2.06 Interest Payment Dates for 2011C Bonds. Interest on the Multi-Modal Bonds is payable (1) on the initial Interest Payment Date therefor established in the applicable 2011C Bond, for the period commencing on the date of initial authentication and delivery of the Multi-Modal Bonds and ending on the date immediately preceding such initial Interest Payment Date, and (2) thereafter, on each Interest Payment Date for the period commencing on the immediately preceding Interest Accrual Date to which interest has been paid in full or duly provided for and ending on the day immediately preceding such Interest Payment Date.

Section 2.07 Interest Rates for 2011C Bonds.

(a) During each Weekly Rate Period for the Multi-Modal Bonds, as provided in Section 2.02, the Multi-Modal Bonds shall bear interest at the Weekly Rate. During each Term Rate Period for the Multi-Modal Bonds, each Multi-Modal Bond shall bear interest at the applicable Term Rate. During the Fixed Rate Period for the Multi-Modal Bonds, the Multi-Modal Bonds shall bear interest at the Fixed Rate.

The interest rate on the Multi-Modal Bonds during any Weekly Rate Period shall be established from time to time as a rate equal to the rate determined by the Remarketing Agent to be the minimum interest rate which, if borne by the Multi-Modal Bonds, would enable the Remarketing Agent to remarket

the Multi-Modal Bonds at the time the interest rate is being determined at a price equal to the principal amount thereof plus accrued interest, if any. The determination of each Weekly Rate, any Term Rate and any Fixed Rate by the Remarketing Agent is conclusive and binding on the Trustee, the Credit Provider (if any), the City, the Tender Agent and the Owners of such Multi-Modal Bonds, absent manifest error.

(b) During each Weekly Rate Period, the 2011C Bonds in the Weekly Rate Period shall bear interest at a Weekly Rate, which shall be determined in accordance with Section 2.07(a) by the Remarketing Agent by 10:30 a.m. (New York City time) on Wednesday of each week during such Weekly Rate Period, or if such day shall not be a Business Day, then on the next succeeding Business Day to be effective immediately. The first Weekly Rate determined for each Weekly Rate Period shall be determined on or prior to the first day of such Weekly Rate Period and shall apply to the period commencing on the first day of such Weekly Rate Period and ending on the next succeeding Tuesday. Thereafter, each Weekly Rate shall apply to the period commencing on Wednesday and ending on the next succeeding Tuesday, unless such Weekly Rate Period shall end on a day other than Tuesday, in which event the last Weekly Rate for such Weekly Rate Period shall apply to the period commencing on the Wednesday preceding the last day of such Weekly Rate Period and ending on the last day of such Weekly Rate Period. In the event that the Remarketing Agent fails to establish a Weekly Rate for any week, then the Weekly Rate for such week shall be the same as the Weekly Rate for the immediately preceding week if the Weekly Rate for such preceding week was determined by the Remarketing Agent. If the Weekly Rate for the immediately preceding week was not determined by the Remarketing Agent, or if the Weekly Rate determined by the Remarketing Agent is held to be invalid or unenforceable by a court of law, then the interest rate for such week shall be equal to the S&P Weekly Index on the day the Weekly Rate would otherwise be determined as provided herein for such Weekly Rate Period.

(c) During the Fixed Rate Period, the 2011C Bonds shall bear interest at the Fixed Rate, which shall be determined, in accordance with Section 2.07(a), by the Remarketing Agent on a Business Day selected by it prior to the first day that such Bonds begin the Fixed Rate Period.

(d) (1) During each Term Rate Period, the 2011C Bonds shall bear interest at the Term Rate. The Term Rate shall be determined by the Remarketing Agent on a Business Day no earlier than two weeks before the effective date of such Term Rate Period and no later than 10:00 a.m. on the effective date of such Term Rate Period. The Term Rate shall be the rate of interest per annum determined by the Remarketing Agent to be the minimum interest rate which, if borne by the 2011C Bonds, would enable the Remarketing Agent to remarket the 2011C Bonds on such effective date at a price (without regard to accrued interest) equal to the principal amount thereof. If, for any reason, the Term Rate is not so determined for any Term Rate Period by the Remarketing Agent on or prior to the first day of such Term Rate Period, then the 2011C Bonds shall bear interest at the Weekly Rate determined as provided in Section 2.07(b), and shall continue to bear interest at a Weekly Rate determined in accordance with Section 2.07(b) until such time as the interest rate on the 2011C Bonds is adjusted to another Interest Rate as provided herein, and the 2011C Bonds shall be subject to purchase on notice from the Owners thereof as described in Section 3.01(a) or (b).

(2) (A) At any time, the City, by written direction to the Trustee, the Remarketing Agent, each Rating Agency then rating the 2011C Bonds and the Credit Provider may elect that the 2011C Bonds shall bear, or continue to bear, interest at a Term Rate. The direction of the City required by the first sentence of this paragraph (A), (i) shall specify the duration of the Term Rate Period during which the 2011C Bonds shall bear interest at a Term Rate which may not exceed 10 years or the remaining term of the Credit Facility, whichever is less; (ii) shall specify the proposed effective date of such Term Rate Period, which date shall be (aa) a Business Day not earlier than the 30th day following the fifth Business Day after receipt by

the Trustee of such direction, and (bb) in the case of an adjustment to a Term Rate Period from another Term Rate Period, the day immediately following the last day of the then current Term Rate Period or a day on which the 2011C Bonds would otherwise be subject to optional redemption under Section 4.04 if such adjustment did not occur, (iii) shall specify the proposed last day of such Term Rate Period (which last day shall be either the day immediately prior to the maturity date of the 2011C Bonds, or a day which both immediately precedes a Business Day and is at least 181 days after the effective date thereof); and (iv) with respect to any such Term Rate Period, may specify different Redemption Prices, and different Term Rate Periods for which such Redemption Prices are applicable, than those set forth in Section 4.04, if approved by nationally recognized bond counsel.

(B) Such direction of the City shall be accompanied by a Favorable Opinion of Bond Counsel.

(e) The foregoing provisions of this Section 2.07 notwithstanding, any Multi-Modal Bond for any day during which it is a Bank Bond, and the Credit Facility is not a Letter of Credit, shall bear interest at the Bank Bond Rate in effect for such day (which shall not exceed the Maximum Rate).

(f) So long as the Credit Facility is not a Letter of Credit:

(1) If any Multi-Modal Bonds are Bank Bonds on the Business Day prior to an Interest Payment Date the Credit Provider shall notify the Paying Agent of the amount of interest due on the Bank Bonds, calculated at the Bank Bond Rate (which shall not exceed the Maximum Rate), provided that the failure of the Credit Provider to so notify the Paying Agent shall not relieve the City of its obligation to pay interest on such Bank Bonds at the Bank Bond Rate. The Paying Agent is hereby directed to pay from available funds on deposit in the Revenue Bond Fund for such 2011C Bonds the amount described in the next preceding sentence to the Credit Provider on such Interest Payment Date.

(2) Promptly on being notified of any date of remarketing of Bank Bonds, but in any case not earlier than such date, the Credit Provider shall notify the Paying Agent of the amount of the interest accrued on the Bank Bonds, calculated at the Bank Bond Rate (which shall not exceed the Maximum Rate), provided that the failure of the Credit Provider to so notify the Paying Agent shall not relieve the City of its obligation to pay interest on such Bank Bonds at the Bank Bond Rate. The Paying Agent is hereby directed to pay from funds available in the Revenue Bond Fund for such 2011C Bonds the amount described in the next preceding sentence to the Credit Provider on the date of remarketing, to the extent not otherwise paid as interest on such Bank Bonds.

(3) So long as the Multi-Modal Bonds remain in the Book-Entry System, the Paying Agent shall pay interest due on Bank Bonds (which shall not exceed the Maximum Rate) at the rate at which interest accrued on the 2011C Bonds other than Bank Bonds, in accordance with Section 2.01 and, to the extent interest accrued on the Bank Bonds at a rate in excess of such rate, to pay such excess by wire transfer of immediately available funds to the Credit Provider. So long as the Multi-Modal Bonds are not maintained in such Book-Entry System, the Paying Agent shall pay interest due on Bank Bonds by wire transfer of immediately available funds to the Credit Provider.

(4) Payment of the principal at maturity or on redemption in whole or in part of Bank Bonds shall be made (1) while the Book-Entry System is not in effect, only on presentation and surrender of such Multi-Modal Bonds to the Paying Agent, and the Tender Agent or its nominee shall so present and surrender such Multi-Modal Bonds for payment when due, and (2) while the

Book-Entry System is in effect, in accordance with the procedures established by the Securities Depository.

(g) The Remarketing Agent shall provide the Paying Agent, the Bond Registrar, the Tender Agent, the Credit Provider, the City, and, on request, the LGC with notice by Electronic Means of each Weekly Rate and each Fixed Rate promptly after the determination thereof by the Remarketing Agent.

Section 2.08 *Arbitrage and Tax Covenants.* The City covenants that it will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from federal income taxation of the interest on the 2011C Bonds and, if it should take or permit, or omit to take or cause to be taken, any such action, the City will take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof. The City acknowledges that the continued exclusion of interest on the 2011C Bonds from an Owner's gross income for federal income tax purposes depends, in part, on compliance with the arbitrage limitations imposed by Section 148 of the Code. The City covenants that it will comply with all the requirements of Section 148 of the Code, including the rebate requirements, and that it will not permit at any time any of the proceeds of the 2011C Bonds or other funds under their control be used, directly or indirectly, to acquire any asset or obligation, the acquisition of which would cause the 2011C Bonds to be "arbitrage bonds" for purposes of Section 148 of the Code.

Section 2.09 *Book-Entry System; Recording and Transfer of Ownership of the 2011C Bonds.*

(a) The Trustee, the Paying Agent or the City may make appropriate arrangements for some or all of the 2011C Bonds to be issued or held by means of a book-entry system administered by a Securities Depository with no physical distribution of such 2011C Bonds made to the purchasers thereof. If 2011C Bonds are held under the book-entry system, one 2011C Bond in the principal amount of the 2011C Bonds Outstanding (less the principal amount of any issued 2011C Bonds not held by means of a book-entry system), registered in the name of the Securities Depository (or its nominee), will be issued to the Securities Depository and immobilized in its custody. The City is not limited to using a book-entry system maintained by DTC, but may enter into a custody agreement with any bank or trust company serving as custodian (which may be the Paying Agent serving in the capacity of custodian) to provide for a book-entry system or similar method for the registration and registration of transfer of all or a portion of the 2011C Bonds.

(b) The 2011C Bonds shall be initially held by means of a book-entry system administered by the Securities Depository. On receipt of the documents referred to in Section 2.01, the Trustee shall authenticate one 2011C Bond registered in the name of the Securities Depository Nominee, and issue such 2011C Bond to the Securities Depository to be immobilized in its custody; provided that if The Depository Trust Company, New York, New York ("DTC") is acting as Securities Depository hereunder, such 2011C Bond shall be issued to Cede & Co. to be immobilized in its custody pursuant to the rules and procedures of DTC. Thereafter, in the event that 2011C Bonds are issued to the Owners thereof in bond (physical) form, the Trustee will authenticate and deliver to the Owners new 2011C Bonds in the principal amount equal to the aggregate principal amount of 2011C Bonds then Outstanding (less the principal amount of the 2011C Bonds not held by means of a book-entry system), registered in the name of the Owners, in exchange for the 2011C Bond then held by the Securities Depository and the Securities Depository shall surrender such 2011C Bond then held by it to the Trustee for cancellation and destruction in accordance with the terms of Section 306 of the Bond Order.

(c) If any 2011C Bonds are held by means of a book-entry system, such book-entry system will evidence beneficial ownership of the 2011C Bonds so held (or, as applicable, positions held by the

Securities Depository's Participants, beneficial ownership being evidenced in the records of such Participants) in Authorized Denominations. Registration and transfers of ownership shall be effected on the records of the Securities Depository (and, as applicable, its Participants) pursuant to rules and procedures established by the Securities Depository, and the Bond Registrar will provide the Securities Depository with all information required for such purposes. The City, the Trustee, the Paying Agent and the Bond Registrar will recognize the Securities Depository Nominee, while the registered owner of the 2011C Bonds so held, as the Owner of the 2011C Bonds for all purposes, including (i) payments of principal and Purchase Price of, and interest on, the 2011C Bonds, (ii) notices, and (iii) voting. Transfer of principal, interest and Purchase Price payments to beneficial owners of the 2011C Bonds so held will be the responsibility of the Securities Depository (or, as applicable, its Participants and other nominees of such beneficial owners). The City, the Trustee, the Paying Agent and the Bond Registrar will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository Nominee, the Securities Depository's Participants (if any) or persons acting through such Participants. While the Securities Depository Nominee is the owner of the 2011C Bonds so held, notwithstanding the provisions hereinabove contained, payments of principal and Purchase Price of and interest on such 2011C Bonds shall be made in accordance with the Letter of Representations. If, at any time, DTC shall be appointed and act as Securities Depository hereunder, the Paying Agent shall act as "*Issuing and Paying Agent*" in accordance with DTC's rules and procedures, with respect to the 2011C Bonds.

(d) If (1) DTC determines not to continue to act as securities depository for the 2011C Bonds or (2) the Trustee and the City determine to discontinue the book entry system in accordance with DTC's rules and the City fails to identify another qualified securities depository to replace DTC, the City will deliver fully registered definitive 2011C Bonds to DTC in accordance with its rules and procedures.

SO LONG AS A BOOK-ENTRY SYSTEM OF EVIDENCE OF OWNERSHIP IS MAINTAINED IN ACCORDANCE HEREWITH FOR ANY 2011C BONDS, (1) THE PROVISIONS OF THIS APPENDIX B RELATING TO THE DELIVERY OF PHYSICAL 2011C BONDS SHALL BE DEEMED INAPPLICABLE OR BE OTHERWISE SO CONSTRUED WITH REGARD TO SUCH 2011C BONDS AS TO GIVE FULL EFFECT TO SUCH BOOK-ENTRY SYSTEM AND (2) THE PROVISIONS OF THIS APPENDIX B RELATING TO PAYMENTS OF PRINCIPAL, PURCHASE PRICE AND INTEREST ON THE 2011C BONDS SHALL BE APPLICABLE TO BENEFICIAL OWNERSHIP INTERESTS IN THE 2011C BONDS IN AUTHORIZED DENOMINATIONS TO THE SAME EXTENT AS SUCH PROVISIONS ARE APPLICABLE TO REGISTERED OWNERSHIP INTERESTS IN THE 2011C BONDS.

[End of Article II]

ARTICLE 3

TENDER AND PURCHASE OF 2011C BONDS

Section 3.01 *Right of Weekly Rate 2011C Bondholders to Tender Weekly Rate Bonds.* The 2011C Bonds bearing interest at a Weekly Rate shall be purchased on demand of the Owners thereof prior to their maturity on the following terms:

(a) *Optional Tenders - Non Book-Entry System.* During any Weekly Rate Period for which the Book-Entry System with respect to the 2011C Bonds is not in effect, any 2011C Bond (or portion thereof) bearing interest at a Weekly Rate (provided that the principal amount of such 2011C Bond to be purchased and the principal amount to be retained shall each be an Authorized Denomination for 2011C Bonds subject to a Weekly Rate Period) shall be purchased or deemed purchased as provided in Section 3.03(a)(3) on the date specified in the notice referred to in (b) below by the time set forth in (b) below at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase, on delivery on any Business Day by the Owner of such 2011C Bond to the Tender Agent at its Delivery Office.

(b) *Optional Tenders - Book-Entry System.* During any Weekly Rate Period for which the Book-Entry System with respect to the 2011C Bonds is in effect, any 2011C Bond (or portion thereof) bearing interest at a Weekly Rate (provided that the principal amount of such 2011C Bond to be purchased and the principal amount to be retained shall each be an Authorized Denomination for 2011C Bonds subject to a Weekly Rate Period) shall be purchased or deemed purchased as provided in Section 3.03(a)(3) on the date specified in the notice referred to below at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase, provided, however, that in the event the Purchase Date is also an Interest Payment Date for the 2011C Bonds to be purchased, no accrued interest on such 2011C Bonds shall be included in the Purchase Price, on delivery on any Business Day by a Beneficial Owner (through its direct Participant in the Securities Depository) to the Tender Agent at its Delivery Office, the Paying Agent and the Remarketing Agent of an irrevocable written notice, executed by the Participant and stating the principal amount of such 2011C Bond (or portion thereof) bearing interest at a Weekly Rate to be purchased and the date on which the same shall be purchased, which date shall be a Business Day at least 7 days after 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. Payment of the purchase price of such 2011C Bond bearing interest at a Weekly Rate shall be made on, and solely from, the receipt of remarketing proceeds pursuant to Section 3.03 or the receipt by the Tender Agent of the proceeds of any drawing on the Credit Facility, or as soon as possible thereafter on the Business Day specified in the notice. The Beneficial Owner shall effect delivery of such 2011C Bonds, in accordance with Section 2.01(g), according to the normal and customary practice between the Securities Depository and the Tender Agent. The provisions of this Section 3.01(b) are subject to the provisions of Section 3.03(h).

Section 3.02 *Mandatory Tender for Purchase of the 2011C Bonds.* The 2011C Bonds are subject to mandatory tender on the following dates (each, a "Mandatory Tender Date"), at a purchase price equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon to but not including the date of purchase:

(a) *Mandatory Tender on Conversion.* On the first day of any new Interest Rate Period for the Multi-Modal Bonds being converted to a Weekly Rate Period, a Term Rate Period or a Fixed Rate Period, the Multi-Modal Bonds shall be purchased or deemed purchased as provided in Section

3.03(a)(3). If such conversion is from a Term Rate Period or Weekly Rate Period the Tender Agent shall draw on the Credit Facility to pay the Purchase Price of such 2011C Bonds, at the purchase price therefor equal to the principal amount thereof plus accrued interest, if any. Payment of the purchase price of such Multi-Modal Bonds shall be made by 3:00 p.m. (New York City time) on the first day of the new Interest Rate Period (provided, however, while the Multi-Modal Bonds are in the Book-Entry System, the Multi-Modal Bonds shall be presented to the Tender Agent according to the normal and customary practice between the Securities Depository and the Tender Agent) on delivery of such Multi-Modal Bonds to the Tender Agent at its Delivery Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof with the signature of such Owner guaranteed by a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program, at or prior to 10:00 a.m. (New York City time) on the first day of the new Interest Rate Period; provided, however, while the 2011C Bonds are in the Book-Entry System, the 2011C Bonds shall be presented to the Tender Agent according to the normal and customary practices between the Securities Depository and the Tender Agent.

If the new Interest Rate Period for the Multi-Modal Bonds being converted to a Weekly Rate Period, a Term Rate Period or a Fixed Rate Period is not able to begin by reason of the failure by the City to deliver, or cause to be delivered, a Favorable Opinion of Bond Counsel or to satisfy any other applicable condition as set forth in Section 2.05, the Multi-Modal Bonds shall be deemed purchased on the date that was to be the first day of the new Interest Rate Period (but for the failure of the City to deliver such Favorable Opinion of Bond Counsel or to satisfy any other applicable condition) at a purchase price equal to the principal amount thereof, plus accrued interest thereon, if any. Payment of the purchase price shall be made at the time and in the manner (including presentation of such Multi-Modal Bonds) specified in this Section 3.02(a).

(b) *Mandatory Tender on Termination or Expiration of Credit Facility.* The 2011C Bonds are subject to mandatory tender for purchase on any Credit Modification Date as a result of a termination or expiration of the Credit Facility. Each such 2011C Bond or Bonds shall be purchased or deemed purchased as provided in Section 3.03(a)(3), at a purchase price equal to the principal amount thereof plus accrued interest, if any. Payment of the purchase price of such 2011C Bonds shall be made by 3:00 p.m. (New York City time) on such Business Day on delivery of such 2011C Bonds to the Tender Agent at its Delivery Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof with the signature of such Owner guaranteed by a participant in the STAMP or similar program, at or prior to 10:00 a.m. (New York City time) on such Business Day; provided, however, while the 2011C Bonds are in the Book-Entry System, the 2011C Bonds shall be presented to the Tender Agent according to the normal and customary practices between the Securities Depository and the Tender Agent.

(c) *Mandatory Tender at Direction of the City.* The 2011C Bonds in a Weekly Rate Period are subject to mandatory purchase on any Business Day designated by the City with the consent of the Remarketing Agent and the Credit Provider, provided that such designation and consent are made in writing and delivered to the Trustee at least 25 days (or such shorter period of time acceptable to the Trustee) before such date. Payment of the purchase price of such 2011C Bonds shall be made by 3:00 p.m. (New York City time) on such Business Day on delivery of such 2011C Bonds to the Tender Agent at its Delivery Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof with the signature of such Owner guaranteed by a participant in the STAMP or similar program, at or prior to 10:00 a.m. (New York City time) on such Business Day; provided, however, while the 2011C Bonds are in the Book-Entry System, the 2011C Bonds shall be presented to the Tender Agent according to the normal and customary practices between the Securities Depository and the Tender Agent.

(d) *Mandatory Tender on Replacement of Credit Facility.* In the event of a replacement of the Credit Facility with an Alternate Credit Facility, on the effective date of such Alternate Credit Facility, all 2011C Bonds subject to such Credit Facility shall be purchased or deemed purchased as provided in Section 3.03(a)(3), at a purchase price equal to the principal amount thereof plus accrued interest, if any. Payment of such purchase price will be made in the manner specified in the last sentence of Section 3.02(b); provided, however, that any drawing made under the Credit Facility required in order to make such payment shall be made from the existing Credit Facility and not the Alternate Credit Facility.

(e) *Mandatory Tender at Direction of the Credit Provider.* While the Credit Facility is a Letter of Credit, on the occurrence and continuation of an event of default under the terms of the Letter of Credit or the related Reimbursement Agreement, the Credit Provider may direct the Trustee or Tender Agent, as applicable, to cause a mandatory tender for purchase of the 2011C Bonds within 10 calendar days of such direction. Each such 2011C Bond or Bonds shall be purchased or deemed purchased as provided in Section 3.03(a)(3), at a purchase price equal to the principal amount thereof plus accrued interest, if any. Payment of the purchase price of such 2011C Bonds shall be made by 3:00 p.m. (New York City time) on such Business Day on delivery of such 2011C Bonds to the Tender Agent at its Delivery Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof with the signature of such Owner guaranteed by a participant in the STAMP or similar program, at or prior to 10:00 a.m. (New York City time) on such Business Day; provided, however, while the 2011C Bonds are in the Book-Entry System, the 2011C Bonds shall be presented to the Tender Agent according to the normal and customary practices between the Securities Depository and the Tender Agent.

(f) *Mandatory Tender on End of Each Term Rate Period.* On the day next succeeding the last day of each Term Rate Period for a 2011C Bond bearing interest at a Term Rate, unless such day is the first day of a new Interest Rate Period (in which event such 2011C Bond shall be subject to mandatory tender for purchase pursuant to Section 3.02(a)), such 2011C Bond bearing interest at a Term Rate shall be purchased from its Owner at a purchase price equal to the principal amount thereof payable in immediately available funds. The purchase price of any 2011C Bond bearing interest at a Term Rate so purchased shall be payable only on surrender of such 2011C Bond to the Tender Agent at its Delivery Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof or his duly authorized attorney, with such signature guaranteed by a participant in the STAMP or similar program; provided, however, while the 2011C Bonds are in the Book-Entry System, the 2011C Bonds shall be presented to the Tender Agent according to the normal and customary practices between the Securities Depository and the Tender Agent.

(g) The provisions of this Section 3.02 are subject to the provisions of Section 3.03(h).

(h) The Trustee shall give written notice of any Mandatory Tender Date by first-class mail to all registered owners of the 2011C Bonds addressed to each such registered owner at his registered address and placed in the mail not less than 15 days before such Mandatory Tender Date, except as otherwise stated in Section 3.02(e). Such notice shall state: (1) that the 2011C Bonds will be purchased by the Trustee on the Mandatory Tender Date pursuant to this Section 3.02, and (2) the Mandatory Tender Date. Any notice to the registered owners mailed as provided in this subsection is conclusively presumed to have been received by the registered owner.

Section 3.03 *Purchase and Remarketing of Multi-Modal Bonds.*

(a) (1) As soon as practicable, but in no event later than 10:00 a.m. (New York City time) on the Business Day next following the Business Day that the Tender Agent receives the notice

described in 3.01 with respect to Multi-Modal Bonds bearing interest at a Weekly Rate, the Tender Agent shall give notice by Electronic Means to the Remarketing Agent, the Paying Agent, the Credit Provider and the City specifying the principal amount of such Multi-Modal Bonds, if any, with respect to which any notice has been delivered to it demanding the purchase of such Multi-Modal Bonds in accordance with Section 3.01.

(2) The Tender Agent shall purchase, but only from the sources listed below, Multi-Modal Bonds or portions thereof which are then required to be purchased (pursuant to an optional or mandatory tender) in accordance with Section 3.01 or Section 3.02 from the Owners thereof with immediately available funds by 3:00 p.m. (New York City time) on the date such Multi-Modal Bonds are required to be purchased at the purchase price provided in Section 3.01 or Section 3.02. Funds for the payment of such purchase price shall be derived from the following sources in the order of priority indicated:

(A) proceeds of the remarketing of such Multi-Modal Bonds (but only such remarketing proceeds received from purchasers of the Multi-Modal Bonds pursuant to Section 3.03(b)) furnished to the Tender Agent by the Remarketing Agent for deposit into the 2011C General Account;

(B) moneys furnished to the Tender Agent for deposit into the 2011C Purchase Account representing the proceeds of a drawing under the Credit Facility then in effect;

(C) if the Credit Provider has wrongfully failed to honor a proper draw under the Credit Facility, and the City has directed the Tender Agent to do so, the Tender Agent will direct the Trustee to transfer funds from the 2011C Subaccount of the Revenue Bond Principal Account and the 2011C Subaccount of the Revenue Bond Interest Account to cure any such shortfall; and

(D) any other moneys available to the Tender Agent for such purpose which the City may elect (but shall not in any event be required) to make available for such purpose.

The Tender Agent shall segregate amounts derived from the sources described in (A), (B) and (C) above by depositing proceeds derived from the source described in (A) above into the 2011C General Account, by depositing proceeds derived from the source described in (B) above into the 2011C Purchase Account, and by depositing proceeds derived from the source described in (C) above, if any, in all cases for the benefit of the tendering Holder.

(3) With respect to any Multi-Modal Bonds or portions thereof required to be purchased pursuant to Section 3.01 and any Multi-Modal Bonds or portions thereof required to be tendered for purchase in accordance with 3.02 as to which sufficient funds to accomplish such purchase are available to the Tender Agent at the respective times at which payment of the purchase price was to be made as provided herein:

(A) Such Multi-Modal Bonds or portions thereof shall be deemed to have been purchased, for all purposes of this Appendix B, irrespective of whether or not such Multi-Modal Bonds have been presented to the Tender Agent, and the former Owner or Owners of such Multi-Modal Bonds shall have no claim thereon under this Appendix B or otherwise for any amount other than the purchase price thereof which would have been

paid on the date set for purchase, and such Multi-Modal Bonds or portions thereof shall no longer be deemed to be Outstanding for purposes of this Appendix B.

(B) If any such Multi-Modal Bonds or portions thereof are not presented to the Tender Agent, the Tender Agent shall segregate and hold the moneys for the purchase price of such Multi-Modal Bonds in trust, uninvested and without liability for interest thereon, for the benefit of the former Owners of such Multi-Modal Bonds, who thereafter are restricted exclusively to such moneys for the satisfaction of any claim for the purchase price of such Multi-Modal Bonds.

(C) If any such Multi-Modal Bonds or portions thereof are not presented to the Tender Agent at the time specified in Section 3.01 or Section 3.02, then the Tender Agent shall request, and then the City shall issue and the Tender Agent shall immediately authenticate a new Multi-Modal Bond or Bonds in an aggregate principal amount equal to the principal amount of the Multi-Modal Bonds or portions thereof so purchased, but not presented, bearing a number or numbers not contemporaneously Outstanding. Every Multi-Modal Bond authenticated and delivered as provided in the preceding sentence is entitled to all the benefits of this Appendix B equally and proportionately with any and all other Multi-Modal Bonds duly issued under this Appendix B. The Tender Agent shall maintain a record of the Multi-Modal Bonds or portions thereof not tendered for purchase pursuant to Section 3.01 or Section 3.02 together with the names and addresses of the former Owners thereof.

(D) If any Multi-Modal Bonds or portions thereof which have been deemed purchased as provided in Section 3.03(a)(3)(A) are delivered to the Tender Agent subsequent to the date and time specified for such delivery for payment of the purchase price thereof at its Delivery Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof with the signature of such Owner guaranteed by a participant in the STAMP or similar program, on any Business Day, the Tender Agent shall, subject to the provisions of paragraph (g) of this Section 3.03, pay the purchase price of such Multi-Modal Bond or portion thereof to the Owner (A) no later than 3:00 p.m. (New York City time) on such Business Day, if such Multi-Modal Bond is presented by 10:00 a.m. (New York City time) on such Business Day, and (B) no later than 12:00 noon (New York City time) on the next succeeding Business Day, if such Multi-Modal Bond is presented after 10:00 a.m. (New York City time) on such Business Day and, if appropriate, shall also deliver to such Owner a new Multi-Modal Bond in an aggregate principal amount equal to the portion of any Multi-Modal Bond not so purchased; provided, however, while the Multi-Modal Bonds are in the Book-Entry System, the Multi-Modal Bonds shall be presented to the Tender Agent according to the normal and customary practices between the Securities Depository and the Tender Agent. Any such Multi-Modal Bonds so delivered to the Tender Agent shall be canceled by it and delivered to the Paying Agent pursuant to Section 516 of the Bond Order.

(b) (1) Promptly on becoming aware of any requirement that any Multi-Modal Bond or portion thereof be purchased pursuant to Section 3.01 or Section 3.02(a), (b), (d), (e) or (f), the Remarketing Agent shall offer for sale and use its best efforts to remarket such Multi-Modal Bonds at par plus accrued interest, if any, any such remarketing to be made on the date of such purchase. The Remarketing Agent shall remit the proceeds to the Tender Agent from the remarketing of such Multi-Modal Bonds remarketed by it by 2:00 p.m. (New York City time) on

the Business Day on which such Multi-Modal Bonds are to be purchased pursuant to 3.01 or Section 3.02.

(2) Subject to the provisions of Section 2.07, the Remarketing Agent shall determine the rate of interest to be borne by the Multi-Modal Bonds during each Interest Rate Period as provided in Section 2.07 and shall furnish to the Paying Agent and the Tender Agent in a timely manner all information necessary for the Paying Agent or the Tender Agent to carry out their respective duties hereunder, including, but not limited to, the interest rates applicable to the Multi-Modal Bonds.

(3) By 10:45 a.m. (New York City time) on the Business Day on which any 2011C Bonds are to be purchased pursuant to Appendix B, the Remarketing Agent shall give written notice or telephonic notice (promptly confirmed by Electronic Means) to the Credit Provider, the Paying Agent and the Tender Agent, specifying the principal amount of such 2011C Bonds, if any, sold by it pursuant to Section (b)(1) above and the principal amount of such 2011C Bonds being purchased by each such purchaser and the amount of the remarketing proceeds held by the Remarketing Agent. To the extent of any deficiency in the amount of such remarketing proceeds, the Tender Agent shall draw on the Credit Facility to cure any shortfall in the amount of such Multi-Modal Bonds sold by the Remarketing Agent pursuant to Section (b)(1) above. If the Credit Provider has wrongfully failed to honor a proper draw under the Credit Facility, the Tender Agent will direct the Trustee to transfer funds from the 2011C Subaccount of the Revenue Bond Principal Account and the 2011C Subaccount of the Revenue Bond Interest Account, to cure any such shortfall.

(4) Under no circumstances shall the Remarketing Agent remarket any Multi-Modal Bonds hereunder to or for the account of the City, except as set forth in Section 3.03(c)(2).

(c) (1) Multi-Modal Bonds purchased with moneys described in Section 3.03(a)(2)(A) shall be registered by the Tender Agent as directed by the Remarketing Agent and made available to the Remarketing Agent by 2:00 p.m. (New York City time) on the Purchase Date registered in accordance with the instructions provided by the Remarketing Agent pursuant to Section 3.03(b)(3). Simultaneously with the receipt of the funds supplied by the Remarketing Agent to the Tender Agent, acting as agent for the Credit Provider for this purpose, as described in the preceding sentence, the Tender Agent shall (1), while the Book-Entry System is not in effect, cancel the Bank Bonds (or portions thereof for which remarketing proceeds have been made available) then Outstanding by reason of the prior purchase pursuant to Section 3.03(a)(2)(A) and delivery pursuant to Section 3.03(c)(2), and (2) simultaneously transfer such funds supplied by the Remarketing Agent, together with any money supplied by the City, to the Credit Provider as payment for the purchase price of, or, if the Credit Facility is a Letter of Credit, reimbursement of the drawing on the Letter of Credit for the purchase price of, such Bank Bonds (or portions thereof).

(2) 2011C Bonds purchased with proceeds from a drawing under the Credit Facility shall constitute Bank Bonds, unless otherwise directed by the City and the Credit Provider pursuant to Section 3.03(c)(5), and (A) while the Book-Entry System is not in effect, shall be registered on receipt of funds from the Credit Provider for the purchase of such Bank Bonds pursuant to the terms of the Credit Facility or Reimbursement Agreement, and such Bank Bonds shall be held by the Tender Agent, as agent of the Credit Provider or registered in the name of the City and pledged as collateral to the Credit Provider, as applicable, and (B) while the Book-Entry System is in effect, the beneficial ownership interests in such Bank Bonds shall be transferred to the Tender Agent as agent for the Credit Provider or, at the direction of the Credit Provider,

registered in the name of the Credit Provider or in the name of the Trustee or the City and pledged as collateral to the Credit Provider, as applicable. The Tender Agent shall not release such Bank Bonds, or such ownership interest therein, and the Tender Agent shall not authenticate any other 2011C Bonds in lieu thereof, until the Tender Agent receives written notification (which may be by Electronic Means) from the Credit Provider, that it has received payment in full in immediately available funds of the purchase price of such Bank Bonds, plus interest accrued as provided in the Credit Facility, that the principal component referred to in the Credit Facility has been increased by the principal amount of such Bank Bonds, that the interest component referred to in the Credit Facility has been increased as therein provided, and that such Bank Bonds may be released. If such 2011C Bonds are registered in the name of the City pursuant to Section 3.03(c)(5), and the Credit Provider has delivered notice that it has reinstated the Credit Facility as set forth in the immediately preceding sentence, the Trustee may not draw on the Credit Facility to purchase those 2011C Bonds held by the City; *provided, however*, the City may deliver such 2011C Bonds to the Tender Agent and deliver notice to the Remarketing Agent that such 2011C Bonds are to be remarketed and the payment of the purchase price of such 2011C Bond shall be made on, and solely from, the receipt of remarketing proceeds pursuant to Section 3.03(a)(2)(A) and such proceeds shall be delivered to the City as soon as possible thereafter on the Business Day specified in the notice. If such 2011C Bonds are Bank Bonds the Trustee may not draw on the Credit Facility to purchase those Bank Bonds.

(3) Multi-Modal Bonds purchased with moneys described in Section 3.03(a)(2)(C) shall be delivered to the Tender Agent for cancellation; *provided, however*, if directed by the City, such Multi-Modal Bonds will be registered by the Tender Agent in the name of the City and will, subject to the provisions of Section 9.04, be deemed Outstanding, and not deemed defeased or discharged within the meaning of the Bond Order.

(4) If the Remarketing Agent is able to remarket any Multi-Modal Bonds required to be purchased pursuant to Section 3.01 or Section 3.02 after the time on which the Remarketing Agent is required to provide notice to the Paying Agent and the Tender Agent as specified in Section 3.03(b)(3), and the Tender Agent has not already purchased such Multi-Modal Bonds with the proceeds of the Credit Facility, the Remarketing Agent shall give notice in the manner and containing the details set forth in Section 3.03(b)(3), as appropriate, as soon as practicable after such remarketing, but in no event later than 1:00 p.m. (New York City time) on the date such Multi-Modal Bonds are required to be purchased, and the Multi-Modal Bonds shall be registered in the name of the purchasers thereof (or while the Book-Entry System is in effect, the beneficial ownership interests in such Multi-Modal Bonds shall be transferred on the registration books of the Securities Depository) and made available to the Remarketing Agent as soon as practicable thereafter on such date.

(5) Multi-Modal Bonds purchased in accordance with Section 3.02(c), shall, if directed by the City and the Credit Provider, not be deemed Bank Bonds and shall be registered by the Tender Agent in the name of the City and will, subject to the provisions of Section 9.04, be deemed Outstanding and not deemed defeased or discharged within the meaning of the Bond Order.

(6) Multi-Modal Bonds purchased from the sources set forth in Section 3.03(a)(2)(D), shall, if directed by the City, be registered by the Tender Agent in the name of the City and will, subject to the provisions of Section 9.04, be deemed Outstanding, and not deemed defeased or discharged within the meaning of the Bond Order.

(d) If the Tender Agent has received a demand for the purchase of 2011C Bonds or portions thereof (other than Bank Bonds) in accordance with Section 3.01 or if any 2011C Bonds are required to be tendered for purchase in accordance with Section 3.02 and the Remarketing Agent has not then provided the Tender Agent with sufficient funds to make such purchase by depositing in the 2011C General Account immediately available funds by no later than one hour before the time provided in the Credit Facility for presentation of notices in order to receive payment in immediately available funds by 2:30 p.m. (New York City time) on the date such 2011C Bonds are required to be purchased, then the Tender Agent shall draw under the Credit Facility by no later than the time provided in the Credit Facility for presentation of notices in order to receive payment in immediately available funds by 2:30 p.m. (New York City time) on such day, the amount sufficient to pay the portion of the purchase price of such 2011C Bonds which exceeds the amount provided by the Remarketing Agent for deposit in the 2011C General Account in order to fully pay the purchase price of the applicable 2011C Bonds. The Tender Agent shall deposit the proceeds of such drawing in respect of such 2011C Bonds in accordance with the provisions of Section 3.03(a)(2). The Tender Agent shall notify the City and the Paying Agent by telephone, promptly confirmed in writing, of the amounts to be drawn, as soon as practicable and, when possible, at least one day prior to such draw on the Credit Facility.

(e) The proceeds of the sale by the Remarketing Agent of any Multi-Modal Bonds or portions thereof shall be transferred to the Tender Agent on receipt of Multi-Modal Bonds therefor and, except for Multi-Modal Bonds not tendered as described in Section 3.03(a)(3) or 3.03(g), immediately applied by the Tender Agent to the payment of the purchase price of Multi-Modal Bonds or portions thereof pursuant to Section 3.03(a)(2)(A) or, in the case of the sale of Bank Bonds, to the payment of the purchase price of such Bank Bonds, whether or not the Tender Agent has at the time received a Multi-Modal Bond or ownership interest in a Multi-Modal Bond pursuant to Section 3.03(c)(2). In making such payments to the Credit Provider, the Tender Agent may conclusively assume that the Credit Provider has not been paid from any other sources. To the extent that the Credit Provider is so paid with proceeds of the sale of Multi-Modal Bonds by the Remarketing Agent, any Bank Bond or ownership interest in such Multi-Modal Bond shall be immediately returned to or released by the Tender Agent and new Multi-Modal Bonds representing such sale proceeds shall be registered and delivered as provided in Section 3.03(c)(1).

(f) Notwithstanding anything in this Appendix B to the contrary, if there has occurred and is continuing an Event of Default described in Section 802(a) or (b) of the Bond Order, there shall be no sales of Multi-Modal Bonds pursuant to Section 3.03(b)(1). Sales of Multi-Modal Bonds may continue if any Event of Default other than as described in the preceding sentence has occurred and is continuing.

(g) The Tender Agent shall, at the end of the 10th Business Day after the date on which Multi-Modal Bonds are to be purchased, set aside on its books all funds then held in the 2011C General Account and the 2011C Purchase Account by virtue of the fact that Multi-Modal Bonds deemed purchased on such date were not presented for purchase to the Tender Agent in accordance with the provisions of Section 3.03(a) and shall hold the same in trust for the payment to the Owners of such Multi-Modal Bonds of the purchase price thereof as required by the provisions of Section 3.03(a). The Tender Agent shall pay such purchase price from such amounts by check or draft of the Tender Agent made payable to the party entitled to such payment as soon as practicable after such party surrenders the Multi-Modal Bond or Bonds so deemed purchased to the Tender Agent.

(h) Notwithstanding anything in this Appendix B to the contrary, a Beneficial Owner may give notice to elect to have its 2011C Bonds purchased or tendered, through its Participant, to the Remarketing Agent, and may effect delivery of such 2011C Bonds by causing the Direct Participant to transfer the Participant's interest in the 2011C Bonds, on DTC's records, to the Remarketing Agent. The requirement for physical delivery of 2011C Bonds in connection with an optional tender or a mandatory

purchase may be deemed satisfied when the ownership rights in the 2011C Bonds are transferred by Direct Participants on DTC's records and followed by a book entry credit of tendered 2011C Bonds to the Remarketing Agent's DTC account.

Section 3.04 *The Credit Facility.*

(a) The Tender Agent shall take such actions as may be necessary to obtain funds under the Credit Facility for the 2011C Bonds to pay the purchase price, including accrued interest, if any, of 2011C Bonds then subject to purchase under the Credit Facility tendered for purchase or required to be purchased pursuant to the provisions of this Appendix B at the times, on the dates, to the extent and in the manner provided by Section 3.03(d) and deposit the proceeds of such drawing in the 2011C Purchase Account pending application of such moneys to the payment of the purchase price, including accrued interest, if any, of such 2011C Bonds.

(b) If all of the 2011C Bonds then subject to purchase under the Credit Facility have been defeased pursuant to Article XII of the Bond Order, such 2011C Bonds shall continue to be subject to optional or mandatory tender as otherwise provided herein, and the Tender Agent shall maintain the Credit Facility in accordance with the terms of the Reimbursement Agreement until such 2011C Bonds have been redeemed or otherwise cancelled. The Tender Agent shall comply with the procedures, if any, set forth in the 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, if any.

(c) In connection with a Credit Modification Date requiring mandatory purchase of 2011C Bonds as provided in Section 3.02, the Tender Agent shall give the notice of mandatory tender for purchase of the 2011C Bonds as provided in Section 3.02(h).

Section 3.05 *Alternate Credit Facility.*

(a) At least 45 days prior to the expiration or termination of the Credit Facility, the City may provide for the delivery to the Tender Agent of an Alternate Credit Facility, which shall have an effective date not later than the date on which the 2011C Bonds are subject to mandatory tender on a Credit Modification Date. Any such Alternate Credit Facility may be for a term of years which is more or less than the Credit Facility (but any such Alternate Credit Facility in no event shall be less than 364 days unless all 2011C Bonds shall mature in less than one year), shall contain administrative provisions reasonably acceptable to the Remarketing Agent, the Paying Agent and the Tender Agent and provide for the payment of interest in either the Term Rate Period or Weekly Rate Period, as applicable. The Alternate Credit Facility shall provide for the purchase on its effective date of any Bank Bonds held by or pledged to the existing Credit Provider. On or prior to the date of the delivery of such Alternate Credit Facility to the Tender Agent, the City shall furnish to the Trustee, the Remarketing Agent, and the Tender Agent a Favorable Opinion of Bond Counsel. On receipt of such documents and the documents set forth in Section 3.05(c), the Tender Agent shall accept such Alternate Credit Facility and promptly surrender the Credit Facility then in effect to the Credit Provider 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. The Tender Agent will not surrender the Credit Facility until such time as all draws thereunder have been honored by the Credit Provider with respect to any mandatory tender required under Section 3.02(d) herein.

(b) The Tender Agent shall comply with any procedures set forth in the outstanding Credit Facility relating to the termination thereof. In addition, on conversion of the 2011C Bonds to the Fixed Rate, or, in the event an Alternate Credit Facility will be in place immediately after the conversion to, a

Term Rate, in accordance with Section 2.03, the Tender Agent shall comply with the procedures set forth in the outstanding Credit Facility relating to the termination thereof.

(c) Notwithstanding anything contained herein to the contrary, no Alternate Credit Facility shall be accepted by the Tender Agent and the Paying Agent, in its capacity as Trustee, unless such Alternate Credit Facility is accompanied by (1) opinions of counsel reasonably satisfactory to the City and the Remarketing Agent to the effect that (A) the Credit Provider is duly organized and existing under the laws of the jurisdiction of its organization and, if applicable, is duly qualified to do business in the United States of America; (B) the Alternate Credit Facility is a legal, valid and binding obligation of the Credit Provider, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to, or affecting generally the enforcement of, creditors' rights and remedies, and by the availability of equitable remedies, including specific performance and injunctive relief; and (C) unless the opinion specified in (1)(A) and (1)(B) is delivered, no registration under the Securities Act of 1933, as amended, or qualification of an indenture in respect thereof under the Trust Indenture Act of 1939, as amended, will be required in connection with the issuance and delivery of such Alternate Credit Facility or the remarketing of the 2011C Bonds with the benefits thereof; and (2) the written consent of the City and the LGC to the selection of the Credit Provider of the Alternate Credit Facility. Furthermore, a Credit Facility shall be in place at all times during a Weekly Rate Period or Term Rate Period.

Section 3.06 *Notice of Termination, Expiration or Substitution of Credit Facility.* The Tender Agent shall give notice by first class mail, postage prepaid, to the LGC and the Owners of the 2011C Bonds then subject to purchase under the Credit Facility on or before the 30th day preceding the termination, expiration or substitution of the Credit Facility in accordance with its terms, which notice shall (1) describe generally the Credit Facility, if any, in effect prior to such termination or expiration and the substitute Alternate Credit Facility, if any, in effect or to be in effect on such termination or expiration, (2) state the date of such termination or expiration and the date of the proposed provision of the substitute Alternate Credit Facility, if any, (3) specify the ratings, if any, to be applicable to the 2011C Bonds after such termination or expiration of the Credit Facility, describe any Alternate Credit Facility, or state that no ratings will be assigned to such 2011C Bonds subsequent to such termination or expiration of the Credit Facility and (4) state that a mandatory tender of such 2011C Bonds will occur pursuant to Section 3.02(b), with respect to termination or expiration, or Section 3.02(d), with respect to substitution, and the terms thereof. The Tender Agent shall also provide a copy of the foregoing notice to the Trustee and the Paying Agent.

Section 3.07 *Credit Provider or Alternate Credit Provider.* The City may proceed with substitution or termination of the Credit Facility at any time in accordance with its terms and Sections 3.02, 3.05 and 3.06.

Section 3.08 *No Tender, Sales or Remarketing in Certain Circumstances.* Anything in this Appendix B to the contrary notwithstanding, there will be no optional or mandatory tenders, or remarketing of 2011C Bonds, and no obligation of the City to fund any such tenders, if: (a) there is no Credit Facility in effect; or (b) the Credit Provider is in default under the Credit Facility; provided, however, the remarketing of the 2011C Bonds on conversion to a Fixed Rate to the maturity of the 2011C Bonds is permitted with the consent of the LGC.

The Paying Agent shall, to the extent it has actual notice thereof, give notice to the 2011C Bondholders, the LGC, each Rating Agency which then maintains a rating on the 2011C Bonds, the Remarketing Agent, the City and the Credit Provider of (a) the occurrence and continuation of any of the events set forth in the first paragraph of this Section 3.08, and that such events result in no tenders, sales or remarketing of 2011C Bonds being permitted, and (b) the curing of any of the events set forth in the

first paragraph of this Section 3.08 and that as a consequence tenders, sales and remarketings are again permitted under this Appendix B.

[End of Article III]

ARTICLE 4

REDEMPTION OF 2011C BONDS

Section 4.01 *Privilege of Redemption and Redemption Price.* The 2011C Bonds are subject to redemption prior to maturity as set forth or referred to in this Article IV. If and to the extent of any inconsistency between this Article IV and Article III of the Bond Order, this Article IV shall govern with respect to the 2011C Bonds. On the date fixed for redemption, funds shall be deposited with the Paying Agent, in its capacity as Trustee, to pay, and the Trustee is hereby authorized and directed to apply such funds to the payment of, the 2011C Bonds or portions thereof called for redemption, together with accrued interest thereon to the redemption date; provided, however, Bank Bonds shall be redeemed by the City prior to the redemption of other 2011C Bonds. 2011C Bonds subject to redemption prior to maturity are redeemable, on notice as provided in this Article IV, at such times, at such Redemption Prices and on such terms in addition to the terms contained or referred to in this Article IV and as are specified in the Bond Order.

Section 4.02 *Extraordinary Redemption of 2011C Bonds.* The 2011C Bonds will be subject to optional redemption by the City, in whole or in part on any date at a Redemption Price equal to the principal amount thereof, without premium, plus accrued interest to the date of redemption, on instructions from the City, from the Net Proceeds of insurance or Eminent Domain which are deposited in the Series 2011C Subaccount of the Revenue Bond Redemption Account, as provided in the Bond Order; or, if a Letter of Credit is in effect, the Trustee shall pay the Redemption Price from the proceeds of a drawing under the Letter of Credit, as provided for in Section 5.05(d).

Section 4.03 *Mandatory Sinking Fund Redemption.* The 2011C Bonds are subject to mandatory sinking fund redemption before their scheduled maturity, on the Interest Payment Date or Dates (but only with respect to 2011C Bonds having such Interest Payment Date) on or immediately following July 1 of each year, without premium, at the Redemption Price equal to 100% of the principal amount thereof being redeemed in the principal amounts and in the years as set forth in the certificate of the Finance Director delivered under Section 2.01(4).

Section 4.04 *Optional Redemption of 2011C Bonds.*

(a) The 2011C Bonds bearing interest at a Weekly Rate may be redeemed before their maturity, at the option of the City, from any funds that may be available for such purpose, either in whole or in part on any Business Day at a Redemption Price equal to 100% thereof, plus accrued interest to the redemption date.

(b) If the interest rate on the 2011C Bonds is converted to a Fixed Rate or a Term Rate, the City, on written notice to the Trustee, the Remarketing Agent and the Credit Provider, may supplement this Appendix B to put into effect optional redemption provisions that will govern the 2011C Bonds during the Fixed Rate Period or the Term Rate Period, as applicable. Any such revisions shall also be subject to the receipt by the Trustee prior to the making of such revisions of a Favorable Opinion of Bond Counsel with respect to such revisions.

Section 4.05 *Partial Redemption.* If called for redemption in part under this Article IV, the 2011C Bonds to be redeemed shall be redeemed in such order as the City shall select and, as to all partial redemptions, within the same maturity as selected by DTC under its rules and procedures or, if the book-entry system with respect to the 2011C Bonds is discontinued as provided in Section 2.01, by lot within a

maturity in such manner as the Trustee in its discretion may determine; provided, that Bank Bonds shall be selected for redemption before any other 2011C Bonds.

The Trustee shall pay to the Owners of 2011C Bonds so redeemed the amounts due on their respective 2011C Bonds at the Designated Office of the Trustee on presentation and surrender of the 2011C Bonds; provided, however, that, if redeemed in part, the 2011C Bonds may be redeemed only in Authorized Denominations. Redemptions shall be accompanied by a written designation prepared by the Trustee stating the portion of the payment representing the unpaid principal amount of the 2011C Bond immediately before the payment, the portion of the payment representing interest, and the remaining portion, if any, which shall be designated and paid as a redemption premium.

Anything in this Appendix B to the contrary notwithstanding, if an Event of Default occurs and is continuing, there will be no redemption of less than all of the 2011C Bonds Outstanding.

Section 4.06 *Notice to Trustee; Notice of Redemption.*

(a) If the City wishes that any 2011C Bonds be redeemed pursuant to any optional redemption provisions in this Appendix B, the Finance Director shall notify the Trustee, the Paying Agent, the Bond Registrar, the LGC, the Credit Provider and the Remarketing Agent in writing of the applicable provision, the redemption date, the principal amount of 2011C Bonds to be redeemed and other necessary particulars. The Finance Director shall give such notices at least 45 days but no more than 60 days before the redemption date.

(b) The Trustee shall prepare and the Paying Agent shall send notice of each redemption to each Owner whose 2011C Bonds are being redeemed, the City, the LGC, the Remarketing Agent and the Credit Provider by first-class mail at least 30 days but not more than 60 days before each redemption. The notice shall identify the 2011C Bonds or portions thereof to be redeemed and shall state (i) the type of redemption and the redemption date, (ii) the Redemption Price, (iii) that the 2011C Bonds called for redemption must be surrendered to collect the Redemption Price, (iv) the address at which the 2011C Bonds must be surrendered, (v) that if, and only if, on the redemption date the Series 2011C Revenue Bond Redemption Account contains moneys sufficient to pay the Redemption Price, redemption of the 2011C Bonds will occur and interest on the 2011C Bonds called for redemption will cease to accrue on the redemption date, (vi) the CUSIP number of the 2011C Bonds and (vii) any condition to the redemption.

A copy of each notice of redemption shall also be sent by the Paying Agent by certified or registered mail to the Securities Depository two Business Days before mailing notice to Owners and to two national information services which disseminate redemption notices on the same date notices are mailed to the Owners, provided that the Paying Agent may, in its discretion, provide for overnight, telecopied or other form of notice to the Securities Depository acceptable to or requested by such depository. Notwithstanding the foregoing, in the event that the Securities Depository for the 2011C Bonds is DTC, the Trustee shall follow the procedure for redemption and notice as set forth in the Letter of Representations.

With respect to any 2011C Bonds to be redeemed which have not been presented for redemption within 60 days after the redemption date, the Trustee, at the expense of the Finance Director, shall prepare and the Paying Agent shall give a second notice of redemption to the Owner of any such 2011C Bonds which have not been presented for redemption, by first-class mail, within 30 days after the end of such 60 day period.

Failure by the Paying Agent to give any notice of redemption or any defect in such notice as to any particular 2011C Bonds shall not affect the validity of the call for redemption of any 2011C Bonds in respect of which no such failure or defect has occurred. Any notice mailed as provided in this Appendix B shall be conclusively presumed to have been given whether or not actually received by any Owner.

Section 4.07 *Defeasance of 2011C Bonds.* While the 2011C Bonds are Variable Rate Bonds, the 2011C Bonds may only be defeased by depositing money or Government Obligations with the Trustee as permitted under Section 1201 of the Bond Order if the City has received a written confirmation from each Rating Agency then maintaining a rating on the 2011C Bonds that the respective rating then in effect will not be withdrawn or reduced.

[End of Article IV]

ARTICLE 5

FUNDS AND ACCOUNTS

Section 5.01 *Establishment of Funds and Accounts; Disposition of Proceeds.* There are hereby established with the Trustee, the following Funds, and Accounts within Funds, each of which shall be held by the Trustee in accounts segregated from all other moneys of the Trustee:

- (a) Series 2011C Subaccount of the Revenue Bond Interest Account;
- (b) Series 2011C Subaccount of the Revenue Bond Principal Account;
- (c) Series 2011C Subaccount of the Revenue Bond Redemption Account;
- (d) Series 2011C Subaccount of the Revenue Bond Reserve Account;
- (e) Series 2011C Subaccount of the Revenue Bond Sinking Fund Account;
- (f) Series 2011C Construction Account of the Construction Fund;
- (g) Bond Purchase Fund to be held by the Tender Agent and within the Bond Purchase Fund, a 2011C General Account, a 2011C Purchase Account and a 2011C Credit Facility Account; and

All accounts other than the Bond Purchase Fund are established with and held by the Trustee under the Bond Order.

Section 5.02 *Revenues Received by the City.* The City shall, subject to the provisions of the Bond Order, deposit or cause to be deposited from Net Revenues with the Trustee the following amounts and at the following time, and the Trustee shall apply such amounts to the various accounts and subaccounts specified herein in the following order:

- (a) If the 2011C Bonds bear interest at other than a Term Rate or Fixed Rate:
 - (1) on the fifth day before each Interest Payment Date, into the Series 2011C Subaccount of the Revenue Bond Interest Account an amount necessary, after taking into account money transferred from the PFC Revenue Account or otherwise deposited therein by the City, commencing on the date established in the certificate of the Finance Director delivered under Section 2.01(4), to pay the next maturing installment of interest, on the 2011C Bonds then Outstanding; and
 - (2) on or before the 25th day of each month, into the Series 2011C Subaccount of the Revenue Bond Principal Account an amount in substantially equal monthly installments necessary, after taking into account money transferred from the PFC Revenue Account or otherwise deposited therein by the City, to have funds on hand each June 25, commencing on the date established in the certificate of the Finance Director delivered under Section 2.01(4), to pay the next maturing installment of principal, on the 2011C Bonds then Outstanding; or
 - (3) on or before the 25th day of each month, into the Series 2011C Subaccount of the Revenue Bond Sinking Fund Account, after taking into account money transferred from the PFC Revenue Account or otherwise deposited therein by the City, 1/12th of the amount required to retire the 2011C

Bonds to be called by mandatory redemption or to be paid at maturity on the Interest Payment Date on or immediately following July 1 of each year, in accordance with the Sinking Fund Requirement therefor.

In each month following a month in which the Trustee has failed to make any deposit required by this Section 5.02 and on each Interest Payment Date, the City shall pay, but only from Net Revenues, and the Trustee shall deposit, in addition to the amounts then due, an amount sufficient to cure the deficiency in the deposits unless such deficiency has been cured by a transfer of money to such fund or account from other funds and accounts created hereby, pursuant to the terms of this Appendix B.

(b) If the 2011C Bonds bear interest at a Term Rate or Fixed Rate, on or before the 25th day of each month beginning in the first month during which the 2011C Bonds bear interest at a Term Rate or Fixed Rate:

(1) into the Series 2011C Subaccount of the Revenue Bond Interest Account an amount in substantially equal monthly installments necessary, after taking into account money transferred from the PFC Revenue Account and any other moneys from time to time available therefor from whatever source, to have funds on hand each June 25 and December 25, commencing the first June 25 or December 25 following conversion, to pay the next maturing installment of interest, on the 2011C Bonds then Outstanding; and

(2) into the Series 2011C Subaccount of the Revenue Bond Principal Account an amount in substantially equal monthly installments necessary, after taking into account money transferred from the PFC Revenue Account and any other moneys from time to time available therefor from whatever source, to have funds on hand each June 25, commencing the first June 25 following conversion, to pay the next maturing installment of principal, on the 2011C Bonds then Outstanding; or

(3) into the Series 2011C Subaccount of the Revenue Bond Sinking Fund Account, after taking into account money transferred from the PFC Revenue Account and any other moneys from time to time available therefor from whatever source, 1/12th of the amount required to retire the 2011C Bonds to be called by mandatory redemption or to be paid at maturity on the next ensuing July 1, in accordance with the Sinking Fund Requirement therefor.

In each month following a month in which the Trustee has failed to make any deposit required by this Section 5.02, the City shall pay, but only from Net Revenues, and the Trustee shall deposit, in addition to the amounts then due, an amount sufficient to cure the deficiency in the deposits in the prior months unless such deficiency has been cured by a transfer of money to such fund or account from other funds and accounts created hereby, pursuant to the terms of this Appendix B.

Section 5.03 Application of Money in the Series 2011C Subaccount of the Revenue Bond Interest Account and the Series 2011C Subaccount of the Revenue Bond Principal Account. If no Letter of Credit is in place or the Credit Provider has wrongfully failed to honor a proper draw under the Letter of Credit, or with respect to any 2011C Bonds that are Bank Bonds or 2011C Bonds that are held by the City, the Trustee shall make regularly scheduled payments of principal of and interest on the 2011C Bonds from the 2011C Subaccount of the Revenue Bond Principal Account and the 2011C Subaccount of the Revenue Bond Interest Account, respectively. If a Letter of Credit is in effect, on each principal payment date or Interest Payment Date, the Trustee shall draw on the Letter of Credit, in accordance with its terms, to pay the principal of and interest on the 2011C Bonds (but not with respect to 2011C Bonds which are Bank Bonds or are held by the City), respectively, and deposit the proceeds of such draw in the 2011C Credit Facility Account, and shall thereafter transfer funds from the Series 2011C Subaccount of the Revenue Bond Principal Account, with respect to the principal amount of such 2011C Bonds then due, and the Series 2011C Subaccount of the Revenue Bond Interest Account, with respect to

the amount of interest due on such Interest Payment Date, to the Credit Provider in order to reimburse the Credit Provider for the amount of such drawing on the Letter of Credit.

Section 5.04 *Application of Money in the Series 2011C Subaccount of the Revenue Bond Sinking Fund Account.* Money held in the Series 2011C Subaccount of the Revenue Bond Sinking Fund Account will be applied during each Fiscal Year to the purchase or retirement of 2011C Bonds then Outstanding, or, if a Letter of Credit is in effect, to reimburse the Credit Provider, as follows:

(a) The Trustee shall, at the request of the City, endeavor to purchase and cancel 2011C Bonds or portions thereof subject to redemption by operation of the Series 2011C Subaccount of the Revenue Bond Sinking Fund Account or maturing on the next ensuing July 1 at the most advantageous price readily obtainable with reasonable diligence. The Redemption Price of each such 2011C Bond shall not exceed par plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such 2011C Bonds to the date of settlement therefore from the Series 2011C Subaccount of the Revenue Bond Interest Account and the principal on such 2011C Bonds from the Series 2011C Subaccount of the Revenue Bond Sinking Fund Account, but no such purchase shall be made by the Trustee from money in the Series 2011C Subaccount of the Revenue Bond Sinking Fund Account within the period of 45 days immediately preceding any July 1 on which such 2011C Bonds are subject to redemption, except from moneys other than the moneys set aside in the Series 2011C Subaccount of the Revenue Bond Sinking Fund Account for the redemption of 2011C Bonds. The aggregate principal amount of 2011C Bonds during each Fiscal Year shall not exceed the amount to be deposited in the Series 2011C Subaccount of the Revenue Bond Sinking Fund Account on account of the Sinking Fund Requirement for the 2011C Bonds for such Fiscal Year. If in any Fiscal Year the sum of the amount on deposit in the Series 2011C Subaccount of the Revenue Bond Sinking Fund Account for the payment of any 2011C Bonds and the principal amount of the 2011C Bonds that were purchased during such Fiscal Year pursuant to the provisions of this paragraph (a) or delivered during such Fiscal Year to the Trustee by the City exceeds the Sinking Fund Requirement for the Outstanding 2011C Bonds for such Fiscal Year, the Trustee shall endeavor to purchase Outstanding 2011C Bonds with such excess money;

(b) The Trustee shall call for redemption on July 1 in each Fiscal Year 2011C Bonds in a principal amount equal to the aggregate Sinking Fund Requirement for the 2011C Bonds for such Fiscal Year, less the principal amount of any such 2011C Bonds retired during such Fiscal Year by purchase pursuant to paragraph (a) of this Section or delivered during such Fiscal Year to the Trustee by the City. On each redemption date the Trustee shall withdraw from the Series 2011C Subaccount of the Revenue Bond Sinking Fund Account the amount required to pay the principal amount of the 2011C Bonds so called for redemption. The amount of interest on the 2011C Bonds so called for redemption shall be paid from the Series 2011C Subaccount of the Revenue Bond Interest Account. If such date is the stated maturity date of any such 2011C Bonds, the Trustee shall not call such 2011C Bonds for redemption but, on such maturity, shall withdraw the amount required for paying the principal of such 2011C Bonds when due and payable.

(c) If a Letter of Credit is in effect, the Trustee shall pay the Redemption Price of such 2011C Bonds from the proceeds of a drawing under the Letter of Credit and shall transfer funds from the Series 2011C Subaccount of the Revenue Bond Sinking Fund Account, with respect to the principal amount of such 2011C Bonds, and the Series 2011C Subaccount of the Revenue Bond Interest Account, with respect to the amount of interest accrued on the 2011C Bonds so called for redemption, to the Credit Provider in order to reimburse the Credit Provider for the amount of such drawing.

If at any date there is money in the Series 2011C Subaccount of the Revenue Bond Sinking Fund Account and no 2011C Bonds are then Outstanding or if on any payment date money remains therein after the mandatory redemption of 2011C Bonds in accordance with the Sinking Fund Requirement

therefor, the Trustee shall withdraw such money and shall apply the same as follows: (a) deposit in the Series 2011C Subaccount of the Revenue Bond Reserve Account, the amounts, if any, required to be paid thereto in such month pursuant to Section 503(g) of the Bond Order and (b) deliver all remaining amounts to the City.

If the balance in the Series 2011C Subaccount of the Revenue Bond Sinking Fund Account on the 25th day of the month next preceding a payment date on which 2011C Bonds are to be redeemed in accordance with the Sinking Fund Requirements therefor is insufficient to satisfy such Sinking Fund Requirement, the Trustee shall transfer to such Subaccount such amounts as may be necessary to remedy the deficiency, drawing on money in the Series 2011C Subaccount of the Revenue Bond Reserve Account.

On the retirement of any 2011C Bonds by purchase or redemption under the provisions of this Section, the Trustee shall file with the City a statement identifying such 2011C Bonds and setting forth the date of purchase or redemption, the amount of the Purchase Price or the Redemption Price of such 2011C Bonds, and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such 2011C Bonds shall be paid by the City from the Operating Fund or from any other available moneys.

Section 5.05 *Application of Money in the Series 2011C Revenue Bond Redemption Account.*
The Trustee shall apply money in the Series 2011C Revenue Bond Redemption Subaccount to the purchase or redemption of 2011C Bonds, or, if a Letter of Credit is in effect, to reimburse the Credit Provider, as follows:

(a) Subject to the provisions of paragraph (c) of this Section, the Trustee shall endeavor to purchase and cancel 2011C Bonds or portions thereof, regardless of whether such 2011C Bonds or portions thereof are then subject to redemption, at the most advantageous price readily obtainable with reasonable diligence, provided that the Redemption Price of each 2011C Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Owner of such 2011C Bond under the provisions of this Appendix B if such 2011C Bond or such portion thereof should be called for redemption on such date from the money in the Series 2011C Subaccount of the Revenue Bond Redemption Account. The Trustee shall pay the interest accrued on such 2011C Bonds or portions thereof to the date of settlement from the Series 2011C Subaccount of the Revenue Bond Interest Account and the principal amount of such 2011C Bonds from the Series 2011C Subaccount of the Revenue Bond Redemption Account, but no such purchase shall be made by the Trustee from money in the Series 2011C Subaccount of the Revenue Bond Redemption Account within the period of 45 days immediately preceding any Interest Payment Date on which such 2011C Bonds or portions thereof are to be redeemed, except from moneys other than the moneys set aside in the Series 2011C Subaccount of the Revenue Bond Redemption Account for the redemption of Bonds.

(b) Subject to the provisions of paragraph (c) of this Section, the Trustee shall call for redemption on a date permitted by this Appendix B such amount of 2011C Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Series 2011C Subaccount of the Revenue Bond Redemption Account as nearly as may be. The Trustee shall pay the accrued interest on the 2011C Bonds or portions thereof to be redeemed to the date of redemption from the Series 2011C Subaccount of the Revenue Bond Interest Account and the Redemption Price of such 2011C Bonds or portions thereof from the Series 2011C Subaccount of the Revenue Bond Redemption Account. The Trustee shall withdraw from the Series 2011C Subaccount of the Revenue Bond Redemption Account and set aside the respective amounts required to pay the principal amount of the 2011C Bonds or portions thereof so called for redemption.

(c) Money in the Series 2011C Subaccount of the Revenue Bond Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of 2011C Bonds then Outstanding in accordance with the Sinking Fund Requirement.

(d) If a Letter of Credit is in effect, the Trustee shall pay the Redemption Price of such 2011C Bonds from the proceeds (in a principal amount equal to the money then held in the Series 2011C Subaccount of the Revenue Bond Redemption Account, plus any accrued interest) of a drawing under the Letter of Credit. The Trustee shall set aside funds from the Series 2011C Subaccount of the Revenue Bond Redemption Account and, to the extent any interest accrued on such 2011C Bonds, the Series 2011C Subaccount of the Revenue Bond Interest Account, in order to reimburse the Credit Provider in the amount of such drawing as set forth above.

On the retirement of any 2011C Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the City a statement identifying such 2011C Bonds and setting forth the date of purchase or redemption, the amount of the Purchase Price or the Redemption Price of such 2011C Bonds and the amount paid as interest thereon. The expense incurred by the Trustee in connection with the purchase or redemption of any such 2011C Bonds shall be paid by the City from the Operating Fund or from any other available moneys.

Section 5.06 *Application of Money in the Series 2011C Construction Account of the Construction Fund.* Money held in the Series 2011C Construction Account of the Construction Fund will be applied in accordance with Article IV of the Bond Order.

Section 5.07 *Application of Money in Series 2011C Subaccount of the Revenue Bond Reserve Account.*

(a) The Paying Agent shall use money deposited in the Series 2011C Subaccount of the Revenue Bond Reserve Account, except as otherwise provided in this Section 5.07, solely for the purpose of (1) paying the principal of and the interest on the 2011C Bonds whenever and to the extent that money in the Series 2011C Subaccount of the Revenue Bond Interest Account is insufficient to pay the interest on the 2011C Bonds or money in the Series 2011C Subaccount of the Revenue Bond Principal Account or the Series 2011C Subaccount of the Revenue Bond Sinking Fund Account is insufficient to pay the principal of the 2011C Bonds, or (2) to the extent that money in such subaccounts referred to in (1) above are insufficient to reimburse the Credit Provider for a draw on the Letter of Credit to pay such principal and interest on such 2011C Bonds, to reimburse the Credit Provider for any such draw. The Paying Agent shall withdraw such money in accordance with the order of priorities set forth in Section 5.02. If on any Interest Payment Date the amount on deposit in an account of the Series 2011C Subaccount of the Revenue Bond Reserve Account exceeds the Reserve Requirement therefor, the Trustee shall transfer such excess to the Series 2011C Subaccount of the Revenue Bond Interest Account.

(b) If the City delivers a Qualified Surety Bond to the Trustee in satisfaction of the Reserve Requirement, in whole or in part:

(i) If and to the extent that money on deposit in the 2011C Subaccount of the Revenue Bond Reserve Account, plus all amounts on deposit in and credited to the 2011C Subaccount of the Revenue Bond Fund, in excess of the amount of the Qualified Surety Bond, are insufficient to pay the amount of principal and interest coming due, then on the later of: (i) one (1) day after receipt by the Qualified Surety Bond Provider of a demand for payment, duly executed by the Paying Agent certifying that payment due under this Appendix B and the Bond Order has not been made to the Paying Agent; or (ii) the payment date of the 2011C Bonds as specified in the Demand for Payment presented by the Paying Agent to the Qualified Surety Bond Provider, the Qualified Surety Bond Provider will make a

deposit of funds in an account with the Paying Agent sufficient for the payment to the Paying Agent of amounts which are then due to the Paying Agent under this Appendix B (as specified in the Demand for Payment) up to but not in excess of the Surety Bond Coverage, as defined in the Qualified Surety Bond.

(ii) the Trustee, or Paying Agent, if appropriate, shall, after submitting to the Qualified Surety Bond Provider the Demand for Payment as provided in (i) above, make available to the Qualified Surety Bond Provider all records relating to the funds and accounts maintained under this Appendix B.

(iii) the Trustee, or Paying Agent, if appropriate, shall, on receipt of money received from the draw on the Qualified Surety Bond, as specified in the Demand for Payment, credit the 2011C Subaccount of the Revenue Bond Reserve Account to the extent of money received pursuant to such Demand.

(iv) the 2011C Subaccount of the Revenue Bond Reserve Account is to be replenished in the following priority: (A) principal and interest on the Qualified Surety Bond is to be paid from first available Revenues; (B) after all such amounts are paid in full, amounts necessary to fund the 2011C Subaccount of the Revenue Bond Reserve Account to the required level, after taking into account the amounts available under the Qualified Surety Bond are to be deposited from next available Revenues.

Section 5.08 *Investment of Money.* Money held for the credit of all subaccounts or accounts established under this Appendix B on deposit with the Trustee shall be continuously invested and reinvested by the Trustee in such Investment Obligations as the City may direct in writing 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 or accounts will be required for the purposes intended. No Investment Obligations in any such subaccount or account may mature beyond the latest maturity date of any 2011C Bonds Outstanding at the time such Investment Obligations are deposited. The Paying Agent shall hold the Bond Purchase Fund uninvested. The Trustee may rely on the City's directions and is not responsible for any loss on the investment of moneys under this Appendix B made pursuant to the City's directions. The Trustee may make any and all investments permitted by this Section through its own bond or investment department unless otherwise directed in writing by the City. Notwithstanding anything to the contrary, funds drawn on the Credit Facility shall remain uninvested.

The interest accruing on Investment Obligations in the subaccounts established hereunder and any profit or loss realized upon the disposition or maturity of such Investment Obligations shall be credited to or charged against the following Funds, accounts and subaccounts: interest and profit or loss resulting from each of the subaccounts established under Section 5.01 other than the Series 2011C Construction Account of the Construction Fund shall be credited to or charged against the Revenue Fund and interest and profit or loss resulting from the Series 2011C Construction Account of the Construction Fund shall be credited to or charged against that account.

Section 5.09 *Payment of Principal, Interest and Premium and Pledge of Net Revenues.* The City covenants that it will promptly pay the principal of and the interest on every 2011C Bond issued under this Appendix B at the places, on the dates and in the manner provided herein and in the 2011C Bonds, and any premium required for the retirement of the 2011C Bonds by purchase or redemption, according to the true intent and meaning thereof. The City represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the 2011C Bonds authorized hereby and to pledge the Net Revenues in the manner and to the extent herein and in the Bond Order set forth; that all action on its part for the issuance of the 2011C Bonds initially issued hereunder has been duly and effectively taken; and that such 2011C Bonds in the hands of the Owners thereof are and will be valid and binding special obligations of the City according to their terms.

Except to the extent of a lien on Net Revenues from the Airport, the 2011C Bonds are not payable from the general funds of the City and do not constitute a legal or equitable pledge, lien or encumbrance on any of the properties of the City or on any of its income, receipts or revenues, except as provided in the Series Resolution, this Appendix B and the Bond Order, and neither the credit nor the taxing power of the City are pledged for the payment of the 2011C Bonds, or the City's obligations to comply with any covenant or agreement under the Series Resolution or any other agreement entered into by the City pursuant to its authority.

Section 5.10 Bond Purchase Fund.

(a) There is hereby created with respect to the 2011C Bonds a fund to be held by the Tender Agent and designated as the "Bond Purchase Fund." The following Accounts for 2011C Bonds that are 2011C Bonds shall be established within the Bond Purchase Fund: (1) the 2011C Purchase Account; (2) the 2011C General Account; and (3) the 2011C Credit Facility Account. The Bond Purchase Fund is not subject to the pledge contained in the Bond Order. Amounts on deposit in the Bond Purchase Fund shall not be commingled with the amounts held in any other Fund or Account under the Bond Order.

(b) All drawings on the Credit Facility to pay the purchase price of 2011C Bonds shall be deposited in the 2011C Purchase Account and used only for the payment of the purchase price of Outstanding 2011C Bonds in the manner and at the times specified in Section 3.03. Any proceeds of any such drawing remaining in the 2011C Purchase Account after payment of the purchase price of the 2011C Bonds to be purchased shall be returned to the Credit Provider before the close of business on the date of such drawing.

(c) All amounts received by the Tender Agent from the Remarketing Agent representing the purchase price of 2011C Bonds remarketed by the Remarketing Agent shall be deposited in the 2011C General Account and shall be used only for payments of the purchase price of the 2011C Bonds so remarketed as provided in Section 3.03 or to reimburse the Credit Provider for 2011C Bonds purchased as a result of a draw under the Credit Facility and remarketed.

(d) All drawings on the Credit Facility to pay the regularly scheduled principal of and interest on the 2011C Bonds, on each principal payment date or Interest Payment Date shall be deposited in the 2011C Credit Facility Account and used only for the payment of the principal of and interest on such 2011C Bonds in the manner and at the times specified in Section 5.03. Any proceeds of any such drawing remaining in the 2011C Credit Facility Account after payment of the principal of an interest on the 2011C Bonds shall be returned to the Credit Provider before the close of business on the date of such drawing. Moneys in the 2011C Credit Facility Account shall not be commingled with any amounts held in any other Fund or Account.

(e) No moneys provided by the City shall be accepted for deposit to the credit of the Bond Purchase Fund, nor shall any such moneys if deposited by mistake or otherwise, be used for the purchase of 2011C Bonds tendered or deemed tendered for purchase pursuant to the terms of Article III. Moneys in the Bond Purchase Fund shall be held uninvested and without liability for interest thereon.

[End of Article V]

ARTICLE 6

TENDER AGENT

Section 6.01 *Tender Agent; Appointment and Acceptance of Duties.*

(a) The Trustee shall serve as the initial Tender Agent for the 2011C Bonds, and may at any time or from time to time appoint one or more other Tender Agents having the qualifications set forth in Section 6.04 for a successor Tender Agent. One or more Tender Agent(s) may be appointed by the City to the extent necessary to effectuate the rights of the Owners to tender 2011C Bonds for purchase.

(b) Each Tender Agent shall signify its acceptance of the duties and obligations imposed on it by this Appendix B by executing and delivering to the City, the Trustee, the Credit Provider and the Remarketing Agent a written acceptance thereof.

Section 6.02 *Tender Agent; General Responsibilities.*

(a) The Tender Agent shall perform the duties and obligations set forth in this Appendix B and in particular shall:

(1) hold all 2011C Bonds delivered to it for purchase hereunder in trust as bailee of, and for the benefit of, the respective Owners who have so delivered such 2011C Bonds, until moneys representing the purchase price of such 2011C Bonds have been delivered to or for the account of or to the order of such Owners;

(2) hold all moneys delivered to it hereunder for the purchase of 2011C Bonds in trust as bailee of, and for the benefit of, the person who has so delivered such moneys, until the 2011C Bonds purchased with such moneys have been delivered to or for the account of such person;

(3) hold all Bank Bonds and deliver such Bank Bonds to the Credit Provider or transfer or pledge 2011C Bonds as directed by the Credit Provider or as set forth in the Reimbursement Agreement; and

(4) keep such books and records as are consistent with prudent industry practice and make such books and records available for inspection by the City, the Trustee, the Credit Provider and the Remarketing Agent at all reasonable times.

(b) In addition, the following conditions apply to the performance of the Tender Agent's duties hereunder:

(1) The duties and obligations of the Tender Agent are to be determined solely by the express provisions of this Appendix B, and no implied duties or obligations or covenants on the part of the Tender Agent are to be read into this Appendix B.

(2) The Tender Agent may, in the absence of negligence or bad faith on its part, rely on any document furnished to it and believed by it to be genuine and to have been signed, acknowledged or presented by the proper party or parties, and it is not answerable for any action taken in good faith on the basis thereof. The Tender Agent is

not liable for any error of judgment made in good faith by a responsible officer, agent or employee of the Tender Agent unless the Tender Agent was negligent in ascertaining the pertinent facts.

(3) The Tender Agent may consult with counsel satisfactory to it, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or thing suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

(4) The Tender Agent may become the owner of, or acquire any interest in, any obligations of the City (including, without limitation, the 2011C Bonds or any other Bonds or obligations of the City) with the same rights that it would have if it were not the Tender Agent hereunder; and it may engage in, or be interested in, any financial or other transaction with the City, and may act for, or as depository, trustee or agent for, any holders of any obligations of the City, or any committee or body of such holders, as freely as if it were not the Tender Agent hereunder.

(5) Anything herein to the contrary notwithstanding, the Tender Agent has no liability hereunder for any act or omission except as results from its negligence or bad faith.

(6) Except with respect to any responsibilities the Tender Agent may have under this Appendix B to demand payment under the Credit Facility, pay principal or interest on the 2011C Bonds or cause a mandatory or optional tender or redemption of the 2011C Bonds, the Tender Agent may require that it be furnished an indemnity bond satisfactory to it for the reimbursement to it of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from the negligence or willful default of the Tender Agent, by reason of any action so taken by the Tender Agent.

(c) In performing its duties hereunder, the Tender Agent shall be entitled to all of the rights, protections and immunities accorded to the Trustee as a Fiduciary under the terms of Article IX of the Bond Order.

(d) The City shall cooperate to cause the necessary arrangements to be made and to be thereafter continued whereby funds from the sources specified herein will be made available for the purchase of 2011C Bonds presented at the designated office of the Tender Agent, and to otherwise enable the Tender Agent to carry out its duties under this Appendix B.

(e) The Tender Agent shall cooperate with the Remarketing Agent to the extent necessary to permit the preparation, execution, issuance and authentication of replacement 2011C Bonds in connection with the tender and remarketing of 2011C Bonds under this Appendix B.

Section 6.03 *Tender Agent; Procedures for Tendering 2011C Bonds.*

(a) The Tender Agent shall promptly return any Tender Notice (together with any 2011C Bonds submitted in connection therewith) that is incomplete or improperly completed or not delivered in a timely fashion to the person submitting the notice.

(b) The Tender Agent's determination of whether a Tender Notice is properly completed or delivered on a timely basis is binding on the City, the Trustee, the Remarketing Agent and the Owner of the 2011C Bonds submitted therewith.

(c) The Tender Agent shall comply fully with the notice and other requirements described in Articles III and IV.

Section 6.04 *Resignation or Removal of Tender Agent and Appointment of Successor.*

(a) Any Tender Agent may at any time resign and be discharged of the duties and obligations created by this Appendix B by giving at least 60 days written notice to the City, the Credit Provider, the Remarketing Agent and the Trustee, provided that any such resignation is effective only on the appointment of, and acceptance of such appointment by, a successor Tender Agent (which may be the Trustee), as the case may be. Any Tender Agent may be removed at any time by an instrument filed with such Tender Agent and the Trustee and signed by an Authorized Officer; provided that any such removal is effective only on the appointment of, and acceptance of such appointment by, a successor Tender Agent (which may be the Trustee), as the case may be. The City agrees that on the resignation of the Tender Agent, it will act expeditiously and use its best efforts to appoint a successor Tender Agent, such successor Tender Agent to be a commercial bank with trust powers or a trust company organized under the laws of any state of the United States, having capital stock and surplus aggregating at least \$100,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed on it by this Appendix B; provided, however, that if no appointment of a successor Tender Agent is made within 45 days after written notice of resignation of such office is given to the City, the Tender Agent, as applicable, or the Trustee or the Owner of any 2011C Bond may apply to any court of competent jurisdiction to appoint a successor Tender Agent.

(b) If any Tender Agent resigns or is removed, such Tender Agent shall pay over, assign and deliver any moneys, 2011C Bonds, including authenticated 2011C Bonds, and other instruments, including the Credit Facility, held by it to its successor.

(c) Notwithstanding any other provision of this Appendix B to the contrary, the duties of the Tender Agent terminate with respect to Multi-Modal Bonds on conversion of all of the Outstanding 2011C Bonds to a Fixed Rate.

[End of Article VI]

ARTICLE 7

THE REMARKETING AGENT

Section 7.01 *The Remarketing Agent.* The City hereby appoints Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Remarketing Agent for the 2011C Bonds. The Remarketing Agent is authorized by law to perform all of the duties imposed on it by this Appendix B. The Remarketing Agent or any successor shall signify its acceptance of the duties and obligations imposed on it under this Appendix B by executing the Remarketing Agreement under which the Remarketing Agent will agree to:

- (a) determine (which shall include inquiries of market sources as necessary to accurately ascertain the then-prevailing market conditions for the 2011C Bonds) each Weekly Rate, each Term Rate and each Fixed Rate and give notice of such rates as set forth in Article II;
- (b) keep such books and records with respect to the remarketing of the 2011C Bonds as are consistent with prudent industry practice; and
- (c) use its best efforts to remarket the 2011C Bonds and Bank Bonds in accordance with this Appendix B and the Remarketing Agreement.

Section 7.02 *Removal or Resignation of Remarketing Agent.* Subject to the provisions of the Remarketing Agreement, the Remarketing Agent may be removed at any time with or without cause by an instrument filed with the Remarketing Agent and the Trustee and signed by a City Representative. The City may appoint a successor Remarketing Agent, and each successor Remarketing Agent shall at all times be either a member of the National Association of Securities Dealers, Inc. or registered as a dealer of municipal securities under the Securities Exchange Act of 1934, as amended, and having net capital of at least \$50,000,000. Subject to the provisions of the Remarketing Agreement, the Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Appendix B by giving at least 60 days written notice to the City, the Credit Provider, the Trustee and the Tender Agent. Resignation or removal of the Remarketing Agent shall take effect only on the appointment by the City of a successor Remarketing Agent and such successor Remarketing Agent has delivered an acceptance of its appointment to the Trustee. The Trustee shall promptly give written notice to the 2011C Bondholders of any removal or resignation of the Remarketing Agent.

Section 7.03 *Successor Remarketing Agents.* Any corporation, association, partnership or firm which succeeds to the business of the Remarketing Agent as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, is thereby vested with all the property, rights and powers of the Remarketing Agent under this Appendix B.

Section 7.04 *Modification of Remarketing Agent's Duties.* Modifications may be made to the provisions hereof regarding the duties and responsibilities of the Remarketing Agent, the dates and times at which interest rates are to be determined and the tender for purchase and notices of tenders, provided that the prior consent of the Remarketing Agent is obtained in writing and that:

- (a) any such modification is subject to the prior written consent of the Credit Provider (which consents shall not be unreasonably withheld);
- (b) the effective date for any such modification, as it affects the 2011C Bonds, is a Business Day which occurs not less than 35 days following the mailing by the

Trustee to all 2011C Bondholders of a notice setting forth the nature of the modifications and specifying the effective date thereof; and

(c) if directed by the City, replacement 2011C Bonds reflecting the modification are to be prepared prior to the effective date thereof and such replacement 2011C Bonds are to be delivered in connection with all transfers (including transfers on tender) and exchanges made on or after the effective date of the modification.

[End of Article VII]

ARTICLE 8

THE CREDIT FACILITY

Section 8.01 *Credit Facility*. The Tender Agent or, if the Credit Facility is a Letter of Credit, the Trustee shall draw on the Credit Facility in accordance with the provisions of the Credit Facility to ensure (1) if the Credit Facility is a Letter of Credit, timely payments of principal, premium, if any (if such Credit Facility provides for payment of such premium), and interest on the 2011C Bonds, and (2) in order to effect the timely payment of the purchase price of tendered 2011C Bonds and deposit the proceeds of such drawing in the 2011C Purchase Account. The Tender Agent shall promptly provide notice to the Trustee of any failure to pay principal of, premium, if any, or interest on the Bonds. The Tender Agent shall promptly provide notice to the Trustee of any failure to pay principal of, premium, if any, or interest on the Bonds or the Purchase Price thereof.

The Tender Agent shall notify the City, the Paying Agent and the Credit Provider (which notice is to be in addition to any notices required to be given to the Credit Provider pursuant to the Reimbursement Agreement) by telephone, promptly confirmed in writing, of the amounts to be drawn, as soon as practicable, but in any event, at least one day prior to such draw on the Credit Facility.

No 2011C Bonds held for the account of the City, any affiliate thereof, or for the account of the Credit Provider are entitled to the benefit of the Credit Facility, and the Credit Facility is not to be drawn on for the benefit of any such 2011C Bonds. If at any time during the term of the Credit Facility any successor Tender Agent is appointed and qualified under this Appendix B, the resigning Tender Agent shall request that the Credit Provider transfer the Credit Facility to said successor Tender Agent. If the resigning Tender Agent fails to make this request, the successor Tender Agent shall do so before accepting appointment. When the Credit Facility terminates or expires in accordance with its terms, the Tender Agent (or successor Tender Agent) which is holding the Credit Facility shall immediately surrender it to the Credit Provider.

Notwithstanding anything contained in this Appendix B, the Tender Agent or Trustee shall not seek to be paid from proceeds of the Credit Facility or remarketing proceeds for any of its fees and expenses as Tender Agent or Trustee, as applicable, but will look solely to the City for payment of such obligations.

Section 8.02 *Release of Credit Facility*. The Tender Agent shall not release, amend or waive the right to draw under any then-existing Credit Facility with respect to 2011C Bonds subject to purchase under such Credit Facility, unless and until (1) an Alternate Credit Facility has been provided or if the principal amount of 2011C Bonds Outstanding has been reduced and the release is in exchange for a Credit Facility substantially the same as that released, but in a stated amount reflecting said lesser principal amount, or (2) all of the 2011C Bonds have been converted to a Fixed Rate Period and the City directs such a release, and (3) in any case, a drawing has been made and honored under the then-existing Credit Facility to the extent required to pay the purchase price of 2011C Bonds then subject to mandatory tender for purchase.

Section 8.03 *Reduction or Termination of Credit Facility*. The City shall, in accordance with the applicable provisions of the Credit Facility, take such action or cause such action to be taken (including filing of certificates of reduction) as shall be required to reduce the amounts available for drawing thereunder in respect of principal of and interest on the 2011C Bonds to reflect any permanent reduction in the amount of 2011C Bonds Outstanding; provided, however, that the amount available to be drawn under the Credit Facility shall at all times be equal to the principal amount of the Outstanding

2011C Bonds with respect to which such Credit Facility was issued and the interest thereon referenced in such Credit Facility with respect to such reduced principal amount of 2011C Bonds Outstanding calculated at the Maximum Rate on such 2011C Bonds.

Section 8.04 *Amendment of Credit Facility.* The City through the Bond Registrar shall notify the 2011C Bondholders, the Tender Agent, the Remarketing Agent, the LGC, the Trustee and each Rating Agency of any proposed amendment of the Credit Facility, which would adversely affect the interests of the 2011C Bondholders or the Tender Agent, and may consent thereto on receipt of the consent of the Owners of all 2011C Bonds then Outstanding which would be so affected by the action proposed to be taken; provided, that the City shall not, without the consent of the registered Owners of all 2011C Bonds the Outstanding which would be so affected by the action proposed to be taken, consent to any amendment which would (a) decrease the amount of the Credit Facility, or (b) reduce the term of the Credit Facility, and provided further, however, that any change in the principal and interest amount of 2011C Bonds subject to the Credit Facility shall be effective only on receipt by the City of a Rating Confirmation Notice from each Rating Agency. The City is not required to notify 2011C Bondholders, or cause 2011C Bondholders to be notified, or obtain their consent for any proposed amendment to the Credit Facility or Reimbursement Agreement which would not adversely affect their interests, including any extension of the Credit Facility and any change in the fees payable by the City pursuant to the Reimbursement Agreement. Notwithstanding anything else provided herein, an amendment of this Appendix B altering the rights and duties of the Credit Provider under this Appendix B shall require the prior written consent of the Credit Provider. The City further agrees that it will not amend the Credit Facility or Reimbursement Agreement without the consent of the LGC or in any manner which would adversely affect the interests of the Tender Agent without the prior written consent of the Tender Agent.

Section 8.05 *References to Credit Provider.* Any provision of this Appendix B regarding the consent of, or mandating the direction of action by, the Credit Provider is, except as expressly provided, ineffective if (1) the Credit Facility issued thereby is no longer in effect and no amount is due and owing under such Credit Facility or (2) the Credit Provider has wrongfully failed to honor a proper draw under the Credit Facility.

[End of Article VIII]

ARTICLE 9

SUPPLEMENTAL SERIES RESOLUTION

Section 9.01 *Supplemental Series Resolutions Without Consent of Owners.* The City may, from time to time and at any time, adopt such resolutions supplemental hereto as are consistent with the terms and provisions of this Appendix B and, in the opinion of the Trustee, do not affect adversely the interest of the Owners including, without limitation:

(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, or to make any other provisions with respect to matters or questions arising under this Appendix B that shall be consistent with the provisions of this Appendix B, or

(b) to grant or 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 Appendix B 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, in each instance, only with the consent of the LGC, or

(d) to permit the qualification of this Appendix B under any federal statute now or hereafter in effect or under any state Blue Sky law, or

(e) to provide for the issuance of any Series of the 2011C Bonds in bearer form, or

(f) to make modifications in the provisions for the issuance of any Series of the 2011C Bonds under a book-entry system, or

(g) to obtain a rating on the 2011C Bonds from a national rating service.

Section 9.02 *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 51% in aggregate principal amount of the 2011C Bonds then Outstanding have the right, from time to time anything contained in this Appendix B 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 are necessary or considered 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 Appendix B or in any supplemental series resolution; but nothing herein contained permits, or may be construed as permitting (a) an extension of the maturity of the principal of or the interest on any 2011C Bond or (b) a reduction in the principal amount of any 2011C Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a pledge of Net Revenues other than any pledge created or permitted by the Bond Order or the Series Resolution, or (d) a preference or priority of any 2011C Bond over any other 2011C Bond, or (e) a reduction in the aggregate principal amount of 2011C Bonds required for consent to such supplemental series resolution. Nothing herein contained, however, may be construed as making necessary the approval by the Owners of the adoption and acceptance of any supplemental series resolution as authorized in Section 9.01.

The Trustee shall, at the expense of the City, such expense to be paid solely from the Operating Fund or from any other available moneys, cause notice of the proposed adoption of such supplemental series resolution to be mailed, postage prepaid, the LGC, the Credit Provider 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 Designated Office of the Trustee for inspection by all Owners. The Trustee is not, however, subject to any liability to any Owner by reason of its failure to mail the notice required by this Section, and any such failure will not affect the validity of such supplemental series resolution when approved and consented to as provided in this Section.

Whenever the City delivers to the Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than 51% in aggregate principal amount of 2011C Bonds then Outstanding that are affected 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, then 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 51% in aggregate principal amount of the 2011C Bonds Outstanding have consented to and approved the adoption thereof as herein provided, to the extent permitted by law, no Owner has any right to object to the adoption of such supplemental series resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City from adopting the same or from taking any action pursuant to the provisions thereof.

On the adoption of any supplemental series resolution pursuant to the provisions of this Section or Section 9.01, this Appendix B shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Appendix B, the Trustee and all Owners shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Appendix B as so modified and amended.

Section 9.03 2011C Bonds Affected. For purposes of this Appendix B, 2011C 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 2011C Bonds. The Trustee may in its discretion determine whether any 2011C Bonds would be affected by any supplemental series resolution and any such determinations is conclusive on the Owners of all 2011C Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee is not liable for any such determination made in good faith.

Section 9.04 Exclusion of 2011C Bonds. 2011C Bonds owned or held by or for the account of the City shall not be deemed Outstanding 2011C Bonds for the purpose of any consent or other action or any calculation of Outstanding 2011C Bonds provided for in this Article, and City as Owner of such 2011C Bonds is not 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 Finance Director, on which the Trustee may rely, describing all 2011C Bonds so to be excluded.

Section 9.05 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 is entitled to receive, and is fully protected in relying on, 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 Appendix B, and that it is or is not proper for it, under the provisions of this Article, to accept such supplemental series resolution.

Section 9.06 *Consent of the Credit Provider and LGC.*

(a) So long as the Credit Facility is in effect and the Credit Provider has not defaulted thereunder, (1) the consent of the Credit Provider will be required to amend, modify or supplement this Appendix B, and (2) the Credit Provider is deemed to be the sole Owner of the 2011C Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the 2011C Bonds are entitled to take under the Bond Order or this Appendix B.

(b) The consent of the LGC is required to amend, modify or supplement the provisions of Section 3.08 and Section 10.01(b) of this Appendix B, any definitions or operative provisions relating to Authorized Denominations, the Credit Facility, the Maximum Rate or to provide that no Credit Facility is necessary for the remarketing of the 2011C Bonds other than on a conversion of the 2011C Bonds to a Fixed Rate to the maturity of the 2011C Bonds. Only the consent of the Designated Assistant of the LGC is required for the replacement or substitution of any Remarketing Agent.

[End of Article IX]

ARTICLE 10

MISCELLANEOUS

Section 10.01 *Non-Presentation of 2011C Bonds.*

(a) If any 2011C Bond is not presented for payment when the principal thereof becomes due, either at maturity or otherwise, if moneys sufficient to pay such 2011C Bond have been deposited with the Trustee, the Trustee shall hold such moneys, without liability to the City, any Bondholder or any other person for interest thereon, for the benefit of the Owner of such 2011C Bond.

(b) Any moneys so deposited with and held by the Trustee, due to non-presentation of 2011C Bonds, must be retained and applied by the Trustee in accordance with Section 806 of the Bond Order. Any money that is so set aside or transferred and that remains unclaimed by the Owners for a period of five and one-half years after such payment has become due and payable will be treated as abandoned property under N.C.G.S. § 116B-53, and the Trustee or Tender Agent will report and remit this property to the Escheat Fund according to the requirements of N.C.G.S. § 116B. Thereafter, the Owners may 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 City and the Trustee or Tender Agent will have no responsibility with respect to such money.

Section 10.02 *Notices.* The Trustee shall mail notice to each Rating Agency then rating the 2011C Bonds of the occurrence of any of the following events of which it has actual knowledge or has been informed: (1) any amendment or supplement to the Bond Order, the Policy or the Series Resolution; (2) any redemption of Outstanding 2011C Bonds; or (3) any expiration, termination, substitution or renewal of the Credit Facility. All notices required or authorized to be given to the City, the Trustee, the Bond Registrar, the Paying Agent, the Tender Agent, the Remarketing Agent, the Credit Provider and the Rating Agencies pursuant to this Appendix B must be in writing and must be sent by registered or certified mail, postage redeemed, recognized private carrier, with delivery charges redeemed and acknowledgement of delivery, or by Electronic Means, to the following addresses:

If to the City:

City of Charlotte
600 East Fourth Street
Charlotte, North Carolina 28202
Attention: Director of Finance

If to the Trustee/Tender Agent/Paying Agent/Registrar:

U.S. Bank National Association
214 N. Tryon Street, 27th Floor
Charlotte, North Carolina 28202
Attention: Corporate Trust Services
Telephone: (704) 335-4559
Facsimile: (704) 335-4676

If to Moody's:

Moody's Investors Service
99 Church Street
New York, New York 10003
Attention: Public Finance Department Rating Desk

If to S&P:

Standard & Poor's Ratings Services,
a Division of The McGraw-Hill Companies, Inc.
55 Water Street, 38th Floor
New York, New York 10041
Attention: Public Finance Department
Email: pubfin_structured@sandp.com

If to Fitch Ratings:

Fitch, Inc.
One State Street Plaza
New York, New York 10004
Attn: Municipal Finance Department
Telephone: (212) 908-0500
Fax: (212) 480-4421

If to the Remarketing Agent, at the address therefor indicated in the Remarketing Agreement.

If to the Credit Provider, at the address therefor indicated in the Reimbursement Agreement.

or to such other addresses as may from time to time be furnished to the parties, effective on the receipt of notice thereof given as set forth above.

Notwithstanding any contrary provision contained herein, the City shall notify the Rating Agencies and the LGC of (1) any extension, expiration or termination of the Reimbursement Agreement or effectiveness of an Alternate Credit Facility, (2) any redemption of any of the 2011C Bonds (other than pursuant to mandatory sinking fund provisions) or defeasance or mandatory tender of any 2011C Bonds, (3) any conversion of the Interest Rate Period, (4) any change in the identity of the Remarketing Agent, the Tender Agent, the Trustee or the Paying Agent and (5) any amendment to the Bond Order, the Series Resolution, the 2011C Bonds, the Reimbursement Agreement, the Credit Facility or the Remarketing Agreement.

Section 10.03 *Several Capacities.* Anything in this Appendix B to the contrary notwithstanding, 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 the following conditions and requirements apply whenever the same entity simultaneously acts as the Trustee and the Credit Provider (the "*Trustee/Credit Provider Institution*");

(a) Promptly after and as of June 30 of each year, the Trustee/Credit Provider Institution shall provide to the Local Government Commission of the State of North Carolina (the "*LGC*") the following:

(1) A certification that the procedures and controls the Trustee/Credit Provider Institution maintains are adequate to manage potential conflicts of interest; and

(2) A current listing of each North Carolina financing in which it is serving in a dual capacity and identifying such capacities.

(b) The Trustee/Credit Provider Institution must, within 60 days of receiving any sort of notice concerning any litigation pending or threatened against the Trustee/Credit Provider Institution in its capacity as Trustee, Credit Provider or both, for the 2011C Bonds, provide such notice and related documentation to the LGC. The Trustee/Credit Provider Institution also must notify the LGC immediately of any failure to perform or any default in its capacity as Credit Provider for the 2011C Bonds.

(c) In addition to the provisions of Section 803 of the Bond Order regarding removal of the Trustee, the LGC, in its sole discretion and at any time, has the power to remove or require the replacement of the Trustee by giving 30 days' written notice to the Trustee, the Credit Provider and the City; *provided, however*, that such removal will not be effective until the appointment of a successor Trustee as set forth in Section 803 of the Bond Order.

Section 10.04 *Headings.* Any heading preceding the text of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, are solely for convenience of reference and does not constitute a part of this Appendix B or affect its meaning, construction or effect.

Section 10.05 *Application to Local Government Commission.* The City Council hereby ratifies and confirms its request to the LGC to sell the 2011C Bonds at private sale and without advertisement in accordance with the provisions of Section 159-123 of the General Statutes of North Carolina.

Section 10.06 *Approval of Amount of 2011C Bonds and Interest Rate.* The Finance Director is hereby authorized and directed to approve the actual amount of the 2011C Bonds and each Sinking Fund Requirement for the 2011C Bonds to be issued under this Appendix B to the limits specified in Section 2.01.

Section 10.07 *Approval of Official Statement and Other Documents.* The City hereby approves and consents to the use and distribution of copies of the Official Statement, the Bond Order, the Series Resolution and this Appendix B by the Purchaser in connection with the public offering of the 2011C Bonds. Any of the Mayor, City Manager and Finance Director is hereby authorized and directed to complete, execute and deliver the Official Statement relating to the 2011C Bonds, the Credit Facility, the Purchase Contract and the Remarketing Agreement, in substantially the form of the drafts of each presented at this meeting, together with such changes, modifications, and deletions as the Finance Director, with the advice of counsel, may deem necessary and appropriate; such execution and delivery shall be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 10.08 *Authorization for Other Acts.*

(a) The Finance Director and other officers, agents and employees of the City and the officers and agents of the Trustee are hereby authorized and directed to do all acts and things required of them by the provisions of the 2011C Bonds, the Bond Order, the Series Resolution, this Appendix B and the Purchase Contract for the full, punctual and complete performance of the terms, covenants, provisions

and agreements of the same and also to do all acts and things required of them by the provisions of this Appendix B, including the advancement of any fees and expenses in connection with the transactions described therein with the expectation that such fees and expenses will be reimbursed to the City from 2011C Bond proceeds. Subject to Section 9.06, the Finance Director may make any change, amendment or other revisions to the Articles II, III and V of this Appendix B necessary to obtain a rating on the 2011C Bonds.

(b) The Mayor, the Finance Director, the Airport Manager, the Airport Attorney, the City Attorney, the City Clerk and any Deputy City Clerk, or any of them or their deputies, are further authorized and directed (without limitation except as may be expressly set forth herein) to employ and compensate advisers, bond counsel, counsel, and consultants, to take such action and to execute and deliver any such documents, deeds, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary and appropriate to effect the transactions contemplated by the Bond Order, the Series Resolution, this Appendix B and the Purchase Contract.

Section 10.09 *Acceptance of Duties by Trustee as Paying Agent.* The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Bond Order and the Series Resolution as Paying Agent hereunder by executing and delivering to the City and the Credit Provider a written acceptance thereof.

Section 10.10 *Holidays.* Except as otherwise provided herein, whenever any payment or action to be made or taken hereunder shall be stated to be due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day, and such extension of time shall be included in computing interest, if any, in connection with such payment or action.

Section 10.11 *Replacement of Bond Registrar or Paying Agent.* If the Bond Registrar or Paying Agent initially appointed under this Appendix B resigns (whether before or after the issuance of any 2011C Bonds), or if the Finance Director reasonably determines that the Bond Registrar or Paying Agent has become incapable of performing its duties hereunder, the City may, on notice mailed to each Owner of the 2011C Bonds, if any, at such Owner's address last shown on the registration records, appoint a successor Bond Registrar or Paying Agent which meets any requirement set forth in the Bond Order, including the prior approval by the LGC of a successor Bond Registrar. No resignation or dismissal of the Bond Registrar or Paying Agent may take effect until a successor is appointed. The same institution is not required to serve as both Bond Registrar and Paying Agent hereunder, but the City has the right to have the same institution serve as both Bond Registrar and Paying Agent hereunder. Whenever in this Appendix B the Bond Registrar or Paying Agent is named or referred to, such provision is deemed to include any successor of the Bond Registrar or Paying Agent, respectively.

Section 10.12 *Amendments to Bond Order Affecting Credit Provider.* Anything herein to the contrary notwithstanding, an amendment to the Bond Order or this Appendix B altering the rights and duties of the Credit Provider thereunder or hereunder or otherwise adversely affecting the Credit Provider requires the prior written consent of the Credit Provider.

Section 10.13 *Provisions Relating to LGC.* The provisions contained herein relating to any notice to, approval of or other action by the LGC may not be amended, modified or supplemented without the prior written consent of the LGC.

Section 10.14 *Acceptance and Execution of Purchase Contract; Approval of Award.* The Purchase Contract providing for the sale of the 2011C Bonds authorized hereunder in substantially the form presented at this meeting is hereby approved and accepted by the City; the award of the 2011C Bonds by the LGC to the Purchaser as underwriters for the 2011C Bonds; and the Mayor or City

Manager, or other appropriate officials of the City hereby are authorized and directed to approve additional Purchaser at any time and to execute the Purchase Contract on the behalf and in the name of the City at such time as may be determined by the Mayor, City Manager or Finance Director, and so to enter into the Purchase Contract as provided in such agreement, with such changes, variations, omissions and insertions as any official executing such document shall approve. The execution thereof by such officials constitutes conclusive evidence of such approval.

Section 10.15 *Continuing Disclosure.* The City agrees, in accordance with Rule 15c2-12 (the "*Rule*") promulgated by the Securities and Exchange Commission (the "*SEC*"), to provide:

- (1) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2011, to the Municipal Securities Rulemaking Board (the "*MSRB*"), the audited financial statements of the City for the preceding Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or if such audited financial statements are not then available, unaudited financial statements of the City for such Fiscal Year to be replaced subsequently by audited financial statements of the City to be delivered within 15 days after such audited financial statements become available for distribution;
- (2) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2011, to the MSRB, the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year (which data shall be prepared at least annually, shall specify the date as to which such information was prepared and shall be delivered together with any subsequent material events notices specified in subparagraph (3) below) for the type of information included under the captions in the Official Statement dated on or about October 19, 2011, as identified in the Official Statement to the extent such items are not included in the financial statements referred to in paragraph (1) above;
- (3) in a timely manner not in excess of 10 Business Days after the occurrence of the event, to the MSRB notice of any of the following events with respect to the 2011C Bonds:
 - (a) principal and interest payment delinquencies;
 - (b) non-payment related defaults, if material;
 - (c) unscheduled draws on the debt service reserves reflecting financial difficulties;
 - (d) unscheduled draws on any credit enhancements reflecting financial difficulties;
 - (e) substitution of any credit or liquidity providers, or their failure to perform;
 - (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material events affecting the tax status of the 2011C Bonds;
 - (g) modification of the rights of the Beneficial Owners of the 2011C Bonds, if material;

- (h) call of any of the 2011C Bonds, if material, and tender offers;
 - (i) defeasance of any of the 2011C Bonds;
 - (j) release, substitution or sale of any property securing repayment of the 2011C Bonds, if material;
 - (k) rating changes;
 - (l) bankruptcy, insolvency, receivership or similar event of the City;
 - (m) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
 - (n) the appointment of a successor or additional trustee, or the change in the name of a trustee, if material;
- (4) in a timely manner, to the MSRB, notice of a failure of the City to provide required annual financial information described in (a) or (b) above on or before the date specified.

The City agrees to provide all documents described in this section in a electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB; provided, however, the City may discharge its undertakings described above by transmitting the documents or notices referred to above in a manner subsequently authorized or required by the SEC in lieu of the manner described above.

The City agrees that its undertaking under this Article is intended to be for the benefit of the Owners and the beneficial owners of the 2011C Bonds and is enforceable by the Trustee or by any of them, including an action for specific performance of the City's obligations under this Article, but a failure to comply will not be an event of default under Section 802 of the Bond Order and will not result in acceleration of the payment of the 2011C Bonds. An action must be instituted, had and maintained in the manner provided in this paragraph for the benefit of all of the Owners and beneficial owners of the 2011C Bonds.

The City may modify from time to time, consistent with the Rule, the information provided to the extent necessary or appropriate in the judgment of the City, but:

- (1) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the City;
- (2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of the Official Statement, after taking into account any amendments or interpretations of the Rule as well as any changes in circumstances; and
- (3) any such modification does not materially impair the interest of the Owners or the beneficial owners, as determined by the Trustee or Bond Counsel or by the approving vote of

the Owners of a majority in principal amount of the 2011C Bonds pursuant to Section 7.02 of this Appendix B.

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

The provisions of this Article terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on the 2011C Bonds.

[End of Article X]

EXHIBIT A

FORM OF 2011C BOND

CITY OF CHARLOTTE, NORTH CAROLINA
VARIABLE RATE AIRPORT REVENUE BONDS,
SERIES 2011C

No. RC-1

\$ _____,000

<u>INTEREST RATE</u>	<u>DATED DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
Variable	_____, 2010	July 1, 20__	161036__

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT: _____ Dollars

The City of Charlotte, North Carolina (*the "City"*), a municipal corporation of the State of North Carolina (*the "State"*), for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the Owner named above the Principal Amount stated above on the Maturity Date set forth above (or earlier as hereinafter described), and to pay such Owner at the address as it appears on the registration books kept by U.S. Bank National Association, the Registrar, the Trustee and the Paying Agent for the 2011C Bonds (*the "Registrar," the "Paying Agent" and the "Trustee"*), on the Record Date, interest on such Principal Amount at the Interest Rate set forth above from the Interest Payment Date next preceding the date of authentication (unless such authentication date (i) is before the first Interest Payment Date following the initial delivery of the 2011C Bonds, in which case interest shall be computed from such initial delivery date, (ii) is after a Record Date and before the subsequent Interest Payment Date, in which case interest shall be computed from the subsequent Interest Payment Date, or (iii) is an Interest Payment Date, in which case interest shall be computed from such authentication date; provided, that if interest on the 2011C Bonds is in default, 2011C Bonds shall bear interest from the last date to which interest has been paid) until the principal hereof shall have been paid or provided for in accordance with Appendix B hereinafter referred to, payable, on each Interest Payment Date. The term "*Interest Payment Date*" means with respect to Multi-Modal Bonds for any Weekly Rate Period, the first Business Day of each calendar month, the date on which Bank Bonds are remarketed and, if applicable, purchased from the Credit Provider, the date on which the applicable Multi-Modal Bonds become subject to the Fixed Rate Period, any date on which such Multi-Modal Bonds become subject to mandatory tender, and the maturity or redemption date of the applicable Multi-Modal Bonds; (3) with respect to any Bank Bonds, each date set forth in the Credit Facility; (4) with respect to Multi-Modal Bonds for the Term Rate Period, January 1 and July 1 of each year, and commencing with respect to any Multi-Modal Bonds while in the Term Rate Period, the January 1 or July 1 following the beginning of the Term Rate Period as shall be determined by the City at or prior to the conversion of such Multi-Modal Bonds to a Term Rate, and in all cases on the day following the end of each Term Rate Period or redemption date of such Bonds, and (5) with respect to Multi-Modal Bonds for the Fixed Rate Period, January 1 and July 1 of each year, and commencing with respect to any Multi-Modal Bonds while in the Fixed Rate Period, the January 1 and July 1 following the beginning of the Fixed Rate Period as shall be determined by the City at or prior to the conversion of such Multi-Modal Bonds to a Fixed Rate, and in all cases on the maturity or redemption date of such Bonds. The principal of and redemption or Purchase Price and premium, if any, on the 2011C Bonds shall be payable in such coin or currency of the United States of America as is legal tender for the payment of public and private debts to the Owners at the Designated Office of the Paying Agent in Charlotte, North Carolina on presentation and surrender of the 2011C Bonds.

ExA-1

THE 2011C BONDS ARE SPECIAL OBLIGATIONS OF THE CITY. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE 2011C BONDS ARE NOT PAYABLE FROM THE GENERAL FUNDS OF THE CITY, NOR DO THEY CONSTITUTE A LEGAL OR EQUITABLE PLEDGE, CHARGE, LIEN, OR ENCUMBRANCE UPON ANY OF ITS PROPERTY OR UPON ANY OF ITS INCOME, RECEIPTS, OR REVENUES EXCEPT THE FUNDS WHICH ARE PLEDGED UNDER THE BOND ORDER (HEREINAFTER DEFINED). NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR THE CITY ARE PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2011C BONDS, AND NO OWNER OF THIS 2011C BOND HAS THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER BY THE STATE OR THE CITY OR THE FORFEITURE OF ANY OF ITS PROPERTY IN CONNECTION WITH ANY DEFAULT.

The 2011C Bonds shall be initially held by means of a book-entry system administered by the Securities Depository. On receipt of the documents referred to in the Appendix B to the Series Resolution, the Trustee shall authenticate one 2011C Bond registered in the name of the Securities Depository Nominee, and issue such 2011C Bond to the Securities Depository to be immobilized in its custody; provided that if The Depository Trust Company, New York, New York ("DTC") is acting as Securities Depository, such 2011C Bond shall be issued to Cede & Co. to be immobilized in its custody pursuant to the rules and procedures of DTC. Thereafter, in the event that 2011C Bonds are issued to the Owners thereof in bond (physical) form, the Trustee will authenticate and deliver to the Owners new 2011C Bonds in the principal amount equal to the aggregate principal amount of 2011C Bonds then Outstanding (less the principal amount of the 2011C Bonds not held by means of a book-entry system), registered in the name of the Owners, in exchange for the 2011C Bond then held by the Securities Depository and the Securities Depository shall surrender such 2011C Bond then held by it to the Trustee for cancellation and destruction in accordance with the terms of the Bond Order.

If any 2011C Bonds are held by means of a book-entry system, such book-entry system will evidence beneficial ownership of the 2011C Bonds so held (or, as applicable, positions held by the Securities Depository's Participants, beneficial ownership being evidenced in the records of such Participants) in Authorized Denominations. Registration and transfers of ownership shall be effected on the records of the Securities Depository (and, as applicable, its Participants) pursuant to rules and procedures established by the Securities Depository, and the Registrar will provide the Securities Depository with all information required for such purposes. The City, the Trustee, the Paying Agent and the Registrar will recognize the Securities Depository Nominee, while the registered owner of the 2011C Bonds so held, as the Owner of the 2011C Bonds for all purposes, including (i) payments of principal and Purchase Price of, and interest on, the 2011C Bonds, (ii) notices and (iii) voting. Transfer of principal, interest and Purchase Price payments to beneficial owners of the 2011C Bonds so held will be the responsibility of the Securities Depository (or, as applicable, its Participants and other nominees of such beneficial owners). The City, the Trustee, the Paying Agent and the Registrar will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository Nominee, the Securities Depository's Participants (if any) or persons acting through such Participants. While the Securities Depository Nominee is the owner of the 2011C Bonds so held, notwithstanding the provisions hereinabove contained, payments of principal and Purchase Price of and interest on such 2011C Bonds shall be made in accordance with the Letter of Representations.

If (1) DTC determines not to continue to act as securities depository for the 2011C Bonds or (2) the Trustee and the City determine to discontinue the book entry system in accordance with DTC's rules and the City fails to identify another qualified securities depository to replace DTC, the City will deliver fully registered definitive 2011C Bonds to DTC.

This Bond is one of an issue of Bonds designated "City of Charlotte, North Carolina Variable Rate Airport Revenue Bonds, Series 2011C" (the "2011C Bonds") issued under a bond order adopted by the City Council of the City (the "City Council") on November 18, 1985, which the City Council

ExhA-2

supplemented and amended on June 8, 1992 and August 23, 2004 (the "Bond Order") and a resolution adopted by the City Council on September 12, 2011 (the "Series Resolution"). Unless the context indicates otherwise, all capitalized, undefined terms used herein have the meanings ascribed to them in the Bond Order, the Series Resolution, or the Appendix B attached to, and incorporated in, the Series Resolution (the "Appendix B"). On or about the date of issuance of the 2011C Bonds, the City will issue its Airport Revenue Bonds, Series 2011A (the "2011A Bonds") and its Airport Revenue Bonds, Series 2011B (the "2011B Bonds" and collectively with the 2011A Bonds and the 2011C Bonds, the "2011 Bonds"), under the Bond Order. Under the Bond Order, the City has previously issued several series of Bonds (the "Existing Bonds"). The 2011A Bonds, the 2011B Bonds, the 2011C Bonds, the Existing Bonds and any additional Bonds which may be issued under the Bond Order are parity obligations under the Bond Order.

The 2011 Bonds are being issued to pay a portion of the costs (1) to improve Charlotte/Douglas International Airport (the "Airport"), including, but not limited to (a) the (i) rehabilitation of Runway 18C/36C, (ii) construction of an access road to the newly-constructed west Aircraft Rescue Firefighting Facility, (iii) extension of the Taxiway D, (iv) construction of an in-line baggage system in the passenger terminal building, including new conveyors and building infrastructure to support screening equipment, (v) expansion of Concourse B to provide additional gates and additional passenger circulation space, (vi) construction of additional passenger terminal space to accommodate a new 4-lane security checkpoint and to expand the ticket lobby, including provision of space on the lower level of the passenger terminal building for an expanded international arrival baggage re-check area and circulation space for passengers to access the new checkpoint in the passenger terminal building lobby, (vii) renovation of ticket counters and airline ticket office space for Delta Airlines, United Airlines and Continental Airlines, including a new in-line baggage screening system and a new ticket counter bag conveyor system designed to support it and a reconstruction of checkpoints A and B in the passenger terminal building, and (viii) construction of a new approximately 3,200 space parking facility, replacing the hourly parking decks located in front of the passenger terminal building and (b) other improvements at the Airport consistent with the Airport's mission, (2) to fund debt service reserves therefor, if necessary, and (3) to pay the costs of issuance of the 2011 Bonds.

The 2011C Bonds, together with interest thereon, are special obligations of the City payable solely from Revenues after payment of the Current Expenses of the Airport and constitute a valid claim of the respective Owners thereof only against the funds and other moneys held by the Trustee for the benefit of the Owners of the 2011C Bonds, which amounts are pledged and assigned pursuant to the Bond Order for the equal and ratable payment of the 2011C Bonds and will be used for no other purpose than to pay the principal of, premium, if any, and interest on the 2011C Bonds, except as may be otherwise expressly authorized in the Bond Order and the Series Resolution.

As used herein, "Revenues" means (a) except to the extent hereinafter excluded, all payments, proceeds, fees, charges, rents and all other income derived by or for the City for the use of and for the services and facilities furnished by or from the operation or ownership of, the Airport and all other income derived by the City from the operation or ownership of the Airport and all rights to receive the same, whether in the form of accounts receivable, contract rights or other rights, and the proceeds of such rights whether now owned or held or hereafter coming into existence, (b) amounts which the City is authorized, but not obligated, to pay or transfer to the Revenue Fund to the extent of any such payments or transfers, including transfers from the Airport Discretionary Fund which amounts shall become Revenues only at the time of payment or transfer of the Revenue Fund, (c) amounts transferred from the Rebate Account to the Revenue Fund following each Fiscal Year, and (d) any proceeds of business interruption insurance. Revenues does not include, unless paid or transferred pursuant to (b) above, (1) any gifts, grants, bequests, contributions or donations; (2) proceeds from the sale and disposition of all or any part of all or any part of the Airport; (3) reimbursements to the City of its advances to the Operating Fund specified in the series resolution relating to the Project Bonds; (4) investment income to the extent

ExhA-3

of amounts transferred from the Revenue Fund to the Rebate Account as of the last day of each Fiscal Year; (5) the investment income on, and the income and gains realized upon the maturity or sale of, securities held by or on behalf of the City in any Funds and Accounts established by the Bond Order, but only to the extent such income and gains are not directed to the Revenue Fund as provided in the Bond Order or in any series resolution; (6) to the extent and for so long as such payments are pledged to secure the financing of the same; debt service from the financing of any facilities to which reference is made in the Bond Order, except to the extent otherwise provided by the City in respect of any such facilities; (7) any proceeds of Eminent Domain or insurance other than the business interruption insurance mentioned above; (8) the investment income on, and the income and gains realized upon the maturity or sale of, securities held by or on behalf of the City in the fund in which Airport revenues relating to the period prior to the date of beneficial occupancy under certain 1978 airport agreements are held; (9) taxes collected at the Airport; (10) revenues described in clauses (a) and (c) above of Excluded Cost Centers; (11) the proceeds of any indebtedness; (12) payments made by the counterparty in connection with any interest rate exchange or swap agreement; and (13) PFC Revenues.

"Current Expenses" means (A) the City's cost of capital items (including the cost of capital leases) in an amount not to exceed in any Fiscal Year 15% of all current expenses as hereinafter determined and budgeted for such Fiscal Year, plus (B) the City's current expenses for the operation, maintenance and repair of the Airport as determined in accordance with generally accepted accounting principles, including, without limiting the generality of the foregoing: (a) all ordinary and usual expenses of operation, maintenance and repair, (b) administrative expenses, (c) salaries, (d) interest with respect to working capital loans, (e) payments to any retirement plan or plans properly chargeable to the Airport, (f) insurance expenses, (g) engineering expenses relating to the operation, maintenance or repair of the Airport, (h) fees and expenses of the Trustee, legal expenses, and fees of consultants, and (i) any other expenses required to be paid by the City under the Bond Order or by law. Current Expenses does not include (u) any reserves for extraordinary replacements or repairs, (v) any allowance for depreciation, (w) any interest other than as provided in (d) above, (x) any principal payment in respect of capital leases, except as permitted under (A) above, or indebtedness other than Bonds, (y) any deposits to any Fund or Account created under the Bond Order and payments of principal, premium, if any, and interest from such Funds and Accounts, or (z) any of the foregoing set forth in paragraphs (A) and (B) with respect to Excluded Cost Centers.

Pursuant to the Bond Order the City has, for the benefit of the Owners of the 2011C Bonds, assigned Net Revenues, the City's rights to receive Net Revenues, the moneys and Investment Obligations in the Renewal and Improvement Fund to the extent such moneys and Investment Obligations have not been encumbered by the City and the moneys and Investment Obligations in the subaccounts of the Revenue Bond Fund relating to the 2011C Bonds, to the Trustee in trust.

Reference is made to the Bond Order and the Series Resolution for a more complete statement of the provisions thereof and of the rights of the City, the Trustee and the Owners of the 2011C Bonds. Copies of the Bond Order and Series Resolution are on file and may be inspected at the Designated Office of the Trustee in Charlotte, North Carolina. By the purchase and acceptance of this 2011C Bond, the Owner hereof signifies assent to all of the provisions of the aforementioned documents.

To further secure the 2011C Bonds, the City has entered into a Reimbursement and Security Agreement with Bank of America, N.A. (the "Bank"), whereby the Bank will issue its irrevocable direct pay letter of credit (the "Credit Facility") to pay the principal of, interest on, premium (if any) and purchase price of the 2011C Bonds when due. In accordance with the terms thereof, the Credit Facility will expire before the maturity of the 2011C Bonds, unless extended, and may be terminated before its stated expiration date, with or without notice to the Owners.

ExhA-4

This Bond is issued and the Bond Order and the Series Resolution were made and entered into under and pursuant to the Constitution and laws of the State, and particularly in conformity with the provisions, restrictions and limitations of General Statutes of North Carolina Section 159-80 et seq., as amended.

This Bond is exchangeable upon the presentation and surrender hereof at the Designated Office of the Registrar for the 2011C Bonds in Authorized Denominations. Upon surrender for registration of transfer, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner hereof or his or her attorney duly authorized in writing, the Registrar will authenticate and deliver in the name of the transferee or transferees a new fully registered 2011C Bond or 2011C Bonds. The Registrar may require the payment by any Owner requesting registration of transfer or exchange of 2011C Bonds of any tax, fee or other governmental charge required to be paid with respect to such registration of transfer or exchange. The Registrar is not required to register the transfer of or exchange any 2011C Bonds selected, called or being called for redemption in whole or in part. The person in whose name this Bond is registered will be deemed and regarded as the absolute owner hereof for all purposes, and payment of this Bond will be made only to or upon the written order of the Owner hereof to his or her legal representative. All such payments will be valid and effectual to satisfy and discharge this Bond to the extent of the sum or sums paid.

Interest Rates on 2011C Bonds.

The 2011C Bonds shall initially bear interest at a Weekly Rate (unless and until converted). In no event shall the rate of interest on any 2011C Bond exceed at any time (a) 12% per annum, as to 2011C Bonds other than Bank Bonds and (b) as to Bank Bonds, the rate per annum required under the applicable Reimbursement Agreement not to exceed 22% per annum. In no event is any Owner entitled to receive any interest payment on any 2011C Bond in excess of the amount permitted by any applicable usury or similar law. Interest on the 2011C Bonds is to be computed, in the case of the Fixed Rate Period or a Term Rate Period, on the basis of a 360-day year consisting of twelve 30-day months, and in the case of a Weekly Rate Period, on the basis of a 365 or 366-day year, as the case may be, for the actual number of days elapsed.

"Record Date" means with respect to each Interest Payment Date for the 2011C Bonds bearing interest at a Term Rate or a Fixed Rate, the 15th day of the calendar month immediately preceding such Interest Payment Date, and with respect to each Interest Payment Date for Multi-Modal Bonds bearing interest at a Weekly Rate, the last Business Day preceding such Interest Payment Date.

During each Weekly Rate Period for the Multi-Modal Bonds, the Multi-Modal Bonds shall bear interest at the Weekly Rate. During each Term Rate Period for any Multi-Modal Bonds, each Multi-Modal Bond shall bear interest at the applicable Term Rate. During the Fixed Rate Period for any Multi-Modal Bonds, such Multi-Modal Bonds shall bear interest at the Fixed Rate.

The interest rate on the Multi-Modal Bonds during any Weekly Rate Period shall be established from time to time as a rate equal to the rate determined by the Remarketing Agent to be the minimum interest rate which, if borne by the Multi-Modal Bonds, would enable the Remarketing Agent to remarket the Multi-Modal Bonds at the time the interest rate is being determined at a price equal to the principal amount thereof plus accrued interest, if any. The determination of each Weekly Rate, any Term Rate and any Fixed Rate by the Remarketing Agent is conclusive and binding on the Trustee, the Credit Provider (if any), the City, the Tender Agent and the Owners of such Multi-Modal Bonds, absent manifest error.

During each Weekly Rate Period, the 2011C Bonds in such Weekly Rate Period shall bear interest at a Weekly Rate, which shall be determined in accordance with Appendix B by the Remarketing Agent by 10:30 a.m. (New York City time) on Wednesday of each week during such Weekly Rate Period,

or if such day shall not be a Business Day, then on the next succeeding Business Day to be effective immediately. The first Weekly Rate determined for each Weekly Rate Period shall be determined on or prior to the first day of such Weekly Rate Period and shall apply to the period commencing on the first day of such Weekly Rate Period and ending on the next succeeding Tuesday. Thereafter, each Weekly Rate shall apply to the period commencing on Wednesday and ending on the next succeeding Tuesday, unless such Weekly Rate Period shall end on a day other than Tuesday, in which event the last Weekly Rate for such Weekly Rate Period shall apply to the period commencing on the Wednesday preceding the last day of such Weekly Rate Period and ending on the last day of such Weekly Rate Period. In the event that the Remarketing Agent fails to establish a Weekly Rate for any week, then the Weekly Rate for such week shall be the same as the Weekly Rate for the immediately preceding week if the Weekly Rate for such preceding week was determined by the Remarketing Agent. If the Weekly Rate for the immediately preceding week was not determined by the Remarketing Agent, or if the Weekly Rate determined by the Remarketing Agent is held to be invalid or unenforceable by a court of law, then the interest rate for such week shall be equal to the S&P Weekly Index on the day the Weekly Rate would otherwise be determined as provided herein for such Weekly Rate Period.

During the Fixed Rate Period, the 2011C Bonds in such Interest Rate Period shall bear interest at the Fixed Rate, which shall be determined, in accordance with Appendix B, by the Remarketing Agent on a Business Day selected by it prior to the first day that such Bonds begin the Fixed Rate Period.

During each Term Rate Period, the 2011C Bonds shall bear interest at the Term Rate. The Term Rate shall be determined by the Remarketing Agent on a Business Day no earlier than two weeks before the effective date of such Term Rate Period and no later than 10:00 a.m. on the effective date of such Term Rate Period. The Term Rate shall be the rate of interest per annum determined by the Remarketing Agent to be the minimum interest rate which, if borne by the 2011C Bonds, would enable the Remarketing Agent to remarket the 2011C Bonds on such effective date at a price (without regard to accrued interest) equal to the principal amount thereof. If, for any reason, the Term Rate is not so determined for any Term Rate Period by the Remarketing Agent on or prior to the first day of such Term Rate Period, then the 2011C Bonds shall bear interest at the Weekly Rate as provided above, and shall continue to bear interest at a Weekly Rate determined in accordance with Appendix B until such time as the interest rate on the 2011C Bonds is adjusted to another Interest Rate as provided herein, and the 2011C Bonds shall be subject to purchase on notice from the Owners thereof as described in Appendix B.

At any time, the City, by written direction to the Trustee, the Remarketing Agent, each Rating Agency then rating the 2011C Bonds and the Credit Provider, may elect that the 2011C Bonds shall bear, or continue to bear, interest at a Term Rate. The direction of the City required by the first sentence of this paragraph (1) shall specify the duration of the Term Rate Period during which the 2011C Bonds shall bear interest at a Term Rate which may not exceed 10 years or the remaining term of the Credit Facility; (2) shall specify the proposed effective date of such Term Rate Period, which date shall be (a) a Business Day not earlier than the 30th day following the fifth Business Day after receipt by the Trustee of such direction, and (b) in the case of an adjustment from a Term Rate Period to any other Interest Rate Period, the day immediately following the last day of the then current Term Rate Period or a day on which the 2011C Bonds would otherwise be subject to optional redemption under Appendix B if such adjustment did not occur, (3) shall specify the proposed last day of such Term Rate Period (which last day shall be either the day immediately prior to the maturity date of the 2011C Bonds, or a day which both immediately precedes a Business Day and is at least 181 days after the effective date thereof); and (4) with respect to any such Term Rate Period, may specify different Redemption Prices, and different Term Rate Periods for which such Redemption Prices are applicable, than those set forth in Appendix B, if approved by nationally recognized bond counsel. Such direction of the City shall be accompanied by a Favorable Opinion of Bond Counsel.

ExhA-6

The foregoing provisions notwithstanding, any 2011C Bond for any day during which it is a Bank Bond shall bear interest at the Bank Bond Rate in effect for such day (which shall not exceed the Maximum Rate).

So long as the 2011C Bonds remain in the Book-Entry System, the Paying Agent shall pay interest due on Bank Bonds (which shall not exceed the Maximum Rate), at the rate at which interest accrued on the 2011C Bonds of such Series other than Bank Bonds, in accordance with Appendix B and, to the extent interest accrued on the Bank Bonds at a rate in excess of such rate, to pay such excess by wire transfer of immediately available funds to the Credit Provider. So long as the 2011C Bonds are not maintained in such Book-Entry System, the Paying Agent shall pay interest due on Bank Bonds by wire transfer of immediately available funds to the Credit Provider.

Payment of the principal at maturity or on redemption in whole or in part of Bank Bonds shall be made (1) while the Book-Entry System is not in effect, only on presentation and surrender of such 2011C Bonds to the Paying Agent, and the Tender Agent or its nominee shall so present and surrender such 2011C Bonds for payment when due, and (2) while the Book-Entry System is in effect, in accordance with the procedures established by the Securities Depository.

Right of Weekly Rate 2011C Bondholders to Tender Weekly Rate Bonds.

The 2011C Bonds bearing interest at a Weekly Rate shall be purchased on demand of the Owners thereof prior to their maturity on the following terms:

(a) *Optional Tenders - Non Book-Entry System.* During any Weekly Rate Period for which the Book-Entry System with respect to the 2011C Bonds is not in effect, any 2011C Bond (or portion thereof) bearing interest at a Weekly Rate (provided that the principal amount of such 2011C Bond to be purchased and the principal amount to be retained shall each be an Authorized Denomination for 2011C Bonds subject to a Weekly Rate Period) shall be purchased or deemed purchased as provided in Appendix B on the date specified in the notice referred to in (b) below by the time set forth in (b) below at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase, on delivery on any Business Day by the Owner of such 2011C Bond to the Tender Agent at its Delivery Office.

(b) *Optional Tenders - Book-Entry System.* During any Weekly Rate Period for which the Book-Entry System with respect to the 2011C Bonds is in effect, any 2011C Bond (or portion thereof) bearing interest at a Weekly Rate (provided that the principal amount of such 2011C Bond to be purchased and the principal amount to be retained shall each be an Authorized Denomination for 2011C Bonds subject to a Weekly Rate Period) shall be purchased or deemed purchased as provided in Appendix B on the date specified in the notice referred to below at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase, provided, however, that in the event the Purchase Date is also an Interest Payment Date for the 2011C Bonds to be purchased, no accrued interest on such 2011C Bonds shall be included in the Purchase Price, on delivery on any Business Day by a Beneficial Owner (through its direct Participant in the Securities Depository) to the Tender Agent at its Delivery Office, the Paying Agent and the Remarketing Agent of an irrevocable written notice, executed by the Participant and stating the principal amount of such 2011C Bond (or portion thereof) bearing interest at a Weekly Rate to be purchased and the date on which the same shall be purchased, which date shall be a Business Day at least 7 days after 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. Payment of the purchase price of such 2011C Bond bearing interest at a Weekly Rate shall be made on, and solely from, the receipt of remarketing proceeds pursuant to Appendix B or the receipt by the Tender Agent of the proceeds of any drawing on the applicable Credit Facility, or as soon as possible thereafter on the Business Day specified in the notice.

ExhA-7

The Beneficial Owner shall effect delivery of such 2011C Bonds, in accordance with Appendix B, according to the normal and customary practice between the Securities Depository and the Tender Agent.

Mandatory Tender for Purchase of the 2011C Bonds. The 2011C Bonds are subject to mandatory tender on the following dates (each, a "*Mandatory Tender Date*"), at a purchase price equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon to but not including the date of purchase:

(a) **Mandatory Tender on Conversion.** On the first day of any new Interest Rate Period for the 2011C Bonds being converted to a Weekly Rate Period, a Term Rate Period or a Fixed Rate Period, the 2011C Bonds shall be purchased or deemed purchased as provided in Appendix B. If such conversion is from a Term Rate Period or Weekly Rate Period the Tender Agent shall draw on the Credit Facility to pay the Purchase Price of such 2011C Bonds, at the purchase price therefor equal to the principal amount thereof plus accrued interest, if any. Payment of the purchase price of such 2011C Bonds shall be made by 3:00 p.m. (New York City time) on the first day of the new Interest Rate Period (provided, however, while the 2011C Bonds are in the Book-Entry System, the 2011C Bonds shall be presented to the Tender Agent according to the normal and customary practice between the Securities Depository and the Tender Agent) on delivery of such 2011C Bonds to the Tender Agent at its Delivery Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof with the signature of such Owner guaranteed by a participant in the Securities Transfer Agent Medallion Program ("*STAMP*") or similar program, at or prior to 10:00 a.m. (New York City time) on the first day of the new Interest Rate Period; provided, however, while the 2011C Bonds are in the Book-Entry System, the 2011C Bonds shall be presented to the Tender Agent according to the normal and customary practices between the Securities Depository and the Tender Agent.

If the new Interest Rate Period for the 2011C Bonds being converted to a Weekly Rate Period, a Term Rate Period or a Fixed Rate Period is not able to begin by reason of the failure by the City to deliver, or cause to be delivered, a Favorable Opinion of Bond Counsel or to satisfy any other applicable condition as set forth in Appendix B, the 2011C Bonds shall be deemed purchased on the date that was to be the first day of the new Interest Rate Period (but for the failure of the City to deliver such Favorable Opinion of Bond Counsel or to satisfy any other applicable condition) at a purchase price equal to the principal amount thereof, plus accrued interest thereon, if any. Payment of the purchase price shall be made at the time and in the manner (including presentation of such 2011C Bonds) specified in this Section (a).

(b) **Mandatory Tender on Termination or Expiration of Credit Facility.** The 2011C Bonds shall be subject to mandatory tender for purchase on any Credit Modification Date as a result of a termination or expiration of the Credit Facility. Each such 2011C Bond or Bonds shall be purchased or deemed purchased as provided in Appendix B, at a purchase price equal to the principal amount thereof plus accrued interest, if any. Payment of the purchase price of such 2011C Bonds shall be made by 3:00 p.m. (New York City time) on such Business Day on delivery of such 2011C Bonds to the Tender Agent at its Delivery Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof with the signature of such Owner guaranteed by a participant in the STAMP or similar program, at or prior to 10:00 a.m. (New York City time) on such Business Day; provided, however, while the 2011C Bonds are in the Book-Entry System, the 2011C Bonds shall be presented to the Tender Agent according to the normal and customary practices between the Securities Depository and the Tender Agent.

(c) **Mandatory Tender at Direction of the City.** The 2011C Bonds in the Weekly Rate Period shall be subject to mandatory purchase on any Business Day designated by the City with the consent of the Remarketing Agent and the Credit Provider, provided that such designation and consent are made in writing and delivered to the Trustee at least 25 days (or such shorter period of time acceptable to the

Trustee) before such date. Payment of the purchase price of such 2011C Bonds shall be made by 3:00 p.m. (New York City time) on such Business Day on delivery of such 2011C Bonds to the Tender Agent at its Delivery Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof with the signature of such Owner guaranteed by a participant in the STAMP or similar program, at or prior to 10:00 a.m. (New York City time) on such Business Day; provided, however, while the 2011C Bonds are in the Book-Entry System, the 2011C Bonds shall be presented to the Tender Agent according to the normal and customary practices between the Securities Depository and the Tender Agent.

(d) *Mandatory Tender on Replacement of Credit Facility.* In the event of the replacement of the Credit Facility with an Alternate Credit Facility all 2011C Bonds subject to such Credit Facility shall be purchased or deemed purchased as provided in Appendix B, at a purchase price equal to the principal amount thereof plus accrued interest, if any. Payment of such purchase price will be made in the manner specified in the last sentence of paragraph (b) above; provided, however, that any drawing made under the Credit Facility required in order to make such payment shall be made from the existing Credit Facility and not the Alternate Credit Facility.

(e) *Mandatory Tender at Direction of the Credit Provider.* While the Credit Facility is a Letter of Credit, on the occurrence and continuation of an event of default under the terms of the Credit Facility or Reimbursement Agreement the Credit Provider may direct the Trustee or Tender Agent, as applicable, to cause a mandatory tender for purchase of the 2011C Bonds. Each such 2011C Bond or Bonds shall be purchased or deemed purchased as provided in Appendix B, at a purchase price equal to the principal amount thereof plus accrued interest, if any. Payment of the purchase price of such 2011C Bonds shall be made by 3:00 p.m. (New York City time) on such Business Day on delivery of such 2011C Bonds to the Tender Agent at its Delivery Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof with the signature of such Owner guaranteed by a participant in the STAMP or similar program, at or prior to 10:00 a.m. (New York City time) on such Business Day; provided, however, while the 2011C Bonds are in the Book-Entry System, the 2011C Bonds shall be presented to the Tender Agent according to the normal and customary practices between the Securities Depository and the Tender Agent.

(f) *Mandatory Tender on End of Each Term Rate Period.* On the day next succeeding the last day of each Term Rate Period for a 2011C Bond bearing interest at a Term Rate, unless such day is the first day of a new Interest Rate Period (in which event such 2011C Bond shall be subject to mandatory tender for purchase pursuant to Section (a) above), such 2011C Bond bearing interest at a Term Rate shall be purchased from its Owner at a purchase price equal to the principal amount thereof payable in immediately available funds. The purchase price of any 2011C Bond bearing interest at a Term Rate so purchased shall be payable only on surrender of such 2011C Bond to the Tender Agent at its Delivery Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof or his duly authorized attorney, with such signature guaranteed by a participant in the STAMP or similar program; provided, however, while the 2011C Bonds are in the Book-Entry System, the 2011C Bonds shall be presented to the Tender Agent according to the normal and customary practices between the Securities Depository and the Tender Agent.

(g) The Trustee shall give written notice of any Mandatory Tender Date by first-class mail to all registered owners of the 2011C Bonds addressed to each such registered owner at his registered address and placed in the mail not less than 15 days before such Mandatory Tender Date, except as otherwise stated in paragraph (e) above. Such notice shall state: (1) that the 2011C Bonds will be purchased by the Trustee on the Mandatory Tender Date pursuant to this subsection, and (2) the Mandatory Tender Date. Any notice to the registered owners mailed as provided in this subsection is conclusively presumed to have been received by the registered owner.

Purchase and Remarketing of 2011C Bonds.

(a) (1) As soon as practicable, but in no event later than 10:00 a.m. (New York City time) on the Business Day next following the Business Day that the Tender Agent receives the notice described in Appendix B with respect to 2011C Bonds bearing interest at a Weekly Rate, the Tender Agent shall give notice by Electronic Means to the Remarketing Agent, the Paying Agent, the Credit Provider and the City specifying the principal amount of such 2011C Bonds, if any, with respect to which any notice has been delivered to it demanding the purchase of such 2011C Bonds in accordance with Appendix B.

(2) The Tender Agent shall purchase, but only from the sources listed below, 2011C Bonds or portions thereof which are then required to be purchased (pursuant to an optional or mandatory tender) in accordance with Appendix B from the Owners thereof with immediately available funds by 3:00 p.m. (New York City time) on the date such 2011C Bonds are required to be purchased at the purchase price provided in Appendix B. Funds for the payment of such purchase price shall be derived from the following sources in the order of priority indicated:

(A) proceeds of the remarketing of such 2011C Bonds (but only such remarketing proceeds received from purchasers of the 2011C Bonds pursuant to Section (b) below) furnished to the Tender Agent by the Remarketing Agent for deposit into the 2011C General Account;

(B) moneys furnished to the Tender Agent for deposit into the 2011C Purchase Account representing the proceeds of a drawing under the Credit Facility then in effect;

(C) if the Credit Provider has wrongfully failed to honor a proper draw under the Credit Facility, and the City has directed the Tender Agent to do so, the Tender Agent will direct the Trustee to transfer funds from the 2011C Subaccount of the Revenue Bond Principal Account and the 2011C Subaccount of the Revenue Bond Interest Account to cure any such shortfall; and

(D) any other moneys available to the Tender Agent for such purpose which the City may elect (but shall not in any event be required) to make available for such purpose.

The Tender Agent shall segregate amounts derived from the sources described in (A), (B) and (C) above by depositing proceeds derived from the source described in (A) above into the 2011C General Account, by depositing proceeds derived from the source described in (B) above into the 2011C Purchase Account, and by depositing proceeds derived from the source described in (C) above, if any, in all cases for the benefit of the tendering Holder.

(3) With respect to any 2011C Bonds or portions thereof required to be purchased pursuant to Appendix B and any 2011C Bonds or portions thereof required to be tendered for purchase in accordance with Appendix B as to which sufficient funds to accomplish such purchase are available to the Tender Agent at the respective times at which payment of the purchase price was to be made as provided herein:

(A) Such 2011C Bonds or portions thereof shall be deemed to have been purchased, for all purposes of Appendix B, irrespective of whether or not such 2011C Bonds have been presented to the Tender Agent, and the former Owner or Owners of such 2011C Bonds shall have no claim thereon under Appendix B or otherwise for any

amount other than the purchase price thereof which would have been paid on the date set for purchase, and such 2011C Bonds or portions thereof shall no longer be deemed to be Outstanding for purposes of Appendix B.

(B) If any such 2011C Bonds or portions thereof are not presented to the Tender Agent, the Tender Agent shall segregate and hold the moneys for the purchase price of such 2011C Bonds in trust, uninvested and without liability for interest thereon, for the benefit of the former Owners of such 2011C Bonds, who thereafter are restricted exclusively to such moneys for the satisfaction of any claim for the purchase price of such 2011C Bonds.

(C) If any such 2011C Bonds or portions thereof are not presented to the Tender Agent at the time specified in Appendix B, then the Tender Agent shall request, and then the Corporation shall issue and the Tender Agent shall immediately authenticate a new 2011C Bond or Bonds in an aggregate principal amount equal to the principal amount of the 2011C Bonds or portions thereof so purchased, but not presented, bearing a number or numbers not contemporaneously Outstanding. Every 2011C Bond authenticated and delivered as provided in the preceding sentence is entitled to all the benefits of the Bond Order, the Series Resolution and Appendix B equally and proportionately with any and all other 2011C Bonds duly issued under Appendix B. The Tender Agent shall maintain a record of the 2011C Bonds or portions thereof not tendered for purchase pursuant to Appendix B together with the names and addresses of the former Owners thereof.

(D) If any 2011C Bonds or portions thereof which have been deemed purchased as provided in Section (a)(3)(A) above are delivered to the Tender Agent subsequent to the date and time specified for such delivery for payment of the purchase price thereof at its Delivery Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof with the signature of such Owner guaranteed by a participant in the STAMP or similar program, on any Business Day, the Tender Agent shall, subject to the provisions of paragraph (g) of this Section, pay the purchase price of such 2011C Bond or portion thereof to the Owner (A) no later than 3:00 p.m. (New York City time) on such Business Day, if such 2011C Bond is presented by 10:00 a.m. (New York City time) on such Business Day, and (B) no later than 12:00 noon (New York City time) on the next succeeding Business Day, if such 2011C Bond is presented after 10:00 a.m. (New York City time) on such Business Day and, if appropriate, shall also deliver to such Owner a new 2011C Bond in an aggregate principal amount equal to the portion of any 2011C Bond not so purchased; provided, however, while the 2011C Bonds are in the Book-Entry System, the 2011C Bonds shall be presented to the Tender Agent according to the normal and customary practices between the Securities Depository and the Tender Agent. Any such 2011C Bonds so delivered to the Tender Agent shall be canceled by it and delivered to the Paying Agent pursuant to the Bond Order.

(b) (1) Promptly on becoming aware of any requirement that any Multi-Modal Bond or portion thereof be purchased pursuant to Appendix B, the Remarketing Agent shall offer for sale and use its best efforts to remarket such Multi-Modal Bonds at par plus accrued interest, if any, any such remarketing to be made on the date of such purchase. The Remarketing Agent shall remit the proceeds to the Tender Agent from the remarketing of such Multi-Modal Bonds remarketed by it by 2:00 p.m. (New York City time) on the Business Day on which such Multi-Modal Bonds are to be purchased pursuant to Appendix B.

(2) Subject to certain provisions of Appendix B, the Remarketing Agent shall determine the rate of interest to be borne by the 2011C Bonds during each Interest Rate Period as provided in Appendix B and shall furnish to the Paying Agent and the Tender Agent in a timely manner all information necessary for the Paying Agent or the Tender Agent to carry out their respective duties hereunder, including, but not limited to, the interest rates applicable to the 2011C Bonds.

(3) By 10:45 a.m. (New York City time) on the Business Day on which any 2011C Bonds are to be purchased pursuant to Appendix B, the Remarketing Agent shall give written notice or telephonic notice (promptly confirmed by Electronic Means) to the Credit Provider, the Paying Agent and the Tender Agent, specifying the principal amount of such 2011C Bonds, if any, sold by it pursuant to Section (b)(1) above and the principal amount of such 2011C Bonds being purchased by each such purchaser and the amount of the remarketing proceeds held by the Remarketing Agent. To the extent of any deficiency in the amount of such remarketing proceeds, the Tender Agent shall draw on the Credit Facility to cure any shortfall in the amount of such Multi-Modal Bonds sold by the Remarketing Agent pursuant to Section (b)(1) above. If the Credit Provider has wrongfully failed to honor a proper draw under the Credit Facility, the Tender Agent will direct the Trustee to transfer funds from the 2011C Subaccount of the Revenue Bond Principal Account and the 2011C Subaccount of the Revenue Bond Interest Account, to cure any such shortfall.

(4) Under no circumstances shall the Remarketing Agent remarket any 2011C Bonds hereunder to or for the account of the City, except as set forth in (c)(2) below.

(c) (1) 2011C Bonds purchased with moneys described in Section (a)(2)(A) above shall be registered by the Tender Agent as directed by the Remarketing Agent and made available to the Remarketing Agent by 2:00 p.m. (New York City time) on the purchase date registered in accordance with the instructions provided by the Remarketing Agent pursuant to Section (b)(3) above. Bank Bonds which have been remarketed and for which the Tender Agent has received remarketing proceeds from the Remarketing Agent and notice from the Credit Provider pursuant to Section (c)(2) above shall be made available to the Remarketing Agent by 2:00 p.m. (New York City time) on the Purchase Date, registered in accordance with instructions provided by the Remarketing Agent as set forth in Section (b)(3) above. Simultaneously with the receipt of the funds supplied by the Remarketing Agent to the Tender Agent, acting as agent for the Credit Provider for this purpose, as described in the preceding sentence, the Tender Agent shall (1), while the Book-Entry System is not in effect, cancel the Bank Bonds (or portions thereof for which remarketing proceeds have been made available) then Outstanding by reason of the prior purchase pursuant to Section (a)(2)(A) above and delivery pursuant to Section (c)(2) above, and (2) simultaneously transfer such funds supplied by the Remarketing Agent to the Credit Provider as payment for the purchase price of such Bank Bonds (or portions thereof).

(2) 2011C Bonds purchased with proceeds from a drawing under the Credit Facility shall constitute Bank Bonds and (1) while the Book-Entry System is not in effect, shall be registered on receipt of funds from the Credit Provider for the purchase of such Bank Bonds pursuant to the terms of the Reimbursement Agreement, and such Bank Bonds shall be held by the Tender Agent, as agent of the Credit Provider or, at the direction of the Credit Provider, registered in the name of the Credit Provider or in the name of the Trustee or the City and pledged as collateral to the Credit Provider, as applicable, and (2) while the Book-Entry System is in effect, the beneficial ownership interests in such Bank Bonds shall be transferred to the Tender Agent as agent for the Credit Provider or registered in the name of the City and pledged as collateral to the Credit Provider, as applicable. The Tender Agent shall not release such Bank Bonds, or such ownership interest therein, and the Tender Agent shall not authenticate any other

2011C Bonds in lieu thereof, until the Tender Agent receives written notification (which may be by Electronic Means) from the Credit Provider, that it has received payment in full in immediately available funds of the purchase price of such Bank Bonds, that the principal component referred to in the Credit Facility has been increased by the principal amount of such Bank Bonds, that the interest component referred to in the Credit Facility has been increased as therein provided, and that such Bank Bonds may be released. If such 2011C Bonds are registered in the name of the City pursuant to (c)(5) below, and the Credit Provider has delivered notice that it has reinstated the Credit Facility as set forth in the immediately preceding sentence, the Trustee may not draw on the Credit Facility to purchase those 2011C Bonds held by the City; *provided, however*, the City may deliver such 2011C Bonds to the Tender Agent and deliver notice to the Remarketing Agent that such 2011C Bonds are to be remarketed and the payment of the purchase price of such 2011C Bond shall be made on, and solely from, the receipt of remarketing proceeds pursuant to Section (a)(2)(A) above and such proceeds shall be delivered to the City as soon as possible thereafter on the Business Day specified in the notice. If such 2011C Bonds are Bank Bonds the Trustee may not draw on the Credit Facility to purchase those Bank Bonds.

(3) 2011C Bonds purchased with moneys described in Section (a)(2)(C) above shall be delivered to the Tender Agent for cancellation; *provided, however*, if directed by the City, such Multi-Modal Bonds will be registered by the Tender Agent in the name of the City and will, subject to the provisions of the Series Resolution, be deemed Outstanding, and not deemed defeased or discharged within the meaning of the Bond Order.

(4) If the Remarketing Agent is able to remarket any 2011C Bonds required to be purchased pursuant to Appendix B after the time on which the Remarketing Agent is required to provide notice to the Paying Agent and the Tender Agent as specified in Section (b)(3) above, the Remarketing Agent shall give notice in the manner and containing the details set forth in Section (b)(3) above, as appropriate, as soon as practicable after such remarketing, but in no event later than 1:00 p.m. (New York City time) on the date such 2011C Bonds are required to be purchased, and the 2011C Bonds shall be registered in the name of the purchasers thereof (or while the Book-Entry System is in effect, the beneficial ownership interests in such 2011C Bonds shall be transferred on the registration books of the Securities Depository) and made available to the Remarketing Agent as soon as practicable thereafter on such date.

(5) Multi-Modal Bonds purchased at the direction of the City, shall, if directed by the City and the Credit Provider, not be deemed Bank Bonds and shall be registered by the Tender Agent in the name of the City and will, subject to the provisions of the Series Resolution, be deemed Outstanding and not deemed defeased or discharged within the meaning of the Bond Order.

(6) Multi-Modal Bonds purchased from the sources set forth in Section (a)(2)(D) under the caption "Purchase and Remarketing of 2011C Bonds", shall, if directed by the City, be registered by the Tender Agent in the name of the City and will, subject to the provisions of the Series Resolution, be deemed Outstanding, and not deemed defeased or discharged within the meaning of the Bond Order

(d) If the Tender Agent has received a demand for the purchase of 2011C Bonds or portions thereof (other than Bank Bonds) in accordance with Appendix B or if any 2011C Bonds are required to be tendered for purchase in accordance with Appendix B and the Remarketing Agent has not then provided the Tender Agent with sufficient funds to make such purchase by depositing in the 2011C General Account immediately available funds by no later than one hour before the time provided in the Credit Facility for presentation of notices in order to receive payment in immediately available funds by 2:30 p.m. (New York City time) on the date such 2011C Bonds are required to be purchased, then the Tender

Agent shall draw under the Credit Facility by no later than the time provided in the Credit Facility for presentation of notices in order to receive payment in immediately available funds by 2:30 p.m. (New York City time) on such day, the amount sufficient to pay the portion of the purchase price of such 2011C Bonds which exceeds the amount provided by the Remarketing Agent for deposit in the 2011C General Account in order to fully pay the purchase price of the applicable 2011C Bonds. The Tender Agent shall deposit the proceeds of such drawing in respect of such 2011C Bonds in accordance with the provisions of Section (a)(2) above. The Tender Agent shall notify the City and the Paying Agent by telephone, promptly confirmed in writing, of the amounts to be drawn, as soon as practicable and, when possible, at least one day prior to such draw on the Credit Facility.

(e) The proceeds of the sale by the Remarketing Agent of any 2011C Bonds or portions thereof shall be transferred to the Tender Agent on receipt of 2011C Bonds therefor and, except for 2011C Bonds not tendered as described in Sections (a)(3) or (g) above, immediately applied by the Tender Agent to the payment of the purchase price of 2011C Bonds or portions thereof pursuant to Section (a)(2)(A) above or, in the case of the sale of Bank Bonds, to the payment of the purchase price of such Bank Bonds, whether or not the Tender Agent has at the time received a 2011C Bond or ownership interest in a 2011C Bond pursuant to Section (c)(2) above as a result of such payment by the Credit Provider. In making such payments to the Credit Provider, the Tender Agent may conclusively assume that the Credit Provider has not been paid from any other sources. To the extent that the Credit Provider is so paid with proceeds of the sale of 2011C Bonds by the Remarketing Agent, any Bank Bond or ownership interest in such 2011C Bond shall be immediately returned to or released by the Tender Agent and new 2011C Bonds representing such sale proceeds shall be registered and delivered as provided in Section (c)(1) above.

(f) Notwithstanding anything in Appendix B to the contrary, if there has occurred and is continuing an Event of Default described in the Bond Order, there shall be no sales of 2011C Bonds pursuant to Section (b)(1) above. Sales of 2011C Bonds may continue if any Event of Default other than as described in the preceding sentence has occurred and is continuing.

(g) The Tender Agent shall, at the end of the tenth Business Day after the date on which 2011C Bonds are to be purchased, set aside on its books all funds then held in the 2011C General Account and the 2011C Purchase Account by virtue of the fact that 2011C Bonds deemed purchased on such date were not presented for purchase to the Tender Agent in accordance with the provisions of Section (a) above and shall hold the same in trust for the payment to the Owners of such 2011C Bonds of the purchase price thereof as required by the provisions of Section (a) above. The Tender Agent shall pay such purchase price from such amounts by check or draft of the Tender Agent made payable to the party entitled to such payment as soon as practicable after such party surrenders the 2011C Bond or Bonds so deemed purchased to the Tender Agent.

(h) Notwithstanding anything in Appendix B to the contrary, a Beneficial Owner may give notice to elect to have its 2011C Bonds purchased or tendered, through its Participant, to the Remarketing Agent, and may effect delivery of such 2011C Bonds by causing the Direct Participant to transfer the Participant's interest in the 2011C Bonds, on DTC's records, to the Remarketing Agent. The requirement for physical delivery of 2011C Bonds in connection with an optional tender or a mandatory purchase may be deemed satisfied when the ownership rights in the 2011C Bonds are transferred by Direct Participants on DTC's records and followed by a book entry credit of tendered 2011C Bonds to the Remarketing Agent's DTC account.

No Tender, Sales or Remarketing in Certain Circumstances.

Anything in Appendix B to the contrary notwithstanding, there will be no optional or mandatory tenders or remarketing of 2011C Bonds, and no obligation of the City to fund any such tenders, if: (a)

there is no Credit Facility in effect; or (b) the Credit Provider is in default under the terms of the Credit Facility.

The Paying Agent shall, to the extent it has actual notice thereof, give notice to the 2011C Bondholders, each Rating Agency which then maintains a rating on the 2011C Bonds, the Remarketing Agent, the City and the Credit Provider of (a) the occurrence and continuation of any of the events set forth in the first paragraph of this Section, and that such events result in no tenders or remarketing of 2011C Bonds being permitted, and (b) the curing of any of the events set forth in the first paragraph of this Section and that as a consequence tenders, sales and remarketings are again permitted under Appendix B.

Mandatory Sinking Fund Redemption

The 2011C Bonds are subject to mandatory sinking fund redemption before their scheduled maturity, on the Interest Payment Date or Dates (but only with respect to 2011C Bonds having such Interest Payment Date) on or immediately following July 1 of each year, commencing July 1, 20__, without premium, at the Redemption Price equal to 100% of the principal amount thereof being redeemed as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
-------------	---------------	-------------	---------------

* Maturity

Extraordinary Redemption of 2011C Bonds

The 2011C Bonds will be subject to optional redemption by the City, in whole or in part on any date at a Redemption Price equal to the principal amount thereof, without premium, plus accrued interest to the date of redemption, on instructions from the City, from the Net Proceeds of insurance or Eminent Domain which are deposited in the Series 2011C Subaccount of the Revenue Bond Redemption Account, as provided in the Bond Order, or, if a Letter of Credit is in effect, the Trustee shall pay the Redemption Price from the proceeds of a drawing under the Letter of Credit, as provided for in the Series Resolution.

Optional Redemption of 2011C Bonds.

The 2011C Bonds bearing interest at a Weekly Rate may be redeemed before their maturities, at the option of the City, from any funds that may be available for such purpose, either in whole or in part on

any Interest Payment Date at a Redemption Price equal to 100% thereof, plus accrued interest to the redemption date.

If the interest rate on the 2011C Bonds is converted to a Fixed Rate or a Term Rate, the City, on written notice to the Trustee, the Remarketing Agent and the Credit Provider, may supplement this Appendix B to put into effect optional redemption provisions that will govern the 2011C Bonds during the Fixed Rate Period or the Term Rate Period, as applicable. Any such revisions shall also be subject to the receipt by the Trustee prior to the making of such revisions of a Favorable Opinion of Bond Counsel with respect to such revisions.

Partial Redemption.

If called for redemption in part under this Article IV, the 2011C Bonds to be redeemed shall be redeemed in such order and from such Series as the City shall select and, as to all partial redemptions, within the same maturity as selected by DTC under its rules and procedures or, if the book-entry system with respect to the 2011C Bonds is discontinued as provided in Section 2.01, by lot within a maturity in such manner as the Trustee in its discretion may determine; provided, that Bank Bonds shall be selected for redemption before any other 2011C Bonds.

The Trustee shall pay to the Owners of 2011C Bonds so redeemed the amounts due on their respective 2011C Bonds at the Designated Office of the Trustee on presentation and surrender of the 2011C Bonds; provided, however, that, if redeemed in part, the 2011C Bonds may be redeemed only in Authorized Denominations. Redemptions shall be accompanied by a written designation prepared by the Trustee stating the portion of the payment representing the unpaid principal amount of the 2011C Bond immediately before the payment, the portion of the payment representing interest, and the remaining portion, if any, which shall be designated and paid as a redemption premium.

Anything in Appendix B to the contrary notwithstanding, if an Event of Default occurs and is continuing, there will be no redemption of less than all of the 2011C Bonds Outstanding.

AMENDMENTS

The Bond Order permits amendment thereto upon the agreement of the City and the Trustee and with the approval of not less than 51% in aggregate principal amount of the Bonds then Outstanding under the Bond Order. The Bond Order also contains provisions permitting the City and the Trustee to enter into amendments to the Bond Order without the consent of the Owners of the Bonds then Outstanding for certain purposes which do not affect adversely the interest of the Owners of the Bonds.

Appendix B permits amendment thereto upon the agreement of the City and the Trustee and with the approval of not less than 51% in aggregate principal amount of the 2011C Bonds then Outstanding. Appendix B also contains provisions permitting the City and the Trustee to enter into amendments to Appendix B without the consent of the Owners of the 2011C Bonds then Outstanding for certain purposes which do not affect adversely the interest of the Owners of the Bonds.

So long as the Credit Facility is in effect and the Credit Provider has not defaulted thereunder, (1) the consent of the Credit Provider will be required to amend, modify or supplement Appendix B, and (2) the Credit Provider is deemed to be the sole Owner of the 2011C Bonds insured by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the 2011C Bonds are entitled to take under the Bond Order or Appendix B.

MISCELLANEOUS

Any consent or request by the Owner of this 2011C Bond shall be conclusive and binding upon such Owner and upon all future Owners of this 2011C Bond and of any 2011C Bond issued upon the transfer of this 2011C Bond whether or not notation of such consent or request is made upon this 2011C Bond.

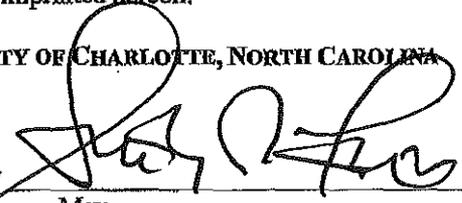
This 2011C Bond is issued with the intent that the laws of the State of North Carolina shall govern its legality, validity, enforceability and construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this 2011C Bond and the execution of the Bond Order, the Series Resolution and Appendix B have happened, existed and have been performed as so required.

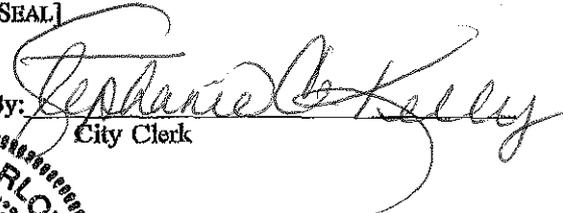
This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Order until it shall have been authenticated by the execution by the Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the City of Charlotte, North Carolina has caused this 2011C Bond to be executed with the manual or facsimile signatures of the Mayor and City Clerk, and has caused the City's official seal or a facsimile thereof to be impressed or imprinted hereon.

CITY OF CHARLOTTE, NORTH CAROLINA

By 
Mayor

[SEAL]

By: 
City Clerk



The issue hereof has been approved under the provisions of The State and Local Government Revenue Bond Act.

T. VANCE HOLLOMAN
Secretary of the Local Government Commission

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

November __, 2011

This 2011C Bond is one of the Variable Rate Airport Refunding Revenue Bonds, Series 2011C designated herein issued under the provisions of the within-mentioned Bond Order and Series Resolution.

U.S. BANK NATIONAL ASSOCIATION
as Registrar

By: _____
Vice President

ASSIGNMENT

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

(Please print or typewrite Name and Address,
including Zip Code, and Federal Taxpayer Identification or
Social Security Number of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within Bond on the books kept for registration thereof,
with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed by a Participant of the Securities Transfer Agent Medallion Program ("*STAMP*") or similar program.

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

TRANSFER FEE MAY BE REQUIRED

Extract of Minutes of a regular Meeting of the City Council of the City of Charlotte, North Carolina duly held in the Meeting Chamber at the Charlotte-Mecklenburg Government Center in Charlotte, North Carolina, the regular place of meeting, at 7:00 p.m. on September 12, 2011:

Members Present: Councilmembers: Barnes, Burgess, Cannon, Carter, Cooksey, Dulin, Howard, Kinsey, Mitchell, and Peacock

Members Absent: Councilmember Warren Turner

* * * * *
* * *

The City Clerk reported to the City Council that a notice of a public hearing regarding the proposed issuance of the City's Airport Revenue Bonds in one or more series or issues (the "Bonds"), in an aggregate principal amount not to exceed \$175,000,000, the interest on which will be excludible from gross income for federal income tax purposes, to (1) finance all or a portion of the cost of the acquisition, rehabilitation, renovation, expansion and construction of certain improvements to the Charlotte Douglas International Airport (the "Airport"), including, but not limited to, the acquisition, rehabilitation, renovation, expansion and construction of (a) certain improvements to the Airport, consisting of the (i) rehabilitation of Runway 18C/36C, (ii) construction of an access road to the newly-constructed west Aircraft Rescue Firefighting Facility, (iii) extension of the Taxiway D, (iv) construction of an in-line baggage system in the passenger terminal building, including new conveyors and building infrastructure to support screening equipment, (v) expansion of Concourse B to provide additional gates and additional passenger circulation space, (vi) construction of additional passenger terminal space to accommodate a new 4-lane security checkpoint and to expand the ticket lobby, including provision of space on the lower level of the passenger terminal building for an expanded international arrival baggage re-check area and circulation space for passengers to access the new checkpoint in the passenger terminal building lobby, (vii) renovation of ticket counters and airline ticket office space for Delta Airlines, United Airlines and Continental Airlines, including a new in-line baggage screening system and a new ticket counter bag conveyor system designed to support it and a reconstruction of checkpoints A and B in the passenger terminal building, and (viii) construction of a new approximately 3,200 space parking facility, replacing the hourly parking decks located in front of the passenger terminal building and (b) other improvements at the Airport consistent with the Airport's mission, (2) fund a debt service reserve for each series of the Bonds and (3) pay all or a portion of the costs of issuing the Bonds, was published on August 26, 2011 in *The Mecklenburg Times* stating that the City Council would hold a public hearing thereon on September 12, 2011 at 7:00 p.m.

The Mayor announced that the City Council would hear anyone who wished to be heard regarding the proposed issuance of the Bonds and the nature and location of the projects described above to be financed thereby. No one spoke at the public hearing.

Council Member Barnes moved that the public hearing be closed. The motion was seconded by Council Member Cannon and was unanimously adopted.

CERTIFICATION

I, Stephanie C. Kelly, City Clerk of the City of Charlotte, North Carolina, Do HEREBY CERTIFY that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the city of Charlotte, North Carolina, in regular session convened on the 12th day September, 2011, the reference having been made in Minute Book 132, and recorded in full in Resolution Book 43, Pages (160-295).

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 14th day of September, 2011.



Stephanie C. Kelly
Stephanie C. Kelly, MMC, City Clerk

A Regular Meeting of the City Council of the City of Charlotte, North Carolina was duly held in the Meeting Chamber at the Charlotte-Mecklenburg Government Center in Charlotte, North Carolina, the regular place of meeting, at 7:00 p.m. on September 12, 2011:

Members Present: Councilmembers: Barnes, Burgess, Cannon, Carter, Cooksey, Dulin, Howard, Kinsey, Mitchell, and Peacock

Members Absent: Councilmember Warren Turner

* * * * *

* * *

Councilmember Barnes introduced the following resolution, a summary of which had been provided to each Councilmember, copy of which was available with the City Council and which was read by title:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA, DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF TAXABLE AIRPORT SPECIAL FACILITIES REVENUE BONDS; REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL OF THE CITY'S TAXABLE AIRPORT SPECIAL FACILITIES REVENUE BONDS, SERIES 2011 AND CERTAIN RELATED MATTERS.

WHEREAS, the City Council (the "City Council") of the City of Charlotte, North Carolina (the "City") hereby determines that it is necessary and desirable to finance the design, equipping, development, construction and furnishing of consolidated car rental facilities at Charlotte/Douglas International Airport (the "Project"); and

WHEREAS, the City Council has determined issue its revenue bonds to be known as "City of Charlotte, North Carolina Taxable Airport Special Facilities Revenue Bonds (Consolidated Car Rental Facilities Project), Series 2011" (the "2011 Bonds") in an aggregate principal amount not to exceed \$80,000,000 in order to (1) pay the costs of the Project, (2) fund a debt service reserve fund, and (3) pay the costs of issuing the 2011 Bonds; and

WHEREAS, the City Council wants to (A) retain Parker Poe Adams & Bernstein LLP, as bond counsel; (B) retain Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Bank, National Association, as underwriters for the 2011 Bonds (the "Underwriters"); (C) approve the selection by the Underwriters of McGuireWoods LLP, as Underwriters' counsel; (D) retain Newton and Associates, Inc., as airport consultant, and DEC Associates, Inc., as financial advisor; and (E) retain U. S. Bank National Association, as trustee for the 2011 Bonds (collectively, the "Financing Team"); and

WHEREAS, the City Council wants the Chief Financial Officer of the City to file with the Local Government Commission of North Carolina (the "*Commission*") an application for its approval of the 2011 Bonds, on a form prescribed by the Commission, and (1) request in such application that the Commission approve (A) the negotiation of the sale of the 2011 Bonds to the Underwriters, (B) the City's use of the Financing Team in connection with the issuance of the 2011 Bonds; and (2) state in such application such facts and to attach thereto such exhibits in regard to the 2011 Bonds and to the City and its financial condition, as may be required by the Commission, and to take all other action necessary to the issuance of the 2011 Bonds.

WHEREAS, a form of the Preliminary Official Statement with respect to the 2011 Bonds (the "*Preliminary Official Statement*") has been made available to the City Council;

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

Section 1. That the 2011 Bonds are to be issued by the City for the purpose of providing funds (1) to finance the costs of the Project, (2) to fund a debt service reserve for the 2011 Bonds, and (3) to pay the costs of issuing the 2011 Bonds all as set out fully in the documents attached to the City's application to the Commission. The use of the proceeds of the 2011 Bonds, as described, is necessary in order to meet the expanding needs of the users of the Airport.

Section 2. That the Financing Team is hereby approved in connection with the issuance by the City of the 2011 Bonds.

Section 3. That the Chief Financial Officer of the City with advice from the City Manager and bond counsel, is hereby authorized, directed and designated to file an application with the North Carolina Local Government Commission for its approval of the issuance of the 2011 Bonds.

Section 4. That the City Council finds and determines and asks the Commission to find and determine from the City's application and supporting documentation:

- (a) that the issuance of the 2011 Bonds is necessary or expedient;
- (b) that the not to exceed stated principal amount of the 2011 Bonds will be sufficient but is not excessive, when added to other moneys available to the Airport, to finance the Project;
- (c) that the Airport as now constituted and after the completion of the Project is feasible;
- (d) that the City's debt management procedure and policies are excellent; and
- (e) that the 2011 Bonds can be marketed at a reasonable interest cost to the City.

Section 5. That the Mayor, the City Manager and the Chief Financial Officer are hereby authorized to do any and all other things necessary to complete the steps necessary for the issuance of the 2011 Bonds.

Section 6. That the City Council requests that the Commission sell (1) the 2011 Bonds through negotiation to the Underwriters on such terms as may be agreed on but at a true interest cost not exceeding 8.00%. The form and content of the 2011 Preliminary Official Statement with respect to the 2011 Bonds is in all respects authorized, approved and confirmed, and the use of the 2011 Preliminary Official Statement by the Underwriter in connection with the sale of the 2011 Bonds is

hereby in all respects authorized, approved and confirmed.

Section 7. That this Resolution is effective on the date of its adoption.

On motion of Councilmember Barnes, seconded by Councilmember Cannon, the foregoing resolution titled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA, DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF TAXABLE AIRPORT SPECIAL FACILITIES REVENUE BONDS; REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL OF THE CITY'S TAXABLE AIRPORT SPECIAL FACILITIES REVENUE BONDS, SERIES 2011 AND CERTAIN RELATED MATTERS" was duly adopted by the following vote: Unanimously

AYES:

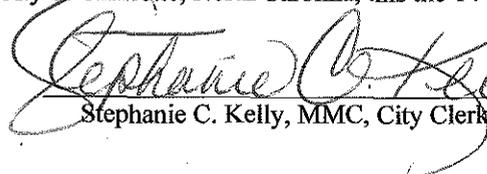
NAYS:

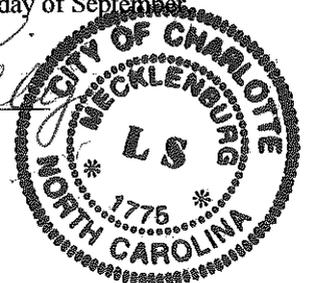
PASSED, ADOPTED AND APPROVED this 12th day of September, 2011.

CERTIFICATION

I, Stephanie C. Kelly, City Clerk of the City of Charlotte, North Carolina, Do HEREBY CERTIFY that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the city of Charlotte, North Carolina, in regular session convened on the 12th day September, 2011, the reference having been made in Minute Book 132, and recorded in full in Resolution Book 43, Pages (296-298).

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 14th day of September 2011.


Stephanie C. Kelly, MMC, City Clerk



ACTION A

RESOLUTION

EXTRACT FROM THE MINUTES OF A regular
MEETING OF THE Charlotte City Council
HELD ON September 12, 2011.

The following resolution was introduced by Barnes,
seconded by Cannon, considered and adopted.

RESOLUTION AUTHORIZING, ADOPTING, APPROVING, ACCEPTING AND
RATIFYING THE EXECUTION OF THE GRANT AGREEMENT FOR PROJECT
NUMBER 3-37-0012-65 BETWEEN THE UNITED STATES OF AMERICA AND
THE CITY OF CHARLOTTE, NORTH CAROLINA

BE IT RESOLVED, by the CITY COUNCIL of
THE CITY OF CHARLOTTE, NORTH CAROLINA

SECTION 1. That said City Council hereby
authorizes, adopts, approves, accepts and ratifies the execution
of a Grant Agreement between the Federal Aviation Administration
on behalf of the United States of America and the City of
Charlotte, North Carolina

SECTION 2. That the Execution of said Grant Agreement in
quadruplicate on behalf of said City Council by
T. J. Orr, Aviation Director and the impression
of the official seal of the City of Charlotte and the
attestation by Stephanie Kelly; City Clerk is
hereby authorized, adopted, approved, accepted and ratified.

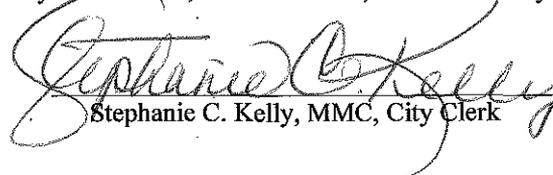
SECTION 3. That the Aviation Director is
hereby
authorized to execute payment requests under these Grant
Agreements

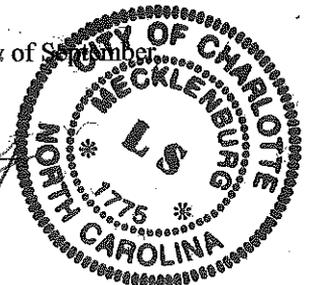
on behalf of said City of Charlotte.

CERTIFICATION

I, Stephanie C. Kelly, City Clerk of the City of Charlotte, North Carolina, Do HEREBY CERTIFY that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the city of Charlotte, North Carolina, in regular session convened on the 12th day September, 2011, the reference having been made in Minute Book 132, and recorded in full in Resolution Book 43, Pages (299-300).

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 14th day of September, 2011.


Stephanie C. Kelly, MMC, City Clerk



**RESOLUTION PASSED BY THE CITY COUNCIL OF THE CITY OF
CHARLOTTE, NORTH CAROLINA ON SEPTEMBER 12, 2011**

A motion was made by Councilmember Carter and seconded by Councilmember Barnes for the adoption of the following Resolution and upon being put to a vote was duly adopted:

WHEREAS, A Municipal Agreement between the City and the North Carolina Department of Transportation (NCDOT) will allow the City to be reimbursed for the installation of left turn lanes, and signalization of the intersection of Old Statesville Road, David Cox Road, and Lakeview Road.

WHEREAS, the Municipal Agreement provides for reimbursement not to exceed \$1,587,200 of the total cost of the project; and,

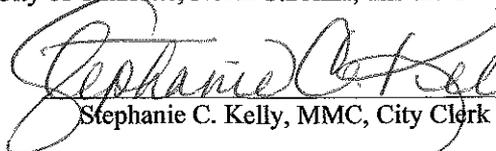
WHEREAS, the formant and cost sharing philosophy is consistent with past Municipal Agreements: and,

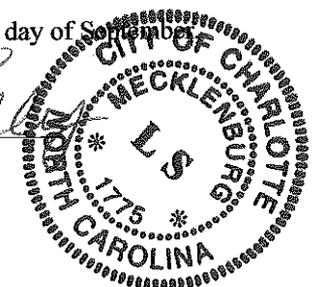
NOW, THEREFORE, BE IT RESOLVED that this resolution authorizing the Key Business Executive of the Charlotte Department of Transportation to execute a municipal agreement with the NCDOT for NCDOT to reimburse the City up to \$1,587,200 for the installation of left turn lanes, and signalization of the intersection of Old Statesville Road, David Cox Road, and Lakeview Road is hereby formally approved by the City Council of the City of Charlotte and the Director of Transportation and Clerk of this Municipality are hereby empowered to sign and execute the Agreement with the aforementioned groups.

CERTIFICATION

I, Stephanie C. Kelly, City Clerk of the City of Charlotte, North Carolina, Do HEREBY CERTIFY that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the city of Charlotte, North Carolina, in regular session convened on the 12th day September, 2011, the reference having been made in Minute Book 132, and recorded in full in Resolution Book 43, Page 301.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 14th day of September, 2011.


Stephanie C. Kelly, MMC, City Clerk



A RESOLUTION AUTHORIZING THE REFUND OF PROPERTY TAXES

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

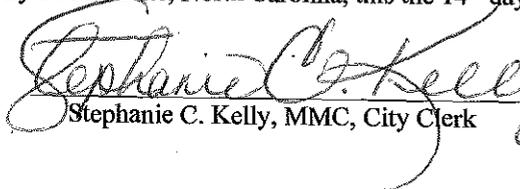
1. The City-County Tax Collector has collected property taxes from the taxpayers set out on the list attached to the Docket.
2. The City-County Tax Collector has certified that those taxpayers have made proper demand in writing for refund of the amounts set out on the schedule within the required time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

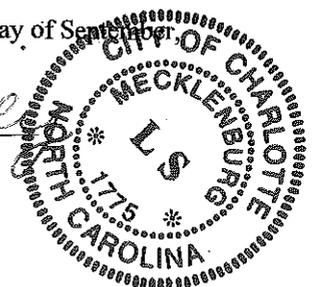
NOW, THEREFORE, BE RESOLVED by the City Council of the City of Charlotte, North Carolina, in regular session assembled this 12th day of September 2011 that those taxpayers listed on the schedule of "Taxpayers and Refunds Requested" be refunded in the amounts therein set up and that the schedule and this resolution be spread upon the minutes of this meeting.

CERTIFICATION

I, Stephanie C. Kelly, City Clerk of the City of Charlotte, North Carolina, Do HEREBY CERTIFY that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the city of Charlotte, North Carolina, in regular session convened on the 12th day September, 2011, the reference having been made in Minute Book 132, and recorded in full in Resolution Book 43, Pages (302-303).

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 14th day of September 2011.


Stephanie C. Kelly, MMC, City Clerk



TAXPAYERS AND REFUNDS REQUESTED
(Clerical Error)

NAME	AMOUNT
BROWN & FRAGALE PROPERTIES	\$ 6.86
DUNCAN, THOMAS T	4,021.04
FLOWERS BY LOIS	124.39
KEY EQUIPMENT FINANCE INC	667.50
R R DONNELLEY TAX DEPT	313.23
THAI HOUSE AT UNCC	393.57
TOTAL MORTGAGE SOLUTIONS LP	894.61
TOTAL	<u>\$ 6,421.20</u>

**A RESOLUTION AUTHORIZING THE REFUND OF
CERTAIN BUSINESS PRIVILEGE LICENSES**

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

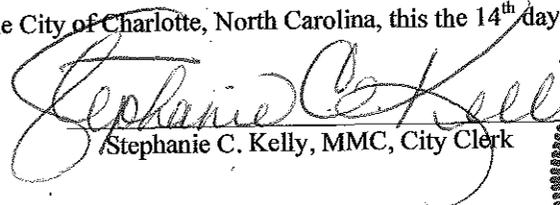
1. The City-County Tax Collector has collected certain taxes from the taxpayers set out on the list attached to the Docket.
2. The City-County Tax Collector has certified that those taxpayers have made proper demand in writing for refund of the amounts set out on the schedule within the required time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

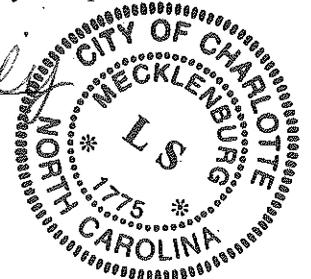
NOW, THEREFORE, BE RESOLVED by the City Council of the City of Charlotte, North Carolina, in regular session assembled this 12th day of September 2011 that those taxpayers listed on the schedule of "Business Privilege License Refunds Requested" be refunded in the amounts therein set up and that the schedule and this resolution be spread upon the minutes of this meeting.

CERTIFICATION

I, Stephanie C. Kelly, City Clerk of the City of Charlotte, North Carolina, Do HEREBY CERTIFY that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the city of Charlotte, North Carolina, in regular session convened on the 12th day September, 2011, the reference having been made in Minute Book 132, and recorded in full in Resolution Book 43, Pages (304-305).

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 14th day of September, 2011.


Stephanie C. Kelly, MMC, City Clerk



**BUSINESS PRIVILEGE LICENSE
REFUNDS REQUESTED**

NAME	AMOUNT
CP Engineering & Environmental Solutions	\$ 204.03
Lucander Design	335.17
Mid-South Roof Systems	147.72
Carlson Wagonlit Travel, Inc	855.00
Holiday Inn Center City	9,299.35
Select Medical Corporation: Tax Dept.	2,184.10
Prestige Ornamental Iron Work	100.00
Accounting Principals, Inc	2,739.50
Compass Group USA Inc : Legal Dept	1,227.18
Risden McElroy	150.00
American United Life Insurance: Tax Dept	500.00
Olympia Development Group Inc	50.00
Carolinus Captioning Service	101.68
Landworks Design Group, P.A.	861.45
Total	<u>\$ 18,755.18</u>

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

WHEREAS, the City Council of the City of Charlotte finds as a fact that it is necessary to acquire certain property as indicated below for the **BROOKSHIRE-HOVIS-OAKDALE INTERSECTION IMPROVEMENTS**; and

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

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

PROPERTY DESCRIPTION:

Amount necessary for the **BROOKSHIRE-HOVIS-OAKDALE INTERSECTION IMPROVEMENTS** and estimated to be approximately **22,682 square feet (.521 acre) of fee-simple area** and any additional property or interest as the City may determine to complete the Project, as it relates to Tax Parcel No.: 039-172-03, said property currently owned by **NFPS, INC.**, or the owners' successor-in-interest.

ESTIMATED JUST COMPENSATION:

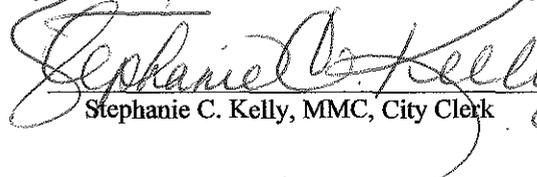
Such estimated just compensation as may be determined based upon the takings required by the final construction plans.

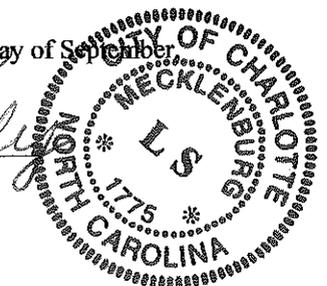
IT IS FURTHER RESOLVED that the estimated just compensation for the property is hereby authorized to be deposited in the Office of the Clerk of Superior Court, Mecklenburg County, North Carolina, together with the filing of the Complaint and Declaration of Taking.

CERTIFICATION

I, Stephanie C. Kelly, City Clerk of the City of Charlotte, North Carolina, Do HEREBY CERTIFY that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the city of Charlotte, North Carolina, in regular session convened on the 12th day September, 2011, the reference having been made in Minute Book 132, and recorded in full in Resolution Book 43, Page 306.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 14th day of September, 2011.


Stephanie C. Kelly, MMC, City Clerk



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

WHEREAS, the City Council of the City of Charlotte finds as a fact that it is necessary to acquire certain property as indicated below for the **GROVE PARK NEIGHBORHOOD IMPROVEMENT PROJECT**; and

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

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

PROPERTY DESCRIPTION:

Amount necessary for the **GROVE PARK NEIGHBORHOOD IMPROVEMENT PROJECT** and estimated to be approximately **1,560 square feet (.036 acre) of storm drainage easement; 886 square feet 9.020 acre) of temporary construction easement**, and any additional property or interest as the City may determine to complete the Project, as it relates to Tax Parcel No.: 107-172-08, said property currently owned by **BARBARA S. McCALL** by **DON McCALL**, Guardian of the Incompetent Estate of **Barbara S. McCall**, and by **KAREN HARVEY**, Guardian of the Person of **Barbara S. McCall**, or the owners' successor-in-interest.

ESTIMATED JUST COMPENSATION:

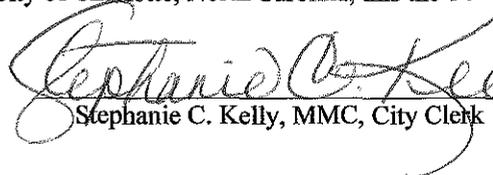
Such estimated just compensation as may be determined based upon the takings required by the final construction plans.

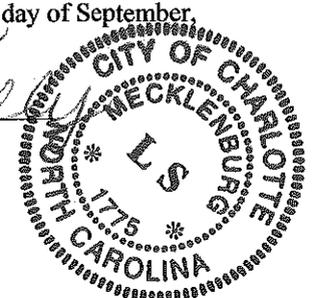
IT IS FURTHER RESOLVED that the estimated just compensation for the property is hereby authorized to be deposited in the Office of the Clerk of Superior Court, Mecklenburg County, North Carolina, together with the filing of the Complaint and Declaration of Taking.

CERTIFICATION

I, Stephanie C. Kelly, City Clerk of the City of Charlotte, North Carolina, Do HEREBY CERTIFY that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the city of Charlotte, North Carolina, in regular session convened on the 12th day September, 2011, the reference having been made in Minute Book 132, and recorded in full in Resolution Book 43, Page 307.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 14th day of September, 2011.


Stephanie C. Kelly, MMC, City Clerk



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

WHEREAS, the City Council of the City of Charlotte finds as a fact that it is necessary to acquire certain property as indicated below for the **ROZZELLES FERRY ROAD SIDEWALK PROJECT**; and

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

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

PROPERTY DESCRIPTION:

Amount necessary for the **ROZZELLES FERRY ROAD SIDEWALK PROJECT** and estimated to be approximately **24,829 square feet (.570 acre) of fee-simple area**, and any additional property or interest as the City may determine to complete the Project, as it relates to Tax Parcel No.: 057-093-06, said property currently owned by **Heirs at Law of ELLIS M. HEATH; FLORENCE HEATH and spouse, if any; Heirs at Law of HATTIE M. HEATH**, or the owners' successor-in-interest.

ESTIMATED JUST COMPENSATION:

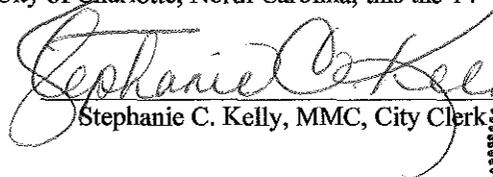
Such estimated just compensation as may be determined based upon the takings required by the final construction plans.

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

CERTIFICATION

I, Stephanie C. Kelly, City Clerk of the City of Charlotte, North Carolina, Do HEREBY CERTIFY that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the city of Charlotte, North Carolina, in regular session convened on the 12th day September, 2011, the reference having been made in Minute Book 132, and recorded in full in Resolution Book 43, Page 308.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 14th day of September, 2011.


Stephanie C. Kelly, MMC, City Clerk

