

**RESOLUTION DECLARING AN INTENT TO ABANDON AND
CLOSE PORTIONS OF GREENWOOD AVENUE AND BELT ROAD
AND ALL OF DUDLEY AVENUE LOCATED BETWEEN
HUTCHINSON McDONALD ROAD AND INTERSTATE 77 IN THE
CITY OF CHARLOTTE, MECKLENBURG COUNTY, NORTH CAROLINA**

WHEREAS, Crescent Resources, Inc. has filed a Petition to close portions of Greenwood Avenue and Belt Road and all of Dudley Avenue in the City of Charlotte;

WHEREAS, portions of Greenwood Avenue and Belt Road and all of Dudley Avenue petitioned to be closed lie off of Hutchinson McDonald Road as shown on "Exhibit A," and are more particularly described by metes and bounds in a document marked "Exhibit B," both of which are available for inspection in the Office of the City Clerk, City Hall, Charlotte, North Carolina; and

WHEREAS, the procedure for closing streets and alleys as outlined in North Carolina General Statutes, Section 160A-299, requires that Council first adopt a resolution declaring its intent to close the street and calling a public hearing on the question; said Statute further requires that the resolution shall be published once a week for two successive weeks prior to the hearing, and a copy thereof be sent by registered or certified mail to all owners of property adjoining the street as shown on the county tax records, and a notice of the closing and public hearing shall be prominently posted in at least two places along said street or alley.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Charlotte, at its regularly scheduled session of November 22, 1993, that it intends to close portions of Greenwood Avenue and Belt Road and all of Dudley Avenue lying between Hutchinson McDonald Road and Interstate 77, said street (or portion thereof) being more particularly described on a map and by a metes and bounds description available for inspection in the City Clerk's office, and hereby calls a public hearing on the question to be held at 7 p.m. on Monday, the 10th day of January, 1994 at CMGC
600 E. Fourth St, Charlotte, NC

The City Clerk is hereby directed to publish a copy of this resolution in the Mecklenburg Times once a week for two successive weeks next preceding the date fixed here for such hearing, as required by N.C.G.S. 160A-299.

CERTIFICATION

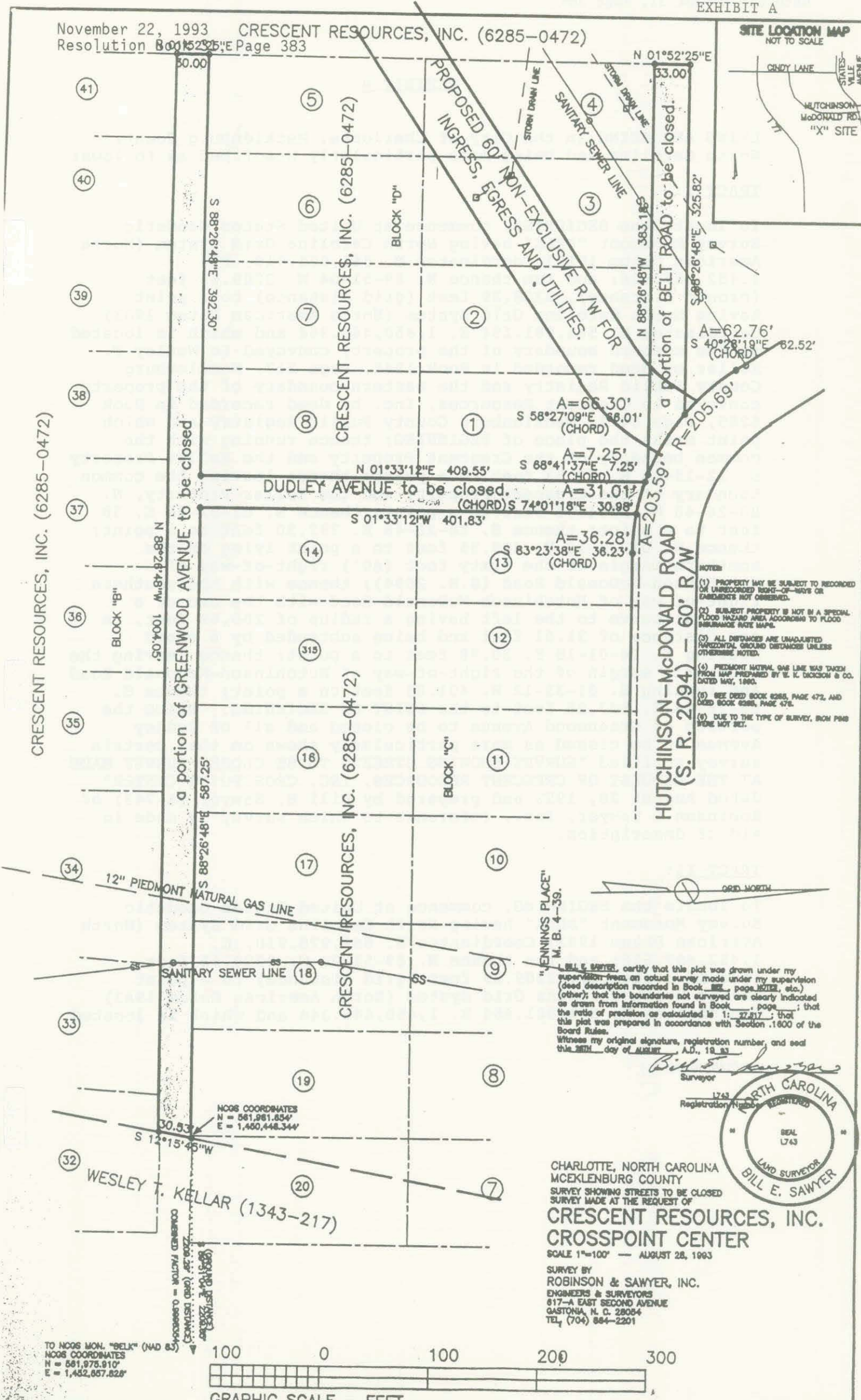
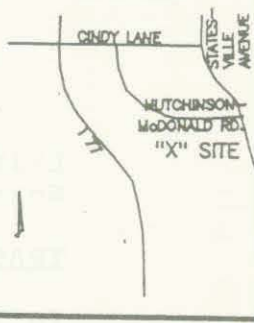
I, Nancy S. Gilbert, Deputy City Clerk of the City of Charlotte, North Carolina, do hereby certify that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 22nd day of November, 1993, the reference having been made in Minute Book 103, and recorded in full in Resolution Book 31, Page(s) 381-384.

- WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 24th day of November, 1993.

Nancy S. Gilbert, Deputy City Clerk

November 22, 1993 CRESCENT RESOURCES, INC. (6285-0472)
Resolution Book 15295 Page 383

SITE LOCATION MAP
NOT TO SCALE



CRESCENT RESOURCES, INC. (6285-0472)

CRESCENT RESOURCES, INC. (6285-0472)

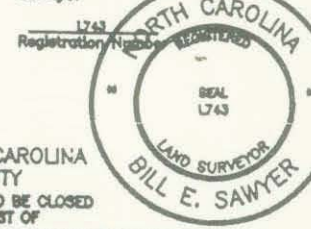
HUTCHINSON-McDONALD ROAD
(S. R. 2094) - 60' R/W

- NOTES:
- (1) PROPERTY MAY BE SUBJECT TO REDONDED OR UNRECORDED RIGHT-OF-WAYS OR EASEMENTS NOT OBSERVED.
 - (2) SUBJECT PROPERTY IS NOT IN A SPECIAL FLOOD HAZARD AREA ACCORDING TO FLOOD INSURANCE RATE MAPS.
 - (3) ALL DISTANCES ARE UNADJUSTED HORIZONTAL GROUND DISTANCES UNLESS OTHERWISE NOTED.
 - (4) PIEDMONT NATURAL GAS LINE WAS TAKEN FROM MAP PREPARED BY E. K. DICICION & CO. DATED MAY, 1990.
 - (5) SEE DEED BOOK 6285, PAGE 472, AND DEED BOOK 6286, PAGE 476.
 - (6) DUE TO THE TYPE OF SURVEY, IRON PINS WERE NOT SET.

"JENNINGS PLACE"
M. B. 4-39.

BILL E. SAWYER, certify that this plot was drawn under my supervision from an actual survey made under my supervision (deed description recorded in Book 15295, page 383, etc.) (other); that the boundaries not surveyed are clearly indicated as drawn from information found in Book 15295, page 383; that the ratio of precision as calculated is 1:27,517; that this plot was prepared in accordance with Section 1600 of the Board Rules.
Witness my original signature, registration number, and seal this 28th day of AUGUST A.D., 1993

Bill E. Sawyer
Surveyor



CHARLOTTE, NORTH CAROLINA
MCKENLEBURG COUNTY
SURVEY SHOWING STREETS TO BE CLOSED
SURVEY MADE AT THE REQUEST OF
CRESCENT RESOURCES, INC.
CROSSPOINT CENTER
SCALE 1"=100' - AUGUST 28, 1993

SURVEY BY
ROBINSON & SAWYER, INC.
ENGINEERS & SURVEYORS
617-A EAST SECOND AVENUE
GASTONIA, N. C. 28004
TEL. (704) 864-2201

TO NCGS MON. "BELL" (NAD 83)
NCGS COORDINATES
N = 561,975.910'
E = 1,452,657.628'

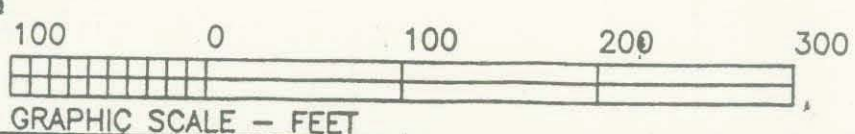


EXHIBIT B

LYING AND BEING in the City of Charlotte, Mecklenburg County, North Carolina and being more particularly described as follows:

TRACT I:

To locate the BEGINNING, commence at United States Geodetic Survey Monument "BELK" having North Carolina Grid System (North American Datum 1983) Coordinates N. 561,975.910, E. 1,452,657.626; and run thence N. 89-51-04 W. 2209.65 feet (ground distance), 2209.29 feet (grid distance) to a point having North Carolina Grid System (North American Datum 1983) Coordinates N. 561,981.654 E. 1,450,448.344 and which is located on the western boundary of the property conveyed to Wesley T. Kellar by deed recorded in Book 1343, Page 217, Mecklenburg County Public Registry and the eastern boundary of the property conveyed to Crescent Resources, Inc. by deed recorded in Book 6285, Page 0472, Mecklenburg County Public Registry and which point marks the place of BEGINNING; thence running with the common boundary of the Crescent Property and the Kellar Property S. 12-15-45 W. 30.53 feet to a point; thence leaving the common boundary of the Crescent Property and the Kellar Property, N. 88-26-48 W. 1004.05 feet to a point; thence N. 01-52-25 E. 30 feet to a point; thence S. 88-26-48 E. 392.30 feet to a point; thence N. 01-33-12 E. 409.55 feet to a point lying on the southern margin of the sixty foot (60') right-of-way of Hutchinson-McDonald Road (S.R. 2094); thence with the southern right-of-way of Hutchinson-McDonald Road with the arc of a circular curve to the left having a radius of 205.69 feet, an arc distance of 31.01 feet and being subtended by a chord bearing S. 74-01-18 E. 30.98 feet to a point; thence leaving the southerly margin of the right-of-way of Hutchinson-McDonald Road and running S. 01-33-12 W. 401.83 feet to a point; thence S. 88-26-48 E. 587.25 feet to the POINT OF BEGINNING. BEING the portion of Greenwood Avenue to be closed and all of Dudley Avenue to be closed as more particularly shown on that certain survey entitled "SURVEY SHOWING STREETS TO BE CLOSED SURVEY MADE AT THE REQUEST OF CRESCENT RESOURCES, INC. CROSSPOINT CENTER" dated August 28, 1993 and prepared by Bill E. Sawyer (L-743) of Robinson & Sawyer, Inc., reference to which survey is made in aid of description.

TRACT II:

To locate the BEGINNING, commence at United States Geodetic Survey Monument "BELK" having North Carolina Grid System (North American Datum 1983) Coordinates N. 561,975.910, E. 1,452,657.626; and run thence N. 89-51-04 W. 2209.65 feet (ground distance), 2209.29 feet (grid distance) to a point having North Carolina Grid System (North American Datum 1983) Coordinates N. 561,981.654 E. 1,450,448.344 and which is located

on the western boundary of the property conveyed to Wesley T. Kellar by deed recorded in Book 1343, Page 217, Mecklenburg County Public Registry and the eastern boundary of the property conveyed to Crescent Resources, Inc. by deed recorded in Book 6285, Page 0472, Mecklenburg County Public Registry; thence running N. 88-26-48 W. 587.25 feet to a point; thence N. 01-33-12 E. 401.83 feet to a point located on the southern margin of the sixty foot (60') right of way of Hutchinson-McDonald Road (S.R. 2094); thence running with the southern margin of the sixty foot (60') right of way of Hutchinson-McDonald Road two (2) courses and distances as follows: (1) with the arc of a circular curve to the right having a radius of 205.69 feet and an arc distance of 31.01 feet, begin subtended by a chord bearing N. 74-01-18 W. 30.98 feet to a point; and (2) with the arc of a circular curve to the right having a radius of 205.69 feet and an arc distance of 7.25 feet, being subtended by a chord bearing N. 68-41-37 W. 7.25 feet to the POINT OF BEGINNING; thence leaving the southern margin of Hutchinson-McDonald Road (S.R. 2094), N. 88-26-48 W. 383.18 feet to a point; thence N. 01-52-25 E. 33.00 feet to a point; thence S. 88-26-48 E. 325.82 feet to a point lying on the southern margin of Hutchinson-McDonald Road (S.R. 2094); thence running with the southern margin of Hutchinson-McDonald Road (S.R. 2094) with the arc of a circular curve to the left having a radius of 205.69 feet and an arc distance of 66.30 feet, being subtended by a chord bearing S. 58-27-09 E. 66.01 feet to the POINT OF BEGINNING. BEING the portion of Belt Road to be closed as shown on a plat of a survey thereof dated August 28, 1993 and entitled "SURVEY SHOWING STREETS TO BE CLOSED SURVEY MADE AT THE REQUEST OF CRESCENT RESOURCES, INC. CROSSPOINT CENTER," prepared by Bill E. Sawyer (L-743) of Robinson and Sawyer, Inc., reference to which plat is made in aid of description.

COPY OF A RESOLUTION PASSED BY THE CITY COUNCIL
OF THE CITY OF CHARLOTTE, NORTH CAROLINA

A motion was made by Councilmember Patterson
and seconded by Councilmember Wheeler for the
adoption of the following Resolution, and upon being put to a vote
was duly adopted:

WHEREAS, the City Council has the authority to grant air
right easements over public rights-of-way and it is the City's
Policy to charge for such rights; and,

WHEREAS, Presbyterian Health Services Corporation has
requested the granting of air rights over Caswell Road to construct
a pedestrian bridge connecting the Presbyterian Hospital Parking
Deck and the Nalle Clinic and,

WHEREAS, the proposed pedestrian bridge is in conformance
with the City's Overstreet Connections Policy and has been approved
by Charlotte Department of Transportation, Public Facilities and
Engineering Department, and Planning Commission staff; and,

NOW, THEREFORE, BE IT RESOLVED that the Charlotte City
Council approves the granting of air rights to Presbyterian Health
Services Corporation for the construction of a pedestrian bridge
across Caswell Road and authorizes the Mayor/Director of the
Charlotte Department of Transportation to execute a Crosswalk
Agreement and Term Air Rights Easement granting such rights.

I, Nancy S. Gilbert, Deputy, Clerk of the Municipality
of Charlotte, do hereby certify that the foregoing is a true and
correct copy of the excerpts from the Minutes of the meeting of the
City Council duly held on the 22nd day of November, 1993.

WITNESS, my hand and the official seal of said
Municipality on this the 24th day of November,
1993.

(SEAL)

Brenda R. Frazier
CLERK
MUNICIPALITY OF CHARLOTTE
NORTH CAROLINA

APPROVED AS TO FORM

BY: [Signature]
Asst City Attorney

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHARLOTTE AUTHORIZING
THE SALE OF A 1989 SPARTAN/LTI ST-2000 FIRE TRUCK TO THE CITY OF
HOPEWELL, VA

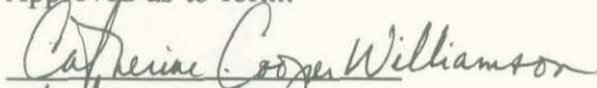
WHEREAS, Section 9.21 of the City Charter of the City of Charlotte authorizes the City Council to sell any and all personal property belonging to the City at private sale without resorting to public outcry and sale; and

WHEREAS, Section 160A-267 of the North Carolina General Statutes provides that upon disposal of property by private sale, City Council shall adopt a resolution or order authorizing an appropriate City official to dispose of property by private sale at a negotiated price.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charlotte, in its regular session duly assembled, that it does hereby authorize the private sale of the following property: A Spartan/LTI ST-2000 Ladder Truck to the City of Hopewell, Virginia for \$275,000.

This 22nd day of November, 1993.

Approved as to form:


City Attorney

CERTIFICATION

I, Nancy S. Gilbert, Deputy City Clerk of the City of Charlotte, North Carolina, do hereby certify that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 22nd day of November, 1993, the reference having been made in Minute Book 103, and recorded in full in Resolution Book 31, Page(s) 387-388.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 24th day of November, 1993.

Nancy S. Gilbert, Deputy City Clerk

EXTRACT FROM MINUTES
OF MEETING OF CITY COUNCIL OF
THE CITY OF CHARLOTTE

The City Council of the City of Charlotte, North Carolina met in regular session at the Meeting Chamber in the Charlotte-Mecklenburg Government Center in Charlotte, North Carolina, the regular place of meeting, at 7:00 P.M. on November 22, 1993.

Present: Mayor Richard Vinroot, presiding, and Councilmembers Campbell, Clodfelter, McCrory, Mangum, Martin, Reid, Scarborough, Patterson and Wheeler

Absent: Councilmembers Hammond and Majeed

Also Present: City Manager, O. Wendell White, City Attorney, Henry Underhill and Deputy City Clerk, Nancy S. Gilbert

* * * * *

The City Council received from the Mecklenburg County Board of Elections a certified copy of the proceedings of said Board of Elections taken on November 4, 1993, evidencing said Board's determination of the result of the canvass of the returns of the special bond referendum held in the City of Charlotte on November 2, 1993 upon the questions of approving \$12,760,000 Sanitary Sewer Bonds, \$58,490,000 Water Bonds and \$27,000,000 Environmental Clean-up Bonds of said City.

After said proceedings had been considered and reviewed by the City Council, Councilmember Patterson introduced the following resolution which was read by title and summarized:

RESOLUTION DECLARING THE RESULT OF THE SPECIAL BOND REFERENDUM HELD IN THE CITY OF CHARLOTTE ON NOVEMBER 2, 1993 UPON THE QUESTIONS OF APPROVING \$12,760,000 SANITARY SEWER BONDS, \$58,490,000 WATER BONDS and \$27,000,000 ENVIRONMENTAL CLEAN-UP BONDS.

BE IT RESOLVED by the City Council of the City of Charlotte:

Section 1. The City Council of the City of Charlotte, having received from the Mecklenburg County Board of Elections a certified copy of the proceedings of said Board of Elections taken on November 4, 1993, evidencing said Board's determination of the result of the canvass of the returns of the special bond referendum held in the City of Charlotte on November 2, 1993 upon the questions of approving \$12,760,000 Sanitary Sewer Bonds, \$58,490,000 Water Bonds and \$27,000,000 Environmental Clean-Up Bonds of said City, does hereby declare and certify the result of said referendum to be the result which is set forth in the following statement, which statement has been prepared by said City Council:

STATEMENT OF THE RESULT
of the
SPECIAL BOND REFERENDUM
held in the
CITY OF CHARLOTTE, NORTH CAROLINA
on November 2, 1993
UPON THE QUESTIONS OF APPROVING
\$12,760,000 SANITARY SEWER BONDS
\$58,490,000 WATER BONDS
AND
\$27,000,000 ENVIRONMENTAL CLEAN-UP BONDS

(a) That at a special bond referendum held in the City of Charlotte on November 2, 1993, 236,362 voters were registered and qualified to vote.

(b) That at said referendum 41,199 votes were cast for the order adopted on August 23, 1993, authorizing not exceeding

\$12,760,000 Sanitary Sewer Bonds of the City of Charlotte, North Carolina, for the purpose of providing funds, with any other available funds, for enlarging, extending, renovating and improving the sanitary sewer system of the City, within and without the corporate limits, including planning, designing, constructing, reconstructing and installing storage buildings, sludge processing and storage facilities, standby generators, lift stations, force mains, filter units, sewer trunk mains and sewer lines, outfalls, tributaries, tributary expansions, wastewater treatment plants and plant additions and improvements, renovation and repair of sewer lines, and acquisition of any necessary equipment, land, interests in land and rights of way, and authorizing the levy of taxes in an amount sufficient to pay the principal of and the interest on said bonds and 30,724 votes were cast against said order; that a majority of the qualified voters of said City who voted thereon at said referendum voted in favor of said order; and said order was thereby approved and is in force and effect.

(c) That at said referendum 40,760 votes were cast for the order adopted on August 23, 1993, authorizing not exceeding \$58,490,000 Water Bonds of the City of Charlotte, North Carolina, for the purpose of providing funds, with any other available funds, for enlarging, extending, renovating and improving the water system of the City, within and without the corporate limits, including expansion of facilities, planning, designing, constructing and installing water mains and lines, standby generators, water treatment plant expansion, sludge disposal

systems, booster pump stations and storage tanks and facilities, renovation of storage facilities and acquisition of any necessary equipment, land, interests in land and rights of way, and authorizing the levy of taxes in an amount sufficient to pay the principal of and the interest on said bonds and 30,847 votes were cast against said order; that a majority of the qualified voters of said City who voted thereon at said referendum voted in favor of said order; and said order was thereby approved and is in force and effect.

(d) That at said referendum 40,015 votes were cast for the order adopted on August 23, 1993, authorizing not exceeding \$27,000,000 Environmental Clean-Up Bonds of the City of Charlotte, North Carolina, for the purpose of providing funds, with any other available funds, for the environmental clean-up and remediation, and related improving, developing, replacing, expansion and relocation of the City's real property, including, without limitation, public buildings and building sites, storage tanks, solid waste disposal systems and sanitary landfills and firefighting and training facilities, within and without the corporate limits, including the planning, designing and implementation of such project or projects, and authorizing the levy of taxes in an amount sufficient to pay the principal of and the interest on said bonds and 30,828 votes were cast against said order; that a majority of the qualified voters of said City who voted thereon at said referendum voted in favor of said order; and said order was thereby approved and is in force and effect.

Section 2. The Clerk of the City Council of the City of Charlotte, North Carolina shall file a copy of the foregoing statement of the result of said referendum in the office of the City Clerk and shall publish such statement once in The Charlotte Observer. A statement in substantially the following form shall be published with the foregoing statement:

Any action or proceeding challenging the regularity or validity of this bond referendum must be begun within 30 days after November 12, 1993.

City Council
of the
City of Charlotte, North Carolina

Section 3. This resolution shall take effect upon its passage.

Upon motion of Councilmember Patterson, seconded by Councilmember Wheeler, the foregoing resolution entitled:

"RESOLUTION DECLARING THE RESULT OF THE SPECIAL BOND REFERENDUM HELD IN THE CITY OF CHARLOTTE ON NOVEMBER 2, 1993, UPON THE QUESTIONS OF APPROVING \$12,760,000 SANITARY SEWER BONDS, \$58,490,000 WATER BONDS AND \$27,000,000 ENVIRONMENTAL CLEAN-UP BONDS," was passed by the following vote:

Ayes: Councilmembers Campbell, Clodfelter, McCrory, Mangum, Martin, Patterson, Reid, Scarborough and Wheeler

Noes: None

* * * * *

I, Nancy S. Gelbert Deputy City Clerk of the City of Charlotte, North Carolina, DO HEREBY CERTIFY that the foregoing is a true

and complete copy of so much of the proceedings of the City Council of said City, at a regular meeting held on November 22, 1993, which relate in any way to the declaration of the results of the special bond referendum held on November 2, 1993 upon the questions of approving \$12,760,000 Sanitary Sewer Bonds, \$58,490,000 Water Bonds and \$27,000,000 Environmental Clean-Up Bonds of said City, that all required notices of said meeting were given and that said proceedings are recorded in Minute Book 103 of the minutes of said City Council, beginning at page _____ and ending at page _____.

I HEREBY FURTHER CERTIFY that a copy of the statement of the result of the referendum adopted by the resolution set forth in the foregoing extract has been filed in my office.

I HEREBY FURTHER CERTIFY that a schedule of regular meetings of said City Council, stating that regular meetings of said City Council are held (with certain exceptions not applicable to said meeting) at the Charlotte-Mecklenburg Government Center in Charlotte, North Carolina in the Conference Center on the first Monday of each month at 5:00 P.M. (Workshop); and in the Meeting Chamber on the second and fourth Mondays of each month at 7:00 P.M., on the third Monday of each month at 6:00 P.M. (Zoning), has been on file in the office of the City Clerk pursuant to G.S. § 143-318.12, as of a date not less than seven days before said meeting.

WITNESS my hand and the corporate seal of said City, this 24th day of November, 1993.

Deputy City Clerk

[SEAL]

RESOLUTION AUTHORIZING THE EXECUTION,
DELIVERY AND PERFORMANCE OF SWAP AGREEMENT
BETWEEN THE CITY OF CHARLOTTE, NORTH CAROLINA
AND AIG FINANCIAL PRODUCTS CORP.

WHEREAS, the City Council of the City of Charlotte, North Carolina (the "City") has, pursuant to a Bond Order dated November 18, 1985 (the "Bond Order"), this date adopted a Series Resolution (the "1997A Series Resolution") authorizing the issuance and sale of up to \$72,000,000 of its City of Charlotte, North Carolina, Variable Rate Airport Refunding Revenue Bonds, Series 1997A (the "1997A Bonds"), the proceeds of which are to be used to refund the City of Charlotte, North Carolina Airport Revenue Bonds, Series 1987 (the "1987 Bonds"); and

WHEREAS, the City has also adopted a First Supplemental Bond Order (the "Supplemental Order") supplementing and amending certain provisions of the Bond Order and providing for the payment of certain Credit Support Payment Amounts including letter of credit fees; municipal bond insurance premiums; interest rate exchange, cap, collar or swap payments; dollar-denominated or cross-currency interest agreements; or similar fees, payments or charges; and

WHEREAS, an Interest Rate Swap Agreement dated as of December 1, 1993 (the "Swap Agreement") between the City and AIG Financial Products Corp. ("AIG-FP") has been presented to the City Council under the terms of which (i) the interest rate payable by the City in connection with the 1997A Bonds will be effectively fixed through maturity at prevailing market rates, (ii) the notional principal amount of the Swap Agreement will at all times parallel the principal of the 1997A Bonds then outstanding, (iii) the term of the Swap Agreement is the same as the term of the 1997A Bonds and (iv) the Swap Agreement will be complete when executed by the City and AIG-FP without payment of an exercise price or other similar consideration; and

WHEREAS, the City has received a recommendation from its Financial Advisor, Alex. Brown & Sons, Inc., that the City enter into the Swap Agreement at this time to take advantage of historically low interest rates presently prevailing and to obtain a forward commitment with respect to the 1997A Bonds providing an interest cost which in the opinion of the Financial Advisor is favorable to the City as compared with the costs of the other forward commitments available to the City; and

WHEREAS, the City is authorized to enter into the Swap Agreement under the provisions of the Constitution and laws of the State, including The State and Local Government Revenue Bond Act, as amended, and incidental to and in furtherance of the City's borrowing and debt management functions;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charlotte:

Section 1. The City hereby finds and determines that (i) the payments to be made by the City to AIG-FP pursuant to the Swap Agreement constitute Credit Support Payment Amounts as permitted under the Bond Order, as amended by the Supplemental Order, (ii) the Swap Agreement provides a necessary and expedient means of obtaining at this time a forward commitment for the 1997A Bonds providing an interest cost which is more favorable to the City than could be obtained in the other forward commitments available to the City; (iii) the Swap Agreement is being entered into for the purposes of hedging the risk associated with variable interest rate on the 1997A Bonds and not for speculative purposes, and (iv) AIG-FP is a prudent credit risk.

Section 2. Acceptance and Execution of Swap Agreement:
Certain Notice Thereunder.

(a) The Swap Agreement in substantially the form presented at this meeting is hereby accepted by the City and the Mayor or City Manager or other appropriate officials of the City hereby are authorized and directed to execute the Swap Agreement on the behalf of and in the name of the City and so to enter into and carry out the Swap Agreement and to amend or modify such agreement as may be necessary from time to time with such changes, variations, omissions and insertions as any official executing such document shall approve. The execution thereof by such officials shall constitute conclusive evidence of such approval. Notwithstanding the foregoing, the Swap Agreement is only approved and may only be executed by officials of the City if the Fixed Rate specified therein does not exceed 7.25% and if such agreement is executed by December 31, 1994.

(b) The City has determined that the Swap Agreement is a Qualified Swap (as defined in the 1997A Series Resolution), and hereby designates such agreement to the Trustee (as defined in the 1997A Series Resolution) as a Qualified Swap. The Trustee is hereby directed to give written notice of the amount of interest to accrue on the 1997A Bonds during each Calculation Period (as defined in the Swap Agreement) to AIG-FP promptly following the Remarketing Agent's determination of the interest rate to accrue on the 1997A Bonds for the balance of the Calculation Period. The Remarketing Agent shall give AIG-FP written notice of the Weekly Interest Rate (as defined in the 1997A Series Resolution) promptly following each determination thereof.

Section 3. Notices to Qualified Swap Provider: References
to Qualified Swap Provider.

(a) A copy of each notice or other communication delivered by the City or the Trustee pursuant to the 1997A

Series Resolution shall also be delivered by the City or the Trustee, respectively, to the Qualified Swap Provider.

(b) Any provision of the 1997A Series Resolution regarding a Qualified Swap Provider shall be deemed ineffective if the Qualified Swap is no longer in effect and no amount is due and owing under such Qualified Swap.

Section 4. The Mayor, City Manager, Finance Director or other appropriate officers of the City are hereby authorized to execute such instruments, documents and certificates as may from time to time be necessary or desirable to perform and carry out the Swap Agreement and the transactions described therein.

Section 5. This resolution shall take effect without further action by the City Council of the City.

CERTIFICATION

I, Nancy S. Gilbert, Deputy City Clerk of the City of Charlotte, North Carolina, do hereby certify that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 22nd day of November , 1993, the reference having been made in Minute Book 103 , and recorded in full in Resolution Book 31 , Page(s) 493-496

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 24th day of November , 1993. ,

Nancy S. Gilbert, Deputy City Clerk

CITY OF CHARLOTTE, NORTH CAROLINA

SERIES RESOLUTION

Adopted November 22, 1993

Authorizing and Securing

CITY OF CHARLOTTE, NORTH CAROLINA,
VARIABLE RATE AIRPORT REFUNDING REVENUE BONDS,
SERIES 1997A

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A SERIES RESOLUTION AUTHORIZING THE ISSUANCE UNDER THE PROVISIONS OF THE STATE AND LOCAL GOVERNMENT REVENUE BOND ACT, AS AMENDED, OF VARIABLE RATE AIRPORT REFUNDING REVENUE BONDS, SERIES 1997A OF THE CITY OF CHARLOTTE (THE "1997A BONDS"); THE REDEMPTION OF THE CITY OF CHARLOTTE AIRPORT REVENUE BONDS, SERIES 1987; THE PRIVATE SALE OF THE 1997A BONDS; AND VARIOUS AGREEMENTS AND ACTIONS IN CONNECTION WITH SUCH TRANSACTIONS.

WHEREAS, the City of Charlotte, North Carolina, a body politic and corporate 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 to 159-97, inclusive, as amended, of the General Statutes of North Carolina), as the same may be amended from time to time (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 (the "Bond Order"); and

WHEREAS, on April 6, 1987, the City Council adopted a series resolution, in accordance with Section 205 of the Bond Order, providing for the issuance of the City's \$75,880,000 Airport Revenue Bonds, Series 1987 (the "1987 Bonds"), to finance certain improvements to the Airport; and

WHEREAS, the City Council has determined that the City will be benefitted by refunding the 1987 Bonds; and

WHEREAS, in order to obtain funds to refund the 1987 Bonds, the City has determined to approve the transactions described herein whereby the City will authorize and approve (i) the issuance of, among other things, a series of its airport revenue bonds to be known as City of Charlotte, North Carolina, Variable Rate Airport Revenue Refunding Bonds, Series 1997A (the "1997A Bonds") in an aggregate principal amount not to exceed \$72,000,000 and (ii) a Purchase Contract among the Local Government Commission, the City and Smith Barney Shearson Inc., as Representative of the underwriters named therein, providing for the sale of the 1997A Bonds authorized hereunder for delivery after April 1, 1997 and before July 1, 1997; and

WHEREAS, the City Council has determined to adopt, in accordance with Section 208 of the Bond Order, this Series Resolution authorizing the issuance of the 1997A Bonds;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charlotte, North Carolina:

ARTICLE I.

DEFINITIONS

Section 101. Meaning of Words and Terms. Unless otherwise required by the context, words and terms used herein which are defined in the Bond Order shall have the meanings assigned to them therein, except as hereinafter set forth.

(a) Additional Definitions. The terms in this Section 101 defined for all purposes of this Series Resolution 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, shall have the meanings herein specified:

"AIG-FP" means AIG Financial Products Corp., a corporation organized and existing under the laws of the State of Delaware.

"Alternate Standby Agreement" means a replacement irrevocable letter of credit or standby bond purchase agreement, in each case approved in writing by the Insurer in accordance with the terms of the Liquidity Guaranty Agreement, providing for the purchase of all of the 1997A Bonds, together with all renewals and extensions thereof in accordance with its terms.

"Available Moneys" means moneys which are (a) continuously on deposit with the Trustee in trust for the benefit of the owners of the 1997A Bonds in a separate and segregated account in which only Available Moneys are held and (b) the proceeds of (i) the 1997A Bonds received contemporaneously with the issuance and sale of the 1997A Bonds, (ii) payments made under the Bond Insurance Policy, (iii) payments made by the City if at the time of the deposit of such payments and for a period of at least 123 days (or, if any such payment is made to or for the benefit of any entity who is an "insider" within the meaning of the United States Bankruptcy Code with respect to the City or is made by any such entity who is an "insider," 366 days) thereafter no petition in bankruptcy under the United States Bankruptcy Code or similar law is pending with respect to the City unless such petition shall have been dismissed and such dismissal shall be final and not subject to appeal, (iv) refunding bonds for which the Trustee and the Insurer have received a written opinion of nationally-recognized counsel experienced in bankruptcy matters and acceptable to the Trustee and the Insurer to the effect that payment of such moneys to the owners would not constitute an avoidable preference under Section 547 of the United States Bankruptcy Code in the event the City were to become a debtor under the United States

Bankruptcy Code, or (v) the investment of funds qualifying as Available Moneys under the foregoing clauses.

"Authorized Denominations" means (i) with respect to the 1997A Bonds during the Fixed Interest Rate Period, \$5,000 and any integral multiple thereof and (ii) with respect to the 1997A Bonds during an Interest Rate Period other than the Fixed Interest Rate Period, \$100,000 and multiples of \$5,000 in excess of \$100,000.

"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 Insurance Policy" means the policy of municipal financial guaranty insurance issued by the Insurer in connection with the 1997A Bonds.

"Bond Registrar" means NationsBank of North Carolina, National Association, or any successor or successors thereto appointed pursuant to the Bond Order or this Series Resolution.

"Business Day" means a day (i) other than a day on which banks located in the Cities of New York, New York, Charlotte, North Carolina or the cities in which the principal office of the Trustee, the Paying Agent, the Tender Agent, the Registrar, the Remarketing Agent, the Insurer, or the Standby Purchaser are located, are required or authorized by law or executive order to close and (ii) on which the New York Stock Exchange is not closed.

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

"Cost of the Refunding," or any phrase of similar import, means all or any part designated by the City Council of the cost of the Refunding Project, which cost, at the option of the City Council (except as limited by law), may include all or any part of the fees, expenses and costs pertaining to the Refunding.

"Defeasance Securities" means (i) Federal Securities which are not callable for redemption prior to their maturity by any person other than the owner thereof and (ii) other Investment Obligations (A) which either are not callable for redemption prior to their maturities by any person other than the owner thereof or for which an option to redeem prior to maturity has previously been irrevocably exercised (or an irrevocable covenant to exercise such option has previously been made by the person entitled to exercise such option) and the redemption date of such securities has thereby irrevocably been fixed prior to the use of such securities as Defeasance

Securities, and (B) which at the time of their initial use as Defeasance Securities are rated in the highest generic rating category of a Rating Agency.

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

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

"Electronic Means" means telephone, telecopy, telegraph, facsimile transmission or any other similar means of electronic communication. Any communication by telephone as an Electronic Means shall be promptly confirmed in writing or by one of the other means of electronic communication listed herein.

"Favorable Opinion of Bond Counsel" means an opinion of Bond Counsel, addressed to the City and the then current Qualified Swap Provider, Standby Purchaser, Insurer, Remarketing Agent and Trustee, to the effect that the action proposed to be taken is authorized or permitted by the Bond Order, this Series Resolution and the Act and will not adversely affect the exclusion of interest on the 1997A Bonds from gross income for purposes of federal income taxation under Section 103 of the Code.

"Federal Securities" means those obligations described in clause (a) of the definition of Government Obligations set forth in the Bond Order.

"Finance Director" means the Finance Director 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.

"Fixed Interest Rate" means a non-variable interest rate for the 1997A Bonds established in accordance with Section 507 of this Series Resolution.

"Fixed Interest Rate Period" means the period during which the Fixed Interest Rate is in effect for the 1997A Bonds.

"Initial Interest Rate Period" means the period from and including the date of the initial authentication and delivery of the 1997A Bonds through and including the next succeeding Tuesday.

"Insurer" means Municipal Bond Investors Assurance Corporation or any other bond insurer insuring the 1997A Bonds.

"Interest Accrual Date" means (i) with respect to any Weekly Interest Rate Period, the date of delivery of the 1997A Bonds, January 1 and July 1 of each year, regardless of whether or not such day is a Business Day, and (ii) with respect to the Fixed Interest Rate Period, the date, if any, on which the 1997A Bonds become subject to the Fixed Interest Rate Period, and each Interest Payment Date in respect thereof, other than the last Interest Payment Date.

"Interest Payment Date" means (i) with respect to the Initial Interest Rate Period and any Weekly Interest Rate Period, January 1, 1998 and each January 1 and July 1 thereafter and the date, if any, on which the 1997A Bonds become subject to the Fixed Interest Rate Period, (ii) with respect to the Fixed Interest Rate Period, except as otherwise provided herein, January 1 and July 1 of each year, and (iii) any redemption date of all of the 1997A Bonds.

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

"Liquidity Guaranty Agreement" means the Liquidity Guaranty Agreement dated as of December 1, 1993 by and between AIG-FP and the City.

"Moody's" means Moody's Investors Service 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 Standard & Poor's) as may be designated in writing by the City and approved in writing by the Insurer.

"Maximum Rate" means (a) as to the Fixed Interest Rate and the Weekly Interest Rate, the lesser of (i) 12% per annum (or such higher rate not to exceed 25%, as may be established by a certificate of the Finance Director, with the consent of the Insurer, and in the event that a Standby Agreement is provided to the Tender Agent providing for sufficient coverage as to interest evidenced and represented by the 1997A Bonds to provide for an "Aaa\VMIG-1" rating verified in writing by Moody's and an "AAA/A1" rating verified in writing by Standard & Poor's) and (ii) the maximum interest rate allowed by law, and (b) as to the Purchased Bonds Rate, the lesser of (i) 25% per annum and (ii) the maximum interest rate allowed by law.

"1987 Bonds" means the City of Charlotte, North Carolina Airport Revenue Bonds dated April 1, 1987, \$73,030,000 of the principal amount of which remains outstanding at the date of this Series Resolution.

"1993A Bonds" means the City of Charlotte, North Carolina, Variable Rate Airport Refunding Revenue Bonds dated

July 1, 1993, \$107,900,000 of the principal amount of which remains outstanding at the date of this Series Resolution.

"1997A Bonds" means the City of Charlotte, North Carolina, Variable Rate Airport Refunding Revenue Bonds, Series 1997A issued pursuant to the Bond Order and this Series Resolution.

"Parent" means American International Group, Inc.

"Parent Guaranty" means the Guaranty by the Parent of the obligations of (i) the Standby Purchaser if AIG-FP or an affiliate is the Standby Purchaser under the Standby Agreement and (ii) AIG-FP under the Liquidity Guaranty Agreement.

"Paying Agent" means NationsBank of North Carolina, National Association, in Charlotte, North Carolina (provided, that while the book-entry system described in Section 205 hereof is in effect, the Trustee shall be the Paying Agent hereunder), or any successor or successors thereto appointed pursuant to the Bond Order or this Series Resolution.

"Purchase Account" means the account in the Purchase and Remarketing Fund so designated and established in Section 607 of this Series Resolution.

"Purchase and Remarketing Fund" means the City of Charlotte, North Carolina Variable Rate Airport Refunding Revenue Bonds, Series 1997A Purchase and Remarketing Fund so designated and established in Section 607 of this Series Resolution.

"Purchase Contract" means the Purchase Contract among the Local Government Commission, the City and the Purchasers, providing for the initial purchase of the 1997A Bonds.

"Purchased Bonds" means 1997A Bonds purchased by the Standby Purchaser for so long as such 1997A Bonds are subject to the Purchased Bonds Rate.

"Purchased Bonds Rate" at any date of determination, has the meaning ascribed thereto in the Standby Agreement in effect on such date, but shall in no event exceed the Maximum Rate.

"Purchasers" means the investment banking firm of Smith Barney Shearson Inc., as Representative, and any other investment banking firms or underwriters that may be named in accordance with the Purchase Contract.

"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 the

Debt Service Reserve Fund in lieu of or in partial substitution for monies on deposit therein, the issuer of which is rated in the highest rating category by A.M. Best & Co., Standard & Poor's or Moody's and approved by the Insurer.

"Qualified Swap" means (i) the Swap Agreement and (ii) any other financial arrangement which, in connection with the 1997A Bonds, has been approved in writing by the Insurer (A) that is entered into by the City with an entity that is a Qualified Swap Provider at the time the arrangement is entered into; (B) which provides that the City shall pay to such entity an amount based on the interest accruing at a fixed rate on an amount equal to the designated principal amount of 1997A Bonds Outstanding as described therein, and that such entity shall pay to the City an amount based on the interest accruing on such principal amount at a variable rate of interest computed according to a formula set forth in such arrangement (which need not be the same as the actual rate of interest borne by such 1997A Bonds) or that one shall pay to the other any net amount due under such arrangement; and (C) which has been designated in writing to the Trustee by the City as a Qualified Swap with respect to such 1997A Bonds.

"Qualified Swap Provider" means (i) with respect to the Qualified Swap referred to in clause (i) of the definition of Qualified Swap, AIG-FP, and (ii) with respect to a Qualified Swap referred to in clause (ii) of such definition, a financial institution whose senior long term debt obligations, or whose obligations under a Qualified Swap are guaranteed by a financial institution whose senior long term debt obligations, are rated (at the time the subject Qualified Swap is entered into) at least A3, in the case of Moody's and A-, in the case of Standard & Poor's, or the equivalent thereto in the case of any successor thereto, and which is approved in writing by the Insurer.

"Rating Agency" means Moody's or Standard & Poor's. Except as otherwise provided herein, if more than one Rating Agency maintains a credit rating with respect to the 1997A 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.

"Refunded Bonds" means the 1987 Bonds to be refunded, paid and discharged as herein provided.

"Refunding" or the "Refunding Project" means the undertaking to refund, pay and discharge the Refunded Bonds as described in Section 204 hereof.

"Refunding Agent" means NationsBank of North Carolina, National Association.

"Refunding Deposit Agreement" means the contract designated as the "City of Charlotte Airport Revenue Bonds, Series 1987, Refunding Deposit Agreement," dated as of December 1, 1993 between the City and the Refunding Agent.

"Refunding Fund" means the special and separate account designated as the "City of Charlotte, North Carolina Airport Revenue Bonds, Series 1987, Refunding Fund," created in Section 701(a) hereof, and required to be accumulated and maintained by the City under the Refunding Deposit Agreement.

"Regular Record Date" means, with respect to each Interest Payment Date, (i) except during the Fixed Interest Rate Period, the Business Day immediately preceding the Interest Payment Date, and (ii) during the Fixed Interest Rate Period, the 15th day of the calendar month immediately preceding the Interest Payment Date whether or not a Business Day.

"Remarketing Agent" means Smith Barney Shearson Inc., or any successor appointed pursuant to Article VIII of this Series Resolution.

"Remarketing Agreement" means, initially, the Remarketing Agreement, dated as of December 1, 1993, 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, approved in writing by any Insurer and the Qualified Swap Provider, and any amendments and supplements thereto approved in writing by the Insurer and the Qualified Swap Provider, in each case in accordance with the Qualified Swap.

"Remarketing Proceeds Account" means the account in the Purchase and Remarketing Fund so designated and established in Section 607 of this Series Resolution.

"Reserve Requirement" means the lesser of (i) 10% of the issuance price of the 1997A Bonds, (ii) the maximum amount required to pay principal and interest on the 1997A Bonds for any current or succeeding Fiscal Year or (iii) 125% of the average annual principal and interest requirements on the 1997A Bonds. Such calculations shall be made using the Swap Fixed Rate as an interest rate.

"Series 1997A Subaccount of the Revenue Bond Interest Account" means the subaccount created and so designated by Section 401.

"Series 1997A Subaccount of the Revenue Bond Principal Account" means the subaccount created and so designated by Section 401.

"Series 1997A Subaccount of the Revenue Bond Redemption Account" means the subaccount created and so designated by Section 401.

"Series 1997A Subaccount of the Revenue Bond Reserve Account" means the subaccount created and so designated by Section 401.

"Series 1997A Subaccount of the Revenue Bond Sinking Fund Account" means the subaccount created and so designated by Section 401.

"Sinking Fund Requirement" means the principal amount of 1997A Bonds to be retired by mandatory redemption pursuant to section 302(c) of this Series Resolution as specified by the Finance Director of the City in his certificate delivered pursuant to Section 204(d) of this Series Resolution.

If during any 12-month period ended June 30 the total principal amount of 1997A Bonds retired by purchase or redemption under the provisions of this Series Resolution shall be greater than the amount of the Sinking Fund Requirement for such 1997A Bonds, the next succeeding Sinking Fund Requirements for such 1997A Bonds shall be reduced in such amount aggregating the amount of such excess.

"Standard & Poor's" means Standard & Poor's Corporation 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) as may be designated in writing by the City and approved in writing by any bond insurer insuring payment of principal of and interest on such Bonds.

"Standby Agreement" means, initially, a Standby Bond Purchase Agreement in substantially the form of Exhibit A to the Liquidity Guaranty Agreement as the same may be amended or supplemented from time to time, together with all renewals and extensions thereof in accordance with its terms, and subsequently, any Alternate Standby Agreement.

"Standby Purchaser" means the provider of the Standby Agreement then in effect.

"Swap Agreement" means the Interest Rate Swap Agreement dated as of December 1, 1993 between the City and AIG-FP.

"Swap Fixed Rate" means the Fixed Rate denominated in the Swap Agreement.

"Swap Guaranty" means the Guaranty of the Parent in favor of the City in connection with the obligations of AIG-FP under the Swap Agreement.

"Swap Termination Payment" means an amount payable by the City or a Qualified Swap Provider, in accordance with a Qualified Swap, to compensate the other party to the Qualified Swap for any losses and costs that such other party may incur as a result of the early termination of the obligations, in whole or in part, of the parties under such Qualified Swap. Beginning on the date, if any, that a Swap Termination Payment by the City becomes due and payable, the amount of such Swap Termination Payment shall be taken into account in determining the debt service requirements of the Series of Bonds to which such Qualified Swap relates, except as otherwise specifically provided herein.

"Tender Agent" means NationsBank of North Carolina, National Association or any commercial bank or trust company organized under the laws of any state or any national banking association designated as a tender agent for the 1997A Bonds, and its successor or successors hereafter appointed pursuant to Article VIII of this Series Resolution.

"Tender Notice" means the notice from an owner of a 1997A Bond to the Tender Agent and the Remarketing Agent identifying 1997A Bonds to be purchased on a specified date pursuant to this Series Resolution.

"Weekly Interest Rate" means a variable interest rate on the 1997A Bonds established weekly in accordance with Section 507 of this Series Resolution.

"Weekly Interest Rate Period" means each period during which a Weekly Interest Rate is in effect for the 1997A Bonds.

(b) Construction. This Series Resolution, except where the context by clear implication herein otherwise requires, shall be subject to and construed in the same manner as provided by Section 102 of the Bond Order. All references to time in this Series Resolution or the 1997A Bonds shall be to New York City time.

Section 102. Parties Interested Herein. Except as herein otherwise expressly provided, nothing herein expressed or implied is intended or shall be construed to confer upon or to give to any Person, other than the City, the City Council, the Paying Agent, the Registrar, the Trustee, the Tender Agent, the Refunding Agent, the Insurer, the Purchaser, the Standby Purchaser, the Remarketing Agent, the Qualified Swap Provider and the owners from time to time of the 1997A 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 shall be for the sole and exclusive benefit of the City, the City Council, the Paying Agent, the Registrar, the Trustee, the Tender Agent, the Refunding Agent, the Insurer, the Purchasers, the Standby Purchaser, the Remarketing

Agent, the Qualified Swap Provider and the owners of the 1997A Bonds, except as herein otherwise provided. The Insurer is intended to be a third party beneficiary of the provisions of this Series Resolution.

Section 103. Ratification. All action heretofore taken (not inconsistent with the provisions of this Series Resolution) by the City directed toward the Refunding, toward the sale and delivery of the 1997A 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.

ARTICLE II.

AUTHORIZATION, FORM, ISSUANCE, DELIVERY
AND REGISTRATION OF 1997A BONDS

Section 201. Authorization of Financing and Authorization of 1997A Bonds. The financing of the Refunding Project is hereby authorized. For the purpose of providing funds for the financing of the Refunding Project and other items set forth in Section 204, 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 this Series Resolution, the 1997A Bonds of the City in the amounts and subject to the conditions herein provided.

Section 202. Form of 1997A Bonds Generally. The definitive 1997A Bonds are issuable in fully registered form in Authorized Denominations and shall be appropriately numbered. The definitive 1997A Bonds issued under the provisions of Section 204 shall be substantially in the form hereinafter set forth, with such appropriate variations, omissions and insertions as are permitted or required by this Series Resolution.

Section 203. Details and Form of 1997A Bonds. Interest on any 1997A Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name that 1997A Bond is registered at the close of business on the Regular Record Date for such interest.

NationsBank of North Carolina, National Association, Charlotte, North Carolina, is hereby appointed as Bond Registrar with respect to the 1997A Bonds.

The 1997A Bonds and the Certificate of the Local Government Commission and the Certificate of Authentication of the Bond Registrar to be endorsed on the 1997A Bonds shall be, respectively, substantially in the following forms, with such variations, omissions and insertions as may be determined by the Mayor, City Manager or Finance Director, the execution thereof to constitute their conclusive approval:

[FORM OF BOND].

THIS BOND IS A SPECIAL OBLIGATION OF THE CITY OF CHARLOTTE, NORTH CAROLINA (THE "CITY"). NEITHER THE CREDIT NOR THE TAXING POWER OF THE CITY ARE PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND. THE PRINCIPAL OF AND INTEREST ON THIS BOND IS PAYABLE SOLELY FROM THE REVENUES PLEDGED TO ITS PAYMENT, IS NOT PAYABLE FROM THE GENERAL FUNDS OF THE CITY NOR DOES IT CONSTITUTE A LEGAL OR EQUITABLE PLEDGE, CHARGE, LIEN OR ENCUMBRANCE UPON ANY OF THE PROPERTY, INCOME, RECEIPTS OR REVENUES OF THE CITY.

UNITED STATES OF AMERICA
STATE OF NORTH CAROLINA

CITY OF CHARLOTTE, NORTH CAROLINA
VARIABLE RATE AIRPORT REFUNDING REVENUE BONDS

SERIES 1997A

No. R- _____ \$ _____

Dated Date: _____ 1997

Maturity Date: _____, 20__ CUSIP: _____

REGISTERED OWNER:

PRINCIPAL SUM: _____ DOLLARS

The City of Charlotte, North Carolina (the "City"), for value received, hereby promises to pay to the registered owner, or registered assigns, on the Maturity Date set forth above, but solely from the sources and in the manner hereinbelow referred to, upon presentation and surrender of this bond at the principal corporate trust office of NationsBank of North Carolina, National Association, Charlotte, North Carolina (such bank and any successor thereto being referred to herein as the "Paying Agent"), at the option of the registered owner hereof, the Principal Sum set forth above in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts, unless this bond shall have been previously called for redemption in whole or in part and payment of the redemption price shall have been duly made or provided for, and to pay to the registered owner hereof interest on such Principal Sum as hereinafter provided on January 1, 1998 and on each January 1 and July 1 thereafter until the City's obligation with respect to the payment of such principal or redemption price hereof has been paid or provided for as aforesaid. Such interest shall be payable at the rates determined as herein provided on each Interest Payment

Date for the period commencing on the immediately preceding Interest Accrual Date to which interest has been paid in full and ending on the day immediately preceding such Interest Payment Date. Interest shall be paid to the registered owner hereof whose name appears on the registration books kept by NationsBank of North Carolina, National Association, as registrar (such bank and any successor thereto in such capacity being referred to herein as the "Registrar") as of the close of business on the applicable Regular Record Date or Special Record Date by check or draft mailed to such Registered Owner or in immediately available funds by wire transfer to a designated account in the United States designated to the Paying Agent in writing at least 15 days before the Regular Record Date for such payments, if payable to the Standby Purchaser or the owner of \$1,000,000 or more in aggregate principal amount of the series of bonds of which this bond is one. Notwithstanding the above, Purchased Bonds shall bear interest at the Purchased Bonds Rate, which shall be payable as provided in the below-defined Series Resolution.

Capitalized terms not otherwise defined in this bond shall have the meanings ascribed to such terms in the below-defined Series Resolution.

The record date for any Interest Payment Date (each a "Regular Record Date") shall be the Business Day immediately preceding the Interest Payment Date in question, except that, with respect to Bonds bearing interest at the Fixed Interest Rate, the Regular Record Date shall be the 15th day of the immediately preceding calendar month. If sufficient funds for the payment of interest becoming due on any Interest Payment Date are not on deposit with the Paying Agent on such date, the interest so becoming due shall forthwith cease to be payable to the Owners of the Bonds otherwise entitled thereto as of such date. If sufficient funds thereafter become available for the payment of such overdue interest, NationsBank of North Carolina, National Association, as trustee (such bank and any successor thereto in such capacity being referred to herein as the "Trustee"), shall advise the Paying Agent of such availability and direct the Paying Agent to establish a special interest payment date (any such date being herein referred to as a "Special Interest Payment Date") for the payment of overdue interest and a special record date (which shall be a Business Day) relating thereto (any such date being herein referred to as a "Special Record Date"), and shall mail a notice of each such date to each Owner not more than 15 nor less than 10 days prior to the Special Interest Payment Date. The overdue interest shall be paid on the Special Interest Payment Date to the Owners, as shown on the registration books kept by the Registrar as of the close of business on the Special Record Date.

[Printed Bonds shall contain the following statement:
REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF AND SUCH FURTHER PROVISIONS SHALL

FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH ON THE FRONT SIDE HEREOF.]

This Bond is one of a duly authorized series of revenue bonds of the City, designated "City of Charlotte, North Carolina Variable Rate Airport Refunding Revenue Bonds, Series 1997A" (the "Bonds"), issued pursuant to The State and Local Government Revenue Bond Act, as amended (the "Act"), and a bond order duly adopted by the City Council of the City on November 18, 1985 as amended and supplemented (hereinafter called the "Bond Order" pursuant to which NationsBank of North Carolina, National Association, Charlotte, North Carolina, is serving as Trustee, and a series resolution (the "1997A Series Resolution"), duly adopted by the City Council of the City on November 22, 1993, for the purpose of providing funds, together with any other available funds, for (i) financing the cost of a Refunding Project which consists of refunding, paying and discharging the City's outstanding Airport Revenue Bonds, Series 1987 (the "1987 Bonds"), (ii) funding a debt service reserve fund with respect to the Bonds and (iii) paying certain expenses incurred in connection with the issuance of the Bonds.

The City has previously issued its Variable Rate Airport Refunding Revenue Bonds, Series 1993A (the "1993A Bonds"), under the Bond Order. The Bond Order provides for the issuance from time to time under the conditions, limitations and restrictions therein set forth of additional Bonds secured pari passu as to the pledge of Net Revenues with the Series 1993A Bonds and the Bonds. The Bond Order and the 1997A Series Resolution shall be available for inspection by any owner at all reasonable times at the corporate trust office of the Trustee. By the purchase and acceptance of this Bond, the registered owner hereof accepts and signifies assent to all of the provisions of the Bond Order and 1997A Series Resolution.

The Bond Order provides for the creation of a special fund designated "Charlotte/Douglas International Airport Revenue Bond Fund" (hereinafter called the "Bond Fund"). Pursuant to the 1997A Series Resolution, special accounts have been created within the Bond Fund with respect to the Bonds (the "Series 1997A Accounts"), which Series 1997A Accounts, to the extent provided by the 1997A Series Resolution, are pledged and charged with the payment of the principal of, the interest on and certain other payments, including payments in connection with a Qualified Swap, in connection with the Bonds issued pursuant to the provisions of the 1997A Series Resolution. The 1997A Series Resolution also provides for the deposit to the credit of the Series 1997A Accounts of the Net Revenues, as defined in the Bond Order, to the extent and in the manner provided in the Bond Order and the 1997A Series Resolution.

The Bonds issued under the 1997A Series Resolution are equally and ratably secured by an irrevocable lien on the Net Revenues, pari passu with the lien and pledge in favor of the 1993A Bonds. Subject to certain conditions, Bonds and other obligations of the

City, in addition to the Bonds issued under the 1997A Series Resolution, may be issued and made payable from the Net Revenues of the Airport having a lien thereon subordinate and junior to, or on a parity with, the lien of the Bonds.

Reference is made to the Bond Order, the 1997A Series Resolution and to the Act, and to any and all modifications and amendments thereof, for an additional description of the nature and extent of the security for the Bonds, the accounts, funds or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued, and a statement of rights, duties, immunities and obligations of the City, and other rights, privileges and remedies of the owners of the Bonds.

INTEREST ON BONDS

The Bonds initially will be subject to the Initial Interest Rate Period and thereafter will be subject to Weekly Interest Rate Periods.

CHANGE IN INTEREST RATES. Subject to conditions described in the Bond Order and the 1997A Series Resolution, the City, by written notice delivered to the Standby Purchaser, the Trustee, the Qualified Swap Provider, the Tender Agent, the Insurer and the Remarketing Agent, may elect at any time, with the consent of the Insurer, that the Bonds will be converted to the Fixed Interest Rate. The Trustee shall prepare and the Paying Agent shall mail notice of any Fixed Interest Rate Period to Owners of the Bonds not less than 15 days prior to the proposed effective date of such Fixed Interest Rate Period. Such notice shall state: (i) that the interest rate on the Bonds will be converted, subject to successful remarketing of the Bonds at a Fixed Interest Rate on the effective date of such proposed Fixed Interest Rate Period, to the Fixed Interest Rate; (ii) the effective date of such proposed Fixed Interest Rate Period; (iii) that on the first day of the proposed Fixed Interest Rate Period all Bonds shall be purchased or deemed purchased as provided in the 1997A Series Resolution at a purchase price equal to the principal amount thereof, plus accrued interest, if any; (iv) that the Standby Agreement will not provide for the purchase of the Bonds after such effective date; and (v) the ratings, if any, which will apply to the Bonds at the start of the Fixed Interest Rate Period.

A change to the Fixed Interest Rate Period for the Bonds shall not take place unless there shall have been delivered to the Trustee, the Tender Agent, the Insurer and the Remarketing Agent two Favorable opinions of Bond Counsel, the first to be delivered with the direction specified above and the second to be delivered on the proposed effective date of the Fixed Interest Rate Period; however, all Bonds shall nonetheless be purchased or deemed

purchased at such time but shall continue to be subject to a Weekly Interest Rate.

DETERMINATION OF INTEREST RATES. During each Weekly Interest Rate Period, the Bonds subject to a Weekly Interest Rate shall bear interest at the Weekly Interest Rate and during any Fixed Interest Rate Period, the Bonds shall bear interest at the Fixed Interest Rate.

The interest rate on the Bonds for any Interest Rate Period other than the Initial Interest Rate Period shall be a rate equal to the rate determined by the Remarketing Agent to be the minimum interest rate which, if borne by the Bonds (and in the case of Bonds subject to the Fixed Interest Rate, until the applicable Sinking Fund such specified redemption date), would enable the Remarketing Agent to sell such 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 Interest Rate and the Fixed Interest Rate by the Remarketing Agent shall be conclusive and binding upon the Remarketing Agent, the Trustee, the Standby Purchaser, the Qualified Swap Provider, the City, the Insurer, the Tender Agent and the Owners of the Bonds.

If the Remarketing Agent cannot, or does not, determine a Weekly Interest Rate for any succeeding seven-day period, or if the Weekly Interest Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law or would have an adverse effect upon the exclusion of interest on the Bonds from gross income for federal income tax purposes, the Weekly Interest Rate for such seven-day period shall be the same as the Weekly Interest Rate for the immediately preceding seven-day period if the Weekly Interest Rate for such preceding seven-day period was determined by the Remarketing Agent.

If after two consecutive seven-day periods, the Remarketing Agent cannot, or does not, determine the interest rate for any Weekly Interest Rate Period, or if any interest rate so determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law or would have an adverse effect upon the exclusion of interest on the Bonds from gross income for federal income tax purposes, the interest rate applicable to the Bonds for such period shall be a percentage determined pursuant to the 1997A Series Resolution, until the interest rate for such Interest Rate Period can again be determined and applied.

During the Fixed Interest Rate Period, the Bonds shall bear interest at the Fixed Interest Rate, which shall be determined and announced by the Remarketing Agent on the Business Day selected by it prior to the first day of the Fixed Interest Rate Period.

Interest on the Bonds shall be computed, in the case of the Fixed Interest Rate Period, on the basis of a 360-day year

consisting of twelve 30-day months, and in the case of the Initial Interest Rate Period and the Weekly Interest Rate Period, on the basis of a 365- or 366-day year, as the case may be, and the actual number of days elapsed. The Bonds or the principal portion thereof called for redemption will cease to bear interest after the specified redemption date, provided that notice has been given pursuant to the 1997A Series Resolution and sufficient funds for redemption are on deposit at the place of payment on the redemption date.

WEEKLY INTEREST RATE. The Weekly Interest Rate shall be determined and announced by the Remarketing Agent each Tuesday unless such Tuesday is not a Business Day, in which case such determination and announcement will be made on the next succeeding Business Day. Each Weekly Interest Rate shall apply to the period commencing on Wednesday and ending on the next succeeding Tuesday, unless the last day of the Weekly Interest Rate Period shall be a day other than a Tuesday, in which event the Weekly Interest Rate for such period shall apply to the period commencing on the Wednesday preceding the last day of such period and ending on such last day.

REDEMPTION OF BONDS

OPTIONAL REDEMPTION. The Bonds of a particular Interest Rate Period are subject to redemption prior to maturity, at the option of the City:

(i) in the case of the Bonds which then bear a Weekly Interest Rate, during any Weekly Interest Rate Period on any Business Day as a whole or in part (but, if in part, in Authorized Denominations), at the redemption price of 100% of the unpaid principal amount of the Bonds to be redeemed plus accrued interest, if any; and

(ii) in the case of the Bonds which then bear interest at the Fixed Interest Rate, during the Fixed Interest Rate Period, on any Business Day, as a whole or in part (but if in part, in Authorized Denominations) at such redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed) set forth in the following table:

<u>Length of Fixed Interest Rate Period from initial day of Fixed Interest Rate Period to July 1, 2017 (expressed in years)</u>	<u>Redemption Price</u>
Greater than 10	After 10 years from the initial day of Fixed Interest Rate Period 101 1/2%; declining by 3/4 of 1% annually thereafter to 100%
Less than or equal to 10	Not Redeemable

NET PROCEEDS REDEMPTION. The Bonds are subject to redemption 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, upon instructions from the City, from the Net Proceeds of insurance or Eminent Domain which are deposited in the Series 1997A Subaccount of the Revenue Bond Redemption Account as provided in the Bond Order.

OPTIONAL REDEMPTION OF PURCHASED BONDS. The Bonds which are Purchased Bonds under the Standby Agreement are subject to optional redemption at the direction of the City, with the written consent of the Insurer, in whole on any date at a redemption price of 100% of the principal amount thereof, together with interest accrued thereon to the date fixed for redemption.

MANDATORY SINKING FUND REDEMPTION. The Bonds are subject to mandatory redemption in the amounts necessary to satisfy the Sinking Fund Requirement therefor as provided in the Bond Order and the 1997A Series Resolution.

NOTICE OF REDEMPTION. Notice of redemption is to be given by the City causing a notice of redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, at least 30 days and not more than 45 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the records of the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest, all as provided in the Bond Order and 1997A Series Resolution.

SELECTION OF BONDS TO BE REDEEMED. In the event of redemption of less than all the Bonds when the book-entry system is not in effect, the Trustee shall select the particular Bonds or portions thereof of any maturity to be redeemed by lot or in such manner as the Trustee shall in its discretion deem fair and equitable; provided, however, the portion of such Bonds to be redeemed shall be in Authorized Denominations. If a book-entry system is not in effect, new bonds representing the unredeemed balance of the principal amount of any such Bond shall be issued to the Owner thereof, without charge therefor. Any new Bond or Bonds issued in accordance with this paragraph shall be in any Authorized Denominations in an aggregate unpaid principal amount equal to the unredeemed portion of the Bond surrendered.

TENDER OF BONDS

RIGHT OF OWNERS TO DEMAND PURCHASE OF BONDS. Unless there shall have occurred and be continuing an Event of Default as described in the Bond Order or the 1997A Series Resolution, the Bonds shall be purchased upon demand of the Owners thereof prior to their maturity as provided in this section and in the Bond Order and 1997A Series Resolution.

During any Weekly Interest Rate Period, any Bond or portion thereof (provided that the principal amount of such Bond to be purchased and the principal amount to be retained shall each be an Authorized Denomination for Bonds subject to a Weekly Interest Rate) then bearing interest at a Weekly Interest Rate shall be purchased or deemed purchased on the date specified in the notice referred to below on any Business Day at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase, upon delivery by the Owner of such Bond to the Tender Agent at its principal office, of an irrevocable written notice, which states the name of the Owner thereof, the certificate number, the principal amount of such Bond, the portion thereof to be purchased and the date on which the same shall be purchased, which date shall be a Business Day at least seven days after the date of the delivery of such notice to the Tender Agent. Payment of the purchase price of such Bond shall be made by 3:00 p.m. (New York City time) on the Business Day specified in the notice upon delivery of such Bond to the Tender Agent at its principal office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the owner thereof with the signature of such owner guaranteed by a bank, trust company or member firm of the New York Stock Exchange, at or prior to 10:00 a.m. (New York City time) on the Business Day specified in such notice.

During any Weekly Interest Rate Period for which the book-entry system described in the Bond Order or 1997A Series Resolution with respect to the Bonds is in effect, any Bond or portion thereof (provided that the principal amount of such Bond to be purchased and the principal amount to be retained shall each be an Authorized Denomination for Bonds subject to a Weekly Interest Rate) shall be purchased or deemed purchased as provided below 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, upon delivery on any Business Day by the Direct Participant for such Bond to the Tender Agent at its principal office, of an irrevocable written notice, executed by the Direct Participant and stating the principal amount of such Bond, the portion thereof to be purchased and the date on which the same shall be purchased, which date shall be a Business Day at least seven days after the date of the delivery of such notice to the Tender Agent. Upon confirmation by The Depository Trust Company ("DTC") to the Tender Agent that such Direct Participant referred to in the preceding sentence has an ownership interest in the Bonds

at least equal to the amount of Bonds specified in such irrevocable written notice, payment of the purchase price of such Bond shall be made by 10:00 a.m. (New York City time) on the Business Day specified in the notice, or as soon as possible thereafter upon the receipt of remarketing proceeds as described below or receipt by the Tender Agent of the proceeds of any drawing on the Standby Agreement by the Trustee, upon the transfer, on the registration books of DTC, of the beneficial ownership interests in such Bonds tendered for purchase to the account of the Tender Agent, or a Direct Participant acting on behalf of such Tender Agent, at or prior to 10:00 a.m. (New York City time) on the Business Day specified in such notice.

MANDATORY TENDER FOR PURCHASE. The Bonds shall be tendered for purchase at the principal amount thereof on the following conditions:

(a) On the first day of the Fixed Interest Rate Period, each Bond shall be purchased or deemed purchased as provided in the Bond Order and 1997A Series Resolution at a purchase price equal to the principal amount thereof plus accrued interest, if any. Payment of the purchase price of such Bond shall be made by 3:00 p.m. (New York City time) on such first day of the Fixed Interest Rate Period upon delivery of such Bond to the Tender Agent at or prior to 10:00 a.m. (New York City Time) on such first day of the Fixed Interest Rate Period at its principal office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof with the signature of such Owner guaranteed by a bank, trust company or member firm of the New York Stock Exchange.

(b) If at any time the Trustee shall give notice in accordance with the 1997A Series Resolution that the Bond then subject to purchase under the Standby Agreement shall on the date specified in such notice cease to be subject to purchase under the Standby Agreement as a result of the termination or expiration of the term of the Standby Agreement (other than on and after the effective date of the Fixed Interest Rate Period) then, if the Standby Agreement shall not have been renewed or replaced by an Alternate Standby Agreement issued and delivered in accordance with the Bond Order and 1997A Series Resolution at least 30 days prior to such termination or expiration, on the fifth Business Day next preceding any termination or expiration of the Standby Agreement, each such Bond shall be purchased or deemed purchased as provided in the Series Resolution, at a purchase price equal to the principal amount thereof plus accrued interest, if any. Payment of the purchase price of such Bond shall be made by 3:00 p.m. (New York City time) on such Business Day upon delivery of such Bond to the Tender Agent at its principal office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof with

the signature of such Owner guaranteed by a bank, trust company or member firm of the New York Stock Exchange, at or prior to 10:00 a.m. (New York City time) on the fifth Business Day next preceding such expiration or termination of the Standby Agreement.

(c) At any time and upon the written notice by the Standby Purchaser to the Trustee of the occurrence of certain "events of default" under the Standby Agreement or an Alternative Standby Agreement, on any Business Day specified by the Standby Purchaser that is not more than seven days after the date of receipt by the Trustee of the written notice sent by the Standby Purchaser (the "Standby Purchase Date"), all the Bonds shall be purchased or deemed purchased as provided in the 1997A Series Resolution, and that owners of Bonds shall have no right to retain their Bonds after such date. On the Standby Purchase Date, all Bonds shall be tendered or deemed tendered by the owners of the Bonds to the Tender Agent for purchase at a purchase price equal to the principal amount thereof plus accrued interest, if any. On the Standby Purchase Date, the Trustee shall draw on the Standby Agreement to obtain funds to pay such purchase price of the Bonds. Payment of the purchase price of such Bonds shall be made by 3:00 p.m. (New York City time) on such Business Day upon delivery of such Bonds to the Tender Agent at its principal office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof with the signature of such Owner guaranteed by a bank, trust company or member firm of the New York Stock Exchange, at or prior to 10:00 a.m. (New York City time) on the Standby Purchase Date.

(d) If in connection with the replacement of the Standby Agreement with an Alternate Standby Agreement, certain opinions of counsel referred to in the Bond Order and 1997A Series Resolution shall not be delivered, then on the fifth Business Day next preceding the termination or expiration of the Standby Agreement, the Bonds shall be purchased or deemed purchased as provided in the Bond Order and 1997A Series Resolution, 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.

With respect to any Bonds or portions thereof then subject to a Weekly Interest Rate required to be purchased upon demand of the Owner thereof and any Bonds or portions thereof required to be tendered for purchase 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 in the 1997A Series Resolution, such Bonds or portions thereof shall be deemed to have been purchased, for all purposes of the 1997A Series Resolution, irrespective of whether or not such

Bonds shall have been presented to the Tender Agent, and the former Owner or Owners of such Bonds shall have no claim thereon, under the 1997A Series Resolution or otherwise for any amount other than the purchase price thereof, and such Bonds or portions thereof shall no longer be deemed to be outstanding for purposes of the 1997A Series Resolution.

The Bonds tendered or deemed tendered for purchase under the Bond Order or 1997A Series Resolution shall be purchased, but only from amounts available to the City from (i) proceeds of the remarketing of such Bonds furnished to the Tender Agent by the Remarketing Agent for deposit into the Remarketing Proceeds Account, (ii) moneys furnished to the Tender Agent for deposit in the Purchase Account representing the proceeds of a drawing under the Standby Agreement, and (iii) any other moneys available to the Tender Agent for such purpose.

The Bonds are issuable in the form of fully registered Bonds in Authorized Denominations. For the purposes of this Bond, the term "Authorized Denominations" shall mean with respect to any Bonds during the Fixed Interest Rate Period, \$5,000 or any integral multiple thereof and, with respect to any Bonds during an Interest Rate Period other than the Fixed Interest Rate Period, \$100,000 and multiples of \$5,000 in excess of \$100,000.

Except as otherwise provided in the Bond Order or 1997A Series Resolution, the Registrar will not be required to transfer or exchange (i) any Bond during a period beginning at the opening of business 15 days before the day of the mailing by the Registrar of a notice of prior redemption of Bonds and ending at the close of business on the day of such mailing, or (ii) any Bond after the selection of such Bond, or portion thereof, for redemption. Except as otherwise provided in the Bond Order or the 1997A Series Resolution, any such transfer or exchange of any Bond, except a transfer to the Insurer, is subject to the payment of a charge sufficient to reimburse the City and the Registrar for any tax or other governmental charge to be paid by them in connection therewith.

[BONDS ISSUED PURSUANT TO A BOOK-ENTRY SYSTEM SHALL CONTAIN THE FOLLOWING PARAGRAPH:] The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Bond Order. One Bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of DTC, is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in Authorized Denominations, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The City and the Bond Registrar will recognize Cede & Co., as nominee of DTC, while the registered Owner

of the Bonds, as the Owner of the Bond for all purposes, including payment of principal, interest and any redemption premium, notices and voting. Transfer of principal, interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. So long as the book-entry system is in effect, the selection of 1997A Bonds to be redeemed will be determined by DTC pursuant to rules and procedures established by DTC and its participants. The City will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In certain events, the City will be authorized to deliver replacement Bonds in the form of fully-registered certificates in Authorized Denominations in exchange for the outstanding Bonds as provided in the Bond Order.

At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Bond Order and the 1997A Series Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate.

The Bond Registrar shall keep at its office the books of the City for the registration of transfer of Bonds. The transfer of this Bond may be registered only upon such books and as otherwise provided in the Bond Order upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of Authorized Denominations, in an aggregate principal amount equal to the unredeemed principal amount of this Bond, of the same maturity and bearing interest at the same rate.

The registered owner of this Bond shall have no right to enforce the provisions of the Bond Order or the 1997A Series Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Bond Order or the 1997A Series Resolution, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Bond Order or the 1997A Series Resolution.

Modifications or alterations of the Bond Order and the 1997A Series Resolution or any bond order or series resolution supplemental thereto may be made only to the extent and in the circumstances permitted by the Bond Order or the 1997A Series Resolution, as the case may be.

This Bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Bond Order and the 1997A Series Resolution, at all times shall be, and shall be understood to be, an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of North Carolina. This Bond is issued with the intent that the laws of the State of North Carolina shall govern its construction.

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

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Order, or the 1997A Series Resolution until it shall have 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 Bond to be executed by the manual or facsimile signatures of the Mayor and the City Clerk of said City, and its official seal or a facsimile thereof to be printed hereon and this Bond to be dated the date set forth above.

CITY OF CHARLOTTE, NORTH CAROLINA

By [MANUAL OR FACSIMILE SIGNATURE]
Mayor

[FACSIMILE OR IMPRESSION OF OFFICIAL SEAL]

[MANUAL OR FACSIMILE SIGNATURE]
City Clerk

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within bond has been approved under the provisions of The State and Local Government Revenue Bond Act of North Carolina.

LOCAL GOVERNMENT COMMISSION
OF NORTH CAROLINA

[MANUAL OR FACSIMILE SIGNATURE]
Secretary

[MANUAL OR FACSIMILE SIGNATURE]
Designated Assistant

CERTIFICATE OF AUTHENTICATION

Date of authentication:

This Bond is a Bond of the Series designated therein and issued under the provisions of the within-mentioned Bond Order and 1997A Series Resolution.

NationsBank of North Carolina,
National Association, Bond Registrar

By: _____
Authorized Signatory

STATEMENT OF INSURANCE

[If the Bonds are Subject to a Bond Insurance Policy]

The Municipal Bond Investors Assurance Corporation (the "Insurer") has issued a policy containing the following provisions, such policy being on file at NationsBank of North Carolina, National Association, Charlotte, North Carolina.

The Insurer, in consideration of the payment of the premium and subject to the terms of such policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to NationsBank of North Carolina, National Association, Charlotte, North Carolina or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

§ _____
City of Charlotte, North Carolina
Variable Rate Airport Refunding Revenue Bonds
Series 1997A

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment of within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with Citibank, N.A., in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to Citibank, N.A., Citibank, N.A. shall disburse to such owners or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. The policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used in this Statement of Insurance, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504.

The policy is non-cancellable for any reason. The premium on the policy is not refundable for any reason including the payment prior to maturity of the Obligations.

MUNICIPAL BOND INVESTORS
ASSURANCE CORPORATION

[FORM OF ASSIGNMENT]

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

[Please Print or Typewrite Name and Address of Transferee] 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: _____

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

Signature Guaranteed:

By _____

NOTICE: Signature(s) must be guaranteed by a bank, trust company or member firm of the New York Stock Exchange.

Section 204. Authorization of 1997A Bonds. There shall be issued under and secured by this Series Resolution not earlier than April 1, 1997 or later than July 1, 1997, the 1997A Bonds of the City in an aggregate principal amount not in excess of \$72,000,000, or such other lesser amount as may be determined by the Finance Director for the purpose of providing funds, together with other available funds, for (i) financing the cost of a Refunding Project which consists of refunding, paying and discharging the City's outstanding Airport Revenue Bonds, Series 1987 (maturing July 1, 1998 through July 1, 2017), (ii) funding a debt service reserve fund with respect to the 1997A Bonds, and (iii) paying of certain expenses incurred in connection with the issuance of the 1997A Bonds. The 1997A Bonds shall be designated "City of Charlotte, North Carolina, Variable Rate Airport Refunding Revenue Bonds, Series 1997A," shall be dated as of their date of delivery, shall be in such aggregate principal amount and shall bear interest semiannually on January 1 and July 1 of the year, commencing January 1, 1998 at the rates provided herein and shall mature (subject to prior redemption as hereinafter set forth) on July 1, 2017.

The 1997A Bonds shall be in Authorized Denominations and executed substantially in the form and in the manner herein set forth and shall be deposited with the Bond Registrar for authentication, but before the 1997A Bonds shall be authenticated and delivered by the Bond Registrar to the Treasurer of the State for redelivery to the Purchaser, there shall be filed with the Trustee the following:

(a) a copy, certified by the City Clerk, of this Series Resolution;

(b) 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 1997A Bonds;

(c) a copy, certified by the City Clerk, of the Bond Order;

(d) a certificate or certificates of the Finance Director collectively setting forth the following:

(i) the aggregate principal amount of 1997A Bonds to be issued, not in excess of the maximum amount previously established in this Section 204;

(ii) the Initial Interest Rate for the 1997A Bonds, such interest rate not to be in excess of the Maximum Rate;

(iii) the amount of the Reserve Requirement which is required to be deposited to the Series 1997A Subaccount of the Revenue Bond Reserve Account;

(iv) the disposition of the proceeds of the 1997A Bonds, including accrued interest, to the Series 1997A Subaccount of the Revenue Bond Interest Account, the Series 1997A Subaccount of the Revenue Bond Reserve Account and to pay certain expenses incurred in connection with the issuance of the 1997A Bonds; and

(v) the designation of and the Sinking Fund Requirements for the 1997A Bonds;

(e) 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;

(f) evidence of compliance by the City with the provisions of Section 717 of the Bond Order;

(g) 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;

(h) an opinion of the City Attorney stating that (i) this Series Resolution has been duly and validly adopted by the City, (ii) no provision of the Bond Order or this 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 this Series Resolution and execution and issuance of the 1997A 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 1997A Bonds have been duly and validly authorized by the City, and the 1997A Bonds constitute valid and binding special obligations of the City in accordance with their terms;

(i) a duly executed copy of the Swap Agreement;

(j) a duly executed copy of the Swap Guaranty;

(k) a duly executed copy of the Liquidity Guaranty Agreement and the Standby Agreement;

(l) a duly executed copy of the Parent Guaranty;

- (m) a duly executed copy of the Remarketing Agreement;
- (n) a duly executed copy of the Refunding Deposit Agreement;
- (o) a copy of the analysis of the refunding prepared by the Airport Consultant as required by Section 717 of the Bond Order;
- (p) an executed counterpart of the Bond Insurance Policy;
- (q) an opinion of counsel to the Insurer to the effect that the Bond Insurance Policy has been duly authorized, executed and delivered and is the legal, valid and binding agreement of the Insurer enforceable in accordance with its terms;
- (r) an opinion of counsel to AIG-FP to the effect that the Liquidity Agreement and Standby Agreement have been duly authorized, executed and delivered and constitute the legal, valid and binding agreements of the parties thereto (other than the City) enforceable in accordance with their terms;
- (s) an opinion of counsel to the Remarketing Agent to the effect that the Remarketing Agreement has been duly authorized, executed and delivered and is the legal, valid and binding agreement of the Remarketing Agent enforceable in accordance with its terms;
- (t) an opinion of counsel to AIG-FP to the effect that the Swap Agreement has been duly authorized, executed and delivered and is the legal, valid and binding agreement of AIG-FP enforceable in accordance with its terms;
- (u) opinions of counsel to the parent that the Swap Guaranty and Parent Guaranty have been duly authorized, executed and delivered and constitute the legal, valid and binding obligation of the Parent enforceable in accordance with their terms.

When the documents mentioned in paragraphs (a) to (u), inclusive, of this Section shall have been filed with the Trustee and when the 1997A Bonds shall have been executed and authenticated as required by this Series Resolution, the Trustee shall deliver the 1997A Bonds at one time to the Treasurer of the State of North Carolina for redelivery to or upon the order of the Purchaser, but only upon payment to the Trustee of the purchase price of the 1997A Bonds and the accrued interest thereon. The Trustee shall be entitled to rely upon the resolutions and certificates mentioned in paragraphs (a) through (d) of this Section as to all matters stated therein.

Section 205. Book-Entry System. Notwithstanding anything contained in the Bond Order or herein to the contrary, the 1997A Bonds may be issued by means of book-entry system with no physical distribution of Bond Certificates to be made except as hereinafter provided. If a book-entry system is to be used, one Bond Certificate with respect to each date on which the 1997A Bonds are stated to mature, in the aggregate principal amount of the 1997A Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of DTC, will be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the 1997A Bonds in the Authorized Denominations, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The City and the Bond Registrar will recognize Cede & Co., as the nominee of DTC, while the registered Owner of the Bonds, as the owner of the Bonds for all purposes, including payment of principal, interest and any redemption premium, notices and voting. Transfer of principal, interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal interest and any redemption premium payments to beneficial owner of the 1997A Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. So long as the book-entry system is in effect, the selection of Bonds to be redeemed will be determined by DTC pursuant to rules and procedures established by DTC and its participants. The City and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the 1997A Bonds and is not replaced or (b) the Finance Director determines that continuation of the book-entry system as evidence and transfer of ownership of the 1997A Bonds would adversely affect the interests of the beneficial owners of the 1997A Bonds, the City will discontinue the book-entry system with DTC. If the City identifies another qualified securities depository to replace DTC, the City will make arrangements with DTC and such other depository to effect such replacement and deliver replacement 1997A Bonds registered in the name of such other depository or its nominee in exchange for the Outstanding 1997A Bonds, and the references to DTC or Cede & Co. in this Order shall thereupon be deemed to mean such other depository or its nominee. If the City fails to identify another qualified securities depository to replace DTC, the City will deliver replacement 1997A Bonds in the form of fully-registered certificates in Authorized Denominations ("Certificated Bonds") in exchange for the Outstanding 1997A Bonds as required by DTC and others. Upon the request of DTC, the City may also deliver one or more Certificated Bonds to any participant of DTC in exchange for 1997A Bonds credited to its account with DTC. The City and the Bond Registrar

ARTICLE III.

REDEMPTION OF THE 1997A BONDS

Section 301. Privilege of Redemption and Redemption Prices.
The 1997A Bonds shall be redeemable, upon notice as provided below, at the times, at the Redemption Prices and upon the terms contained in this Article III and in Article III of the Bond Order.

Section 302. Optional Redemption of 1997A Bonds.

(a) The 1997A Bonds which then bear interest at the Weekly Interest Rate shall be subject to redemption from Available Moneys by the City on any Business Day as a whole or in part (but, if in part, in Authorized Denominations), at the redemption price of 100% of the unpaid principal amount of the 1997A Bonds to be redeemed plus accrued interest, if any. The prior written consent of the Insurer shall be required before any partial redemption of 1997A Bonds pursuant to this Section 302. Payment by the City of any Swap Termination Payment shall also be made on or prior to any such redemption to the extent the obligation to make such Swap Termination Payment arises under the Swap Agreement by virtue of such redemption.

(b) The 1997A Bonds which then bear interest at the Fixed Interest Rate shall be subject to redemption from Available Moneys, by the City on any Business Day as a whole or in part (but, if in part, in Authorized Denominations), at such prices (including accrued interest) (expressed as a percentage of the principal amount of the 1997A Bonds to be redeemed) set forth in the following table:

<u>Length of Fixed Interest Rate Period from initial day of Fixed Interest Rate Period to July 1, 2017 (Expressed in years)</u>	<u>Redemption Price</u>
Greater than 10	After 10 years from the initial day of Fixed Interest Rate Period 101 1/2%; declining by 3/4 of 1% annually thereafter to 100%
Less than or equal to 10	Not Redeemable

(c) The 1997A Bonds are required to be redeemed to the extent of any Sinking Fund Requirement on the July 1 immediately following each Bond Year in which there is a Sinking Fund Requirement from moneys required to be deposited in the Series 1997A Subaccount of the Revenue Bond Sinking

Fund Account, at a Redemption Price equal to the principal amount of the 1997A Bonds being redeemed, without premium, plus accrued interest to the date of redemption.

(d) The 1997A Bonds are subject to redemption 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, upon instructions from the City, from the Net Proceeds of insurance or Eminent Domain which are deposited in the Series 1997A Subaccount of the Revenue Bond Redemption Account as provided in the Bond Order.

(c) The Bonds which are Purchased Bonds under the Standby Agreement are subject to optional redemption at the direction of the City, with the written consent of the Insurer, in whole on any date at a redemption price of 100% of the principal amount thereof, together with interest accrued thereon to the date fixed for redemption.

Section 303. Selection of 1997A Bonds to be Redeemed. The 1997A Bonds shall be redeemed only in Authorized Denominations.

If less than all of the 1997A Bonds of a particular maturity are to be called for redemption, DTC, or, if a book-entry system is no longer used, the Trustee, shall select the 1997A Bonds of such maturity to be redeemed by lot or in such manner as it shall in its discretion deem fair and equitable, provided that any Purchased Bonds outstanding on the date of the redemption notice shall be redeemed first.

Section 304. Redemption Notice. Not more than 45 nor less than 30 days before the redemption date of any 1997A Bonds to be redeemed, whether such redemption be in whole or in part, the City shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the Insurer and the Owners of each 1997A Bond to be redeemed in whole or in part at the Owner's address appearing upon the registration books of the City, provided that such notice to Cede & Co. shall be given by certified or registered mail. Such notice shall also be mailed at least 35 days prior to redemption to (i) registered securities depositories, (ii) two or more nationally recognized municipal called bond services, and (iii) the Local Government Commission. Failure to mail such notice or any defect therein shall not affect the validity of the redemption as regards Owners to whom such notice was given as required hereby. Each such notice shall set forth the date designated for redemption, the redemption price to be paid and the maturities of the 1997A Bonds to be redeemed. In the event that Certificated Bonds are outstanding, each such notice to the Owners thereof shall also set forth, if less than all of the 1997A Bonds of any maturity then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed and, in the case of any 1997A Bond to be redeemed in part only, the portion of the principal amount thereof

to be redeemed. If any 1997A Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such 1997A Bond, a new 1997A Bond or 1997A Bonds in principal amount equal to the unredeemed portion of such 1997A Bond will be issued.

Such notice may also state that such optional redemption is conditioned upon sufficient Available Moneys being on deposit with the Trustee or redemption agent at least five days before the designated redemption date.

Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest, all as provided in the Bond Order and 1997A Series Resolution. Failure to give notice of redemption to any Bondholder shall not affect the validity of proceedings for the redemption of the 1997A Bonds.

ARTICLE IV.

REVENUES, ACCOUNTS AND FUNDS

Section 401. Establishment of Accounts. The following Subaccounts are hereby established:

- (a) Series 1997A Subaccount of the Revenue Bond Interest Account;
- (b) Series 1997A Subaccount of the Revenue Bond Principal Account;
- (c) Series 1997A Subaccount of the Revenue Bond Redemption Account;
- (d) Series 1997A Subaccount of the Revenue Bond Reserve Account; and
- (e) Series 1997A Subaccount of the Revenue Bond Sinking Fund Account.

All subaccounts shall be established with and held by the Trustee pursuant to the Bond Order.

Section 402. Revenues Received by the City. On or before the 25th day of each month beginning July 25, 1997, 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 in the following order:

- (a) into the Series 1997A Subaccount of the Revenue Bond Interest Account an amount in substantially equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to have funds on hand each June 25 and December 25, commencing December 25, 1997, to pay the next maturing installment of interest, on the 1997A Bonds then Outstanding, and to provide for any amounts due and payable by the City to a Qualified Swap Provider under the related Qualified Swap.
- (b) into the Series 1997A Subaccount of the Revenue Bond Sinking Fund Account, one-twelfth (1/12) of the amount required to retire the 1997A 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 making the deposits into the Series 1997A Subaccount of the Revenue Bond Interest Account and so long as the Qualified Swap is in effect and the Qualified Swap provider is not in default thereunder, the City and the Trustee may assume and make deposits

into such subaccount that the 1997A Bonds bear interest at the Swap Fixed Rate.

In each month following a month in which the Trustee shall have failed to make any deposit required by this Section 402, 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 shall have 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 Series Resolution.

In addition, payments made to the City pursuant to a Qualified Swap shall be deposited directly into the Series 1997A Subaccount of the Revenue Bond Interest Account.

Section 403. Application of Money in the Series 1997A Subaccount of the Revenue Bond Sinking Fund Account. Money held in the Series 1997A Subaccount of the Revenue Bond Sinking Fund Account shall be applied during each Fiscal Year to the purchase or retirement of 1997A Bonds then Outstanding as follows:

(a) The Trustee shall, at the request of the City, endeavor to purchase and cancel 1997A Bonds or portions thereof subject to redemption by operation of the Series 1997A 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 1997A Bond shall not exceed par plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such 1997A Bonds to the date of settlement therefore from the Series 1997A Subaccount of the Revenue Bond Interest Account and the purchase price from the Series 1997A Subaccount of the Revenue Bond Sinking Fund Account, but no such purchase shall be made by the Trustee from money in the Series 1997A Subaccount of the Revenue Bond Sinking Fund Account within the period of 45 days immediately preceding any July 1 on which such 1997A Bonds are subject to redemption, except from moneys other than the moneys set aside in the Series 1997A Subaccount of the Revenue Bond Sinking Fund Account for the redemption of 1997A Bonds. The aggregate purchase price of 1997A Bonds during each Fiscal Year shall not exceed the amount to be deposited in the Series 1997A Subaccount of the Revenue Bond Sinking Fund Account on account of the Sinking Fund Requirement for the 1997A Bonds for such Fiscal Year. If in any Fiscal Year the sum of the amount on deposit in the Series 1997A Subaccount of the Revenue Bond Sinking Fund Account for the payment of any 1997A Bonds and the principal amount of the 1997A 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 1997A Bonds for such Fiscal Year, the Trustee

shall endeavor to purchase Outstanding 1997A Bonds with such excess money;

(b) The Trustee shall call for redemption on July 1 in each Fiscal Year 1997A Bonds in a principal amount equal to the aggregate Sinking Fund Requirement for the 1997A Bonds for such Fiscal Year, less the principal amount of any such 1997A 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 1997A Subaccount of the Revenue Bond Sinking Fund Account the amount required to pay the Redemption Price of the 1997A Bonds so called for redemption. The amount of interest on the 1997A Bonds so called for redemption shall be paid from the Series 1997A Subaccount of the Revenue Bond Interest Account. If such date is the stated maturity date of any such 1997A Bonds, the Trustee shall not call such 1997A Bonds for redemption but, on such maturity, shall withdraw the amount required for paying the principal of such 1997A Bonds when due and payable.

If at any date there is money in the Series 1997A Subaccount of the Revenue Bond Sinking Fund Account and no 1997A Bonds are then Outstanding or if on any payment date money remains therein after the mandatory redemption of 1997A Bonds in accordance with the Sinking Fund Requirement therefor, the Trustee shall withdraw such money therefore and shall apply the same as follows: (a) deposit in the Series 1997A 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 1997A Subaccount of the Revenue Bond Sinking Fund Account on the 25th day of the month next preceding a payment date upon which 1997A 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 upon money in the Series 1997A Subaccount of the Revenue Bond Reserve Account.

If, in any Fiscal Year, by the application of money in the Series 1997A Subaccount of the Revenue Bond Sinking Fund Account the Trustee should purchase or receive from the City and cancel 1997A 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 prior to the next August 1 a statement identifying the 1997A 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 prior to 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 1997A Bonds are to be reduced and the amount by which the Sinking Fund Requirements so determined are to be reduced.

Upon the retirement of any 1997A Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the City a statement identifying such 1997A Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such 1997A Bonds, and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such 1997A Bonds shall be paid by the City from the Operating Fund or from any other available moneys.

Section 404. Application of Money in the Series 1997A Revenue Bond Redemption Account. The Trustee shall apply money in the Series 1997A Revenue Bond Redemption Subaccount to the purchase or redemption of 1997A Bonds as follows:

(a) Subject to the provisions of paragraph (c) of this Section, the Trustee shall endeavor to purchase and cancel 1997A Bonds or portions thereof, regardless of whether such 1997A 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 1997A Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Owner of such Bond under the provisions of this Series Resolution if such 1997A Bond or such portion thereof should be called for redemption on such date from the money in the Series 1997A Subaccount of the Revenue Bond Redemption Account. The Trustee shall pay the interest accrued on such 1997A Bonds or portions thereof to the date of settlement from the Series 1997A Subaccount of the Revenue Bond Interest Account and the purchase price from the Series 1997A Subaccount of the Revenue Bond Redemption Account, but no such purchase shall be made by the Trustee from money in the Series 1997A Subaccount of the Revenue Bond Redemption Account within the period of 45 days immediately preceding any Interest Payment Date on which such 1997A Bonds or portions thereof are to be redeemed, except from moneys other than the moneys set aside in the Series 1997A 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 Series Resolution such amount of 1997A Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Series 1997A Subaccount of the Revenue Bond Redemption Account as nearly as may be. The Trustee shall pay the accrued interest on the Bonds or portions thereof to be redeemed to the date of redemption from the Series 1997A Subaccount of the Revenue Bond Interest Account and the Redemption Price of such 1997A

Bonds or portions thereof from the Series 1997A Subaccount of the Revenue Bond Redemption Account. The Trustee shall withdraw from the Series 1997A Subaccount of the Revenue Bond Redemption Account and set aside the respective amounts required to pay the Redemption Price of the 1997A Bonds or portions thereof so called for redemption.

(c) Money in the Series 1997A Subaccount of the Revenue Bond Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of 1997A Bonds then Outstanding in accordance with the Sinking Fund Requirement.

Upon the retirement of any 1997A Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the City a statement identifying such 1997A Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such 1997A Bonds and the amount paid as interest thereon. The expense incurred by the Trustee in connection with the purchase or redemption of any such 1997A Bonds shall be paid by the City from the Operating Fund or from any other available moneys.

Section 405. Investment of Money. Money held for the credit of all subaccounts established hereunder on deposit with the Trustee shall 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 will be required for the purposes intended. No Investment Obligations in any such subaccount may mature beyond the latest maturity date of any 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 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 Series 1997A Subaccounts established pursuant to Section 401 shall be credited to or charged against the Revenue Fund.

Section 406. 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 1997A Bond issued under the provisions of this Series Resolution at the places, on the dates and in the manner provided herein and in said 1997A Bonds, and any premium required for the retirement of said 1997A Bonds by purchase or redemption, according to the true intent and meaning thereof. The City further covenants that it will promptly pay all amounts due and payable to a Qualified Swap Provider under a Qualified Swap, including any Swap Termination Payments, and will

faithfully perform at all times all its covenants, undertakings and agreements contained in this Series Resolution and the Bond Order, or in any 1997A Bond executed, authenticated and delivered hereunder or in any proceedings of the City pertaining thereto. The City represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the 1997A 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 1997A Bonds initially issued hereunder has been duly and effectively taken; and that such 1997A 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 1997A Bonds, the Qualified Swap and the agreements described herein shall not be payable from the general funds of the City, nor shall they constitute a legal or equitable pledge, lien or encumbrance upon any of the properties of the City or upon any of its income, receipts or revenues, except as provided in this Series Resolution and the Bond Order, and neither the credit nor the taxing power of the City are pledged for the payment of the 1997A Bonds or amounts due a Qualified Swap Provider under a Qualified Swap, or the City's obligations to comply with any covenant or agreement under this Series Resolution or any other agreement entered into by the City pursuant to its authority.

Section 407. Obligations Under Qualified Swap. The obligation of the City to make payments under a Qualified Swap (which payments shall constitute Credit Support Payments under the Bond Order) with respect to the 1997A Bonds shall be on a parity with the obligation of the City to make payments of principal of and interest on the 1993A Bonds, the 1997A Bonds and any Additional Bonds issued on a parity with the 1997A Bonds as well as any Credit Support Payments with respect to such obligations. Such obligations under a Qualified Swap shall be secured by a pledge of and a lien on the Net Revenues on a parity with the 1997A Bonds, regardless of the principal amount, if any, of the 1997A Bonds remaining Outstanding, except in the event of payments due to a reduction in the amount of 1997A Bonds initially issued. The Trustee shall take all action consistent with the other provisions hereof as shall be requested in writing by the Qualified Swap Provider necessary to preserve and protect such pledge, lien and assignment and to enforce the obligations of the City with respect thereto. In the event the action requested to be taken pursuant to the preceding sentence shall require the Trustee either to exercise the remedies granted in the Bond Order or this Series Resolution or to institute any action, suit or proceeding in its own name, the Qualified Swap Provider shall provide to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred in connection therewith.

Section 408. Series 1997A Subaccount of the Revenue Bond Reserve Account. Upon refunding the 1987 Bonds, those funds held in the 1987 Subaccount of the Revenue Bond Reserve Account will be transferred to the Series 1997A Subaccount of the Revenue Bond Reserve Account up to the Reserve Requirement and the balance will be transferred to the 1997A Bonds Issuance Expense Fund (as defined herein) and used to pay or reimburse the City for the cost of the Refunding.

ARTICLE V.

INTEREST RATES ON THE 1997A BONDS

Section 501. Initial Interest Rate; Subsequent Rates.

(a) Initially, the 1997A Bonds shall be subject to an Initial Interest Rate Period. Commencing on the day next succeeding the end of such Initial Interest Rate Period, the 1997A Bonds shall be subject to a Weekly Interest Rate Period. Notwithstanding anything contained herein to the contrary, a Favorable Opinion of Bond Counsel shall not be necessary in order for such Weekly Interest Rate Period to take effect upon the day next succeeding the end of such Initial Interest Rate Period, nor shall the 1997A Bonds be subject to mandatory tender for purchase on such day.

(b) The interest rates contained in the records of the Trustee shall be conclusive and binding, absent manifest error, upon the City, the Remarketing Agent, the Paying Agent, the Trustee, the Qualified Swap Provider, the Standby Purchaser, the Insurer and the Owners of the 1997A Bonds.

(c) Notwithstanding anything contained herein to the contrary, in no event shall the rate of interest on any 1997A Bond exceed at any time the Maximum Rate.

(d) Notwithstanding anything contained herein to the contrary, in no event shall the Owner of any 1997A Bond be entitled to receive any payment with respect to any 1997A Bond in excess of the amount permitted by any applicable usury or similar law.

Section 502. Computation of Interest on 1997A Bonds. Interest on the 1997A Bonds shall be computed, in the case of the Fixed Interest Rate Period, on the basis of a 360-day year consisting of twelve 30-day months, and in the case of the Initial Interest Rate Period and a Weekly Interest Rate Period, on the basis of a 365- or 366-day year, as the case may be, and the actual number of days elapsed. The 1997A Bonds or the principal portion thereof called for redemption will cease to bear interest after the specified redemption date, provided that notice has been given pursuant to Section 303 hereof and sufficient funds for redemption are on deposit at the place of payment on the redemption date.

Section 503. Change to the Fixed Interest Rate Period.

(a) Subject to the conditions described in paragraph (b) below and in Sections 505 and 603 hereof, by written notice delivered to the Trustee, the Qualified Swap Provider, the Standby Purchaser, the Tender Agent, the Insurer and the Remarketing Agent, the City may elect at any time, with the

consent of the Insurer, that the 1997A Bonds Outstanding will be converted to the Fixed Interest Rate.

(b) Such notice (i) shall specify the effective date of the Fixed Interest Rate Period (which shall be (A) a Business Day not less than 22 days following the date of receipt by the Trustee of such direction, and (B) a day on which the 1997A Bonds would be permitted to be redeemed at the option of the City pursuant to Section 302(a) hereof); (ii) shall specify that the 1997A Bonds will bear interest at the Fixed Interest Rate during the Fixed Interest Rate Period; (iii) shall state that on the first day of the Fixed Interest Rate Period all 1997A Bonds shall be purchased or deemed purchased as provided in Section 602 hereof, at a purchase price equal to the principal amount thereof, plus accrued interest, if any; (iv) shall state that the Standby Agreement will not provide for the purchase of 1997A Bonds after such effective date; and (v) shall state the ratings, if any, which will apply to the 1997A Bonds at the start of the Fixed Interest Rate Period. The Paying Agent shall make an appropriate notation on 1997A Bonds authenticated and delivered by it which shall specify the Interest Rate Period to which such 1997A Bonds are subject after conversion to the Fixed Interest Rate Period pursuant to this Section 503.

(c) If the Remarketing Agent has not sold or remarketed all of the 1997A Bonds by 4:30 p.m. on the day preceding the proposed conversion date, the Remarketing Agent shall so notify the City, the Trustee, the Tender Agent, the Standby Purchaser, the Qualified Swap Provider, the Insurer and the Paying Agent, and the 1997A Bonds will not be converted to the Fixed Interest Rate Period and will continue to be subject to the Weekly Interest Rate Period. The Remarketing Agent shall use its best efforts to remarket such 1997A Bonds in the Weekly Interest Rate Period as set forth in this paragraph (c) and shall provide the Tender Agent with the proceeds of such remarketing in immediately available funds for deposit in the Remarketing Proceeds Account against delivery of 1997A Bonds no later than one-half hour before the time provided in the Standby Agreement for presentation of notices in order to receive payment in immediately available funds by 3:00 p.m. on the date such 1997A Bonds are required to be purchased, and the Trustee shall draw on the Standby Agreement in accordance with Section 603(d) hereof, an amount sufficient to pay the portion of the purchase price of such 1997A Bonds which exceeds the amount provided by the Remarketing Agent therefor.

Section 504. Notice to Owners of Proposed Change to the Fixed Interest Rate Period. The Trustee shall prepare and the Paying Agent shall mail notice of the proposed Fixed Interest Rate Period to be established pursuant to Section 503 hereof to all Owners of 1997A Bonds not less than 15 days prior to the effective date of the proposed Fixed Interest Rate Period. Such notice shall state

(i) that the interest rate on the 1997A Bonds will be converted, subject to a successful remarketing of the 1997A Bonds at a Fixed Interest Rate and the receipt of a Favorable Opinion of Bond Counsel, on the effective date of the proposed Fixed Interest Rate Period, to the Fixed Interest Rate for each 1997A Bond; (ii) the effective date of such proposed Fixed Interest Rate Period; (iii) that on the first day of the proposed Fixed Interest Rate Period all 1997A Bonds shall be purchased or deemed purchased as provided in Section 602 hereof at a purchase price equal to the principal amount thereof, plus accrued interest, if any; (iv) that the Standby Agreement will not provide for the purchase of the 1993 Bonds after such effective date; and (v) the ratings, if any, which will apply to the 1993 Bonds at the start of the Fixed Interest Rate period.

Section 505. Favorable Opinions of Bond Counsel. A change to the Fixed Interest Rate Period for the 1997A Bonds shall not take place unless the City shall deliver, or cause to be delivered, to the Trustee, the Tender Agent, the Insurer and the Remarketing Agent two Favorable Opinions of Bond Counsel, the first to be delivered with the direction specified in Section 503 hereof and the second to be delivered on the proposed effective date of the Fixed Interest Rate Period. If such opinion is not received on the proposed effective date of the Fixed Interest Rate Period, then all such 1997A Bonds shall be purchased or deemed purchased on such date but shall continue to be subject to a Weekly Interest Rate.

Section 506. Interest Payment Dates for 1997A Bonds. Interest on the 1997A Bonds shall be payable (i) on January 1, 1998, for the period commencing on the date of delivery of the 1997A Bonds and ending on December 31, 1997, and (ii) 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 507. Interest Rates on 1997A Bonds.

(a) During the Initial Interest Rate Period for the 1997A Bonds, the Bonds shall bear interest at a rate per annum, determined by the Purchaser, to be the minimum interest rate which enables the Purchaser to sell the 1997A Bonds on the date of the initial delivery of the 1997A Bonds at a price equal to the principal amount thereof. During each Weekly Interest Rate Period, the 1997A Bonds shall bear interest at the Weekly Interest Rate; and during the Fixed Interest Rate Period, the 1997A Bonds shall bear interest at the Fixed Interest Rate.

The interest rate on the 1997A Bonds for any Interest Rate Period other than an Initial Interest Rate Period shall be a rate equal to the rate determined by the Remarketing Agent to be the minimum interest rate which, if borne by the

1997A Bonds (and in the case of 1997A Bonds subject to the Fixed Interest Rate until the applicable Sinking Fund redemption date), would enable the Remarketing Agent to sell such 1997A 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 Interest Rate and the Fixed Interest Rate by the Remarketing Agent shall be conclusive and binding upon the Remarketing Agent, the Trustee, the Standby Purchaser, the Qualified Swap Provider, the Insurer, the City, the Tender Agent and the Owners of the 1997A Bonds.

(b) The Weekly Interest Rate shall be determined in accordance with paragraph (a) above and announced by the Remarketing Agent each Tuesday unless such Tuesday is not a Business Day, in which case such determination and announcement shall be made on the next succeeding Business Day. Each Weekly Interest Rate shall apply to the period commencing on Wednesday and ending on the next succeeding Tuesday, unless the last day of the Weekly Interest Rate Period shall be a day other than a Tuesday, in which event the Weekly Interest Rate for such period shall apply to the period commencing on the Wednesday preceding the last day of such period and ending on such last day.

If the Remarketing Agent cannot or does not determine a Weekly Interest Rate for any succeeding seven-day period, or if the Weekly Interest Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law or would have an adverse effect upon the exclusion of interest on the 1997A Bonds from gross income for federal income tax purposes, the Weekly Interest Rate for such seven-day period shall be the same as the Weekly Interest Rate for the immediately preceding seven-day period if the Weekly Interest Rate for such preceding seven-day period (or first Weekly Interest Rate, if applicable) was determined by the Remarketing Agent.

If after two consecutive seven-day periods, the Remarketing Agent cannot, or does not, determine the interest rate for any Weekly Interest Rate Period, or if any interest rate so determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law or would have an adverse effect upon the exclusion of interest on the 1997A Bonds from gross income for federal income tax purposes, the interest rate applicable to the 1997A Bonds for such period shall be a percentage per annum equal to the PSA Municipal Swap Index, as reported by the Remarketing Agent to the Trustee, in each case until the interest rate for such Interest Rate Period can again be determined and applied as provided in this Section 507.

(c) During the Fixed Interest Rate Period, the 1997A Bonds shall bear interest at the Fixed Interest Rate, which shall be determined, in accordance with paragraph (a) above, and announced by the Remarketing Agent on a Business Day selected by it prior to the first day of the Fixed Interest Rate Period.

(d) The foregoing provisions of this Section 507 notwithstanding, interest on any 1997A Bond shall for any day during which such 1997A Bond is a Purchased Bond bear interest at the Purchased Bonds Rate in effect for such day.

(e) (1) If any 1997A Bonds shall be Purchased Bonds on the Business Day prior to an Interest Payment Date, the Standby Purchaser shall notify the Paying Agent and the Trustee of the amount of the difference between (i) interest due on the Purchased Bonds, calculated at the Purchased Bonds Rate, and (ii) interest that would be due on 1997A Bonds other than Purchased Bonds in the principal amount of such Purchased Bonds. The Paying Agent is hereby directed to pay the amount of the difference described in the next preceding sentence directly to the Standby Purchaser on such Interest Payment Date pursuant to instructions provided to it by the Standby Purchaser.

(2) Promptly upon being notified of any date of remarketing of Purchased Bonds, but in any case not earlier than such date, the Standby Purchaser shall notify the Paying Agent and the Trustee of the amount of the difference between (i) interest accrued on the Purchased Bonds, calculated at the Purchased Bonds Rate, and (ii) interest that would accrue on 1997A Bonds other than Purchased Bonds in the principal amount of such Purchased Bonds. The Trustee and the Paying Agent are hereby directed to (i) pay the amount of the difference described in the next preceding sentence to the Standby Purchaser on the date of remarketing and (iii) notify the Tender Agent of the amount of interest that would accrue on 1997A Bonds other than Purchased Bonds in the principal amount of such Purchased Bond as the remaining amount of interest due and payable on such date of remarketing.

(3) Subject to the provisions of Section 205 hereof, payment of interest on Purchased Bonds due on any Interest Payment Date shall be made by wire transfer of immediately available funds to the Standby Purchaser.

(4) Payment of the principal at maturity or on redemption in whole or in part of Purchased Bonds shall be made (i) while the book-entry system described in Section 205 hereof is not in effect, only upon presentation and surrender of such Purchased Bonds by the Tender Agent at the principal office of the Paying Agent, and the Tender Agent or its nominee shall so present and surrender such Purchased Bonds

for payment when due, and (ii) while such book-entry system is in effect, upon the transfer on the registration books of DTC of the beneficial ownership interests in such Purchased Bonds for the account of the City.

(f) The Remarketing Agent shall provide the Trustee, the City, the Paying Agent, the Qualified Swap Provider and the Standby Purchaser with notice by Electronic Means of each Weekly Interest Rate and the Fixed Interest Rate promptly after the determination thereof by the Remarketing Agent and within a period of time as shall be necessary to enable the Trustee and the Paying Agent to determine the amount of interest then due and payable on any 1997A Bond.

(g) The Trustee is authorized to pay interest on the 1997A Bonds at the Weekly Interest Rate, Fixed Interest Rate or Purchased Bonds Rate as applicable.

ARTICLE VI.

TENDER AND PURCHASE OF THE 1997A BONDS

Section 601. Right of Owners or Direct Participants to Demand Purchase of 1997A Bonds. Unless there shall have accrued and be continuing an Event of Default as described in the Bond Order or herein, the 1997A Bonds shall be purchased upon demand of the Owners thereof prior to their maturity on the following terms:

(a) During any Weekly Interest Rate Period for which the book-entry system described in Section 205 hereof with respect to the 1997A Bonds is not in effect, any 1997A Bond or portion thereof (provided that the principal amount of such 1997A Bond to be purchased and the principal amount to be retained shall each be an Authorized Denomination for 1997A Bonds subject to a Weekly Interest Rate) then bearing interest at a Weekly Interest Rate shall be purchased or deemed purchased as provided in Section 603(a)(3) hereof on the date specified in the notice referred to below on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the date of purchase, upon delivery on any Business Day by the Owner of such 1997A Bond to the Tender Agent at its principal office, of an irrevocable written notice, which states the name of the Owner thereof, the certificate number, the principal amount of such 1997A Bond, the portion thereof to be purchased and the date on which the same shall be purchased, which date shall be a Business Day at least seven days after the date of the delivery of such notice to the Tender Agent. Payment of the purchase price of such Bond shall be made by 3:00 p.m. on the Business Day specified in the notice upon delivery of such 1997A Bond to the Tender Agent at its principal office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof with the signature of such Owner guaranteed by a bank, trust company or member firm of the New York Stock Exchange, at or prior to 10:00 a.m. on the Business Day specified in such notice.

(b) During any Weekly Interest Rate Period for which the book-entry system described in Section 205 hereof with respect to the 1997A Bonds is in effect, any 1997A Bond or portion thereof (provided that the principal amount of such 1997A Bond to be purchased and the principal amount to be retained shall each be an Authorized Denomination for 1997A Bonds subject to a Weekly Interest Rate) then shall be purchased or deemed purchased as provided in Section 603(b)(3) hereof 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, upon delivery on any Business Day by a Direct Participant for such 1997A Bond to the Tender Agent at its principal office of an irrevocable written notice, executed by the Direct Participant and stating the

principal amount of such 1997A Bond, the portion thereof to be purchased and the date on which the same shall be purchased, which date shall be a Business Day at least seven days after the date of the delivery of such notice to the Tender Agent. Upon confirmation by DTC to the Tender Agent that such Direct Participant referred to in the preceding sentence has an ownership interest in the 1997A Bonds at least equal to the amount of 1997A Bonds specified in such irrevocable written notice, payment of the purchase price of such 1997A Bond shall be made by 10:00 a.m. on the Business Day specified in the notice, or as soon as possible thereafter, upon the receipt of remarketing proceeds pursuant to Section 603 hereof or receipt by the Tender Agent of the proceeds of any drawing on the Standby Agreement by the Trustee, but only upon the transfer, on the registration books of DTC, of the beneficial ownership interests in such 1997A Bonds tendered for purchase to the account of the Tender Agent, or a Direct Participant acting on behalf of such Tender Agent.

(c) The Tender Agent shall, after the receipt of an Owner's demand or Direct Participant's demand, as applicable, for purchase given pursuant to paragraphs (a) or (b) above, respectively, notify the Trustee and the Qualified Swap Provider by Electronic Means of the information set forth in such demand.

Section 602. Mandatory Tender for Purchase of 1997A Bonds.

(a) Upon the first day of the Fixed Interest Rate Period, each 1997A Bond shall be purchased or deemed purchased as provided in Section 603(a)(3) hereof at the purchase price therefor equal to the principal amount thereof plus accrued interest, if any. Payment of the purchase price of such 1997A Bond shall be made by 3:00 p.m. on such first day of the Fixed Interest Rate Period upon delivery of such 1997A Bond to the Tender Agent at or prior to 10:00 a.m. on such first day of the Fixed Interest Rate Period at its principal office (or such other office as it may designate in writing to the Owners of the 1997A Bonds), 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 bank, trust company or member firm of the New York Stock Exchange.

(b) If at any time the Trustee shall give notice in accordance with Section 606 hereof that the 1997A Bond then subject to purchase under the Standby Agreement shall on the date specified in such notice cease to be subject to purchase under the Standby Agreement as a result of the termination or expiration of the term of the Standby Agreement (other than on and after the effective date of the Fixed Interest Rate Period) then, if the Standby Agreement shall not have been renewed or replaced by an Alternate Standby Agreement issued

and delivered in accordance with Section 605 hereof at least 30 days prior to such termination or expiration, on the fifth Business Day next preceding any termination or expiration of the Standby Agreement, the 1997A Bonds shall be purchased or deemed purchased as provided in Section 603(a)(3) hereof, at a purchase price equal to the principal amount thereof plus accrued interest, if any. Payment of the purchase price of such 1997A Bond shall be made by 3:00 p.m. on such Business Day upon delivery of such 1997A Bond to the Tender Agent at its principal office (or such other office as it may designate in writing to the Owners of the 1997A Bonds), 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 bank, trust company or member firm of the New York Stock Exchange, at or prior to 10:00 a.m. on the fifth Business Day next preceding such expiration or termination of the Standby Agreement.

(c) At any time and upon the written notice by the Standby Purchaser to the Trustee of the occurrence of an "event of default" relating to payment of fees or reimbursement of amounts due to the Standby Purchaser under the Standby Agreement or an Alternate Standby Agreement, on any Business Day specified by the Standby Purchaser that is not more than seven days after the date of receipt by the Trustee of the written notice sent by the Standby Purchaser (the "Standby Purchase Date"), all 1997A Bonds shall be purchased or deemed purchased as provided in Section 603(a)(3) hereof at a purchase price equal to the principal amount thereof plus accrued interest, if any. On the Standby Purchase Date, the Trustee shall draw on the Standby Agreement in accordance with the terms thereof to obtain funds in an amount sufficient to pay such purchase price of the 1997A Bonds no later than 3:00 p.m., on the Standby Purchase Date. Payment of the purchase price of such Bonds shall be made by 3:00 p.m. on such Business Day upon delivery of such Bonds to the Tender Agent at its principal office (or such other office as it may designate in writing to the Owners of the 1997A Bonds), 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 bank, trust company or member firm of the New York Stock Exchange, at or prior to 10:00 a.m. on the Standby Purchase Date.

(d) If in connection with the replacement of the Standby Agreement with an Alternate Standby Agreement, the opinion of counsel referred to in Section 605(c)(1)(C) is not delivered but either of the opinions of counsel referred to in Section 605(d) hereof shall be delivered, then on the fifth Business Day next preceding the termination or expiration of the Standby Agreement, the 1997A Bonds shall be purchased or deemed purchased as provided in Section 603(a)(3) hereof, 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.

Section 603. Purchase and Remarketing of 1997A Bonds.

(a) (1) As soon as practicable, but in no event later than 10:00 a.m. on the Business Day next following the Business Day that the Tender Agent receives the notice described in Section 601 hereof with respect to 1997A Bonds bearing interest at a Weekly Interest Rate, the Tender Agent shall give telephonic, telegraphic or telecopier notice, promptly confirmed in writing, to the Remarketing Agent, the Trustee, the Qualified Swap Provider, the Standby Purchaser and the City specifying the principal amount of 1997A Bonds, if any, with respect to which any notice has been delivered to it demanding the purchase of such 1997A Bonds in accordance with Section 601 above.

(2) The Tender Agent shall purchase, but only from the sources listed below, 1997A Bonds or portions thereof which are then required to be purchased in accordance with Section 601 or Section 602 hereof. 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 1997A Bonds furnished to the Tender Agent by the Remarketing Agent for deposit into the Remarketing Proceeds Account;

(B) moneys furnished to the Tender Agent for deposit into the Purchase Account representing the proceeds of a drawing under the Standby Agreement; and

(C) any other moneys available to the Tender Agent for such purpose.

Subject to Section 607(d) hereof, the Tender Agent shall segregate amounts derived from the sources described in paragraphs (A), (B) and (C) above by depositing proceeds derived from the source described in paragraphs (A) and (C) above into the Remarketing Proceeds Account and by depositing proceeds derived from the sources described in paragraph (B) above into the Purchase Account.

(3) With respect to any 1997A Bonds or portions thereof required to be purchased pursuant to Section 601 hereof and any 1997A Bonds required to be tendered for purchase in accordance with Section 602 hereof 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 1997A Bonds or portions thereof shall be deemed to have been purchased, for all purposes of this Series Resolution, irrespective of whether or not such 1997A Bonds shall have been presented to the Tender Agent, and the former Owner or Owners of such 1997A Bonds shall have no claim thereon, under this Series Resolution or otherwise, for any amount other than the purchase price thereof which would have been paid on the date set for purchase, and such 1997A Bonds or portions thereof shall no longer be deemed to be Outstanding for purposes of this Series Resolution or otherwise.

(B) In the event that such 1997A Bonds or portions thereof shall not be presented to the Tender Agent, the Tender Agent shall segregate and hold the moneys for the purchase price of such 1997A Bonds in trust, uninvested and without liability for interest thereon, for the benefit of the former Owners of such 1997A Bonds, who shall thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the purchase price of such 1997A Bonds.

(C) In the event that any such 1997A Bonds shall not be presented to the Tender Agent at the time specified in Section 601 or Section 602 hereof, then the Tender Agent shall request, and thereupon the City shall execute and deliver and the Tender Agent shall immediately authenticate, a new 1997A Bond or Bonds in an aggregate principal amount equal to the principal amount of the 1997A Bonds or portions thereof so purchased but not presented, bearing a number or numbers not previously assigned to a 1997A Bond. Every 1997A Bond authenticated and delivered as provided in the preceding sentence shall be entitled to all the benefits of this Series Resolution and the Bond Order equally and proportionally with any and all other 1997A Bonds duly issued hereunder. The Tender Agent shall maintain a record of the 1997A Bonds or portions thereof not tendered for purchase pursuant to Section 601 or Section 602 hereof together with the names and addresses of the former Owners thereof.

(D) In case any 1997A Bonds or portions thereof which have been deemed purchased as provided in paragraph (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 principal office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof with signature of such Owner guaranteed by a bank, trust company or member firm of the New York Stock Exchange, on any Business Day, the Tender Agent shall, subject to the provisions of paragraph (f) below, pay the purchase price of such 1997A Bond or portion thereof to the Owner (i) no later than 3:00 p.m. on such Business Day, if such 1997A Bond is presented by 10:00 a.m. on such Business Day, and (ii) no later than 12:00 noon on the next succeeding Business Day, if such 1997A Bond is presented after 10:00 a.m. on such Business Day and, if applicable, shall also deliver to such Owner a new 1997A Bond in an aggregate principal amount equal to the portion of any 1997A Bond not so purchased. Any such 1997A Bonds so delivered to the Tender Agent shall be delivered by the Tender Agent to the Trustee and shall be canceled by the Trustee.

(b) (1) Promptly upon receipt of notice that any 1997A Bond or portion thereof is to be purchased, the Remarketing Agent shall use its best efforts to remarket such 1997A Bonds, any such remarketing to be effected on the date of such purchase, or if such remarketing cannot be effected on the date of such purchase, as soon as practicable thereafter, at a price equal to the principal amount thereof, plus accrued interest thereon, if any, to the date of purchase; provided that in connection with a remarketing of the 1997A Bonds at a Fixed Interest Rate, such Bonds may be remarketed at a premium if, at or prior to the remarketing date, the City shall cause to be delivered to the Trustee and the Remarketing Agent a Favorable Opinion of Bond Counsel with respect to such remarketing at a premium. Any such premium shall be applied as directed by the City.

(2) Subject to the provisions of Section 507 hereof, the Remarketing Agent shall determine the rate of interest to be borne by the 1997A Bonds during each Interest Rate Period as provided in Section 507 hereof and shall furnish to the Trustee and the Tender Agent in a timely manner all information necessary for the Trustee or the Tender Agent to carry out its respective duties hereunder, including, but not limited to, the interest rates applicable to the 1997A Bonds.

(3) By 11:30 a.m. on the Business Day prior to the Business Day on which the 1997A Bonds are to be purchased pursuant to Section 601 or Section 602 hereof, the Remarketing

Agent shall give notice by Electronic Means to the Standby Purchaser specifying the principal amount of such 1997A Bonds, if any, sold by it pursuant to (1) above, and by 10:00 a.m. on the Business Day on which the 1997A Bonds are to be purchased pursuant to Section 601 or Section 602 hereof, the Remarketing Agent shall give notice by Electronic Means to the Standby Purchaser, the Trustee and the Tender Agent, specifying the principal amount of such 1997A Bonds, if any, sold by it pursuant to paragraph (b)(1) above; such notice to the Trustee and the Tender Agent shall also specify the name, address and taxpayer identification number of each such purchaser and the principal amount of such 1997A Bonds being purchased by each such purchaser.

(4) Funds provided to the Tender Agent by the Remarketing Agent shall be provided against the receipt of 1997A Bonds registered as requested by the Remarketing Agent.

(5) The Remarketing Agent shall not invest any proceeds received from purchasers of 1997A Bonds pursuant to this Section 603 prior to the delivery thereof by the Remarketing Agent to the Tender Agent for deposit in the Remarketing Proceeds Account.

(c) (1) 1997A Bonds purchased with moneys described in subparagraph (a)(2)(A) above shall be registered as directed by the Remarketing Agent and made available to the Remarketing Agent against payment therefor in immediately available funds by 11:30 a.m. registered in accordance with the instructions provided by the Remarketing Agent pursuant to paragraph (b)(3) above. Purchased Bonds which have been remarketed and for which the Remarketing Agent has made funds available to the Tender Agent for deposit to the credit of the Remarketing Proceeds Account by 11:30 a.m. shall be made available to the Remarketing Agent by 11:30 a.m. registered in accordance with instructions provided by the Remarketing Agent as set forth in paragraph (b)(3) above. Simultaneously with the receipt of the funds supplied by the Remarketing Agent to the Tender Agent, acting as agent for the Standby Purchaser for this purpose, as described in the preceding sentence, the Tender Agent shall (i) while the book-entry system described in Section 205 hereof is not in effect, cancel the Purchased Bonds (or portions thereof for which remarketing proceeds have been made available) then held by the Tender Agent by reason of the prior purchase pursuant to subparagraph (a)(2)(B) above and delivery pursuant to paragraph (c)(2) below, and (ii) immediately transfer such funds supplied by the Remarketing Agent to the Standby Purchaser as payment for the purchase price of such Purchased Bonds (or portions thereof).

(2) 1997A Bonds purchased with moneys described in subparagraph (a)(2)(B) above shall constitute Purchased Bonds and (i) while the system of book-entry described in

Section 205 hereof is not in effect, shall be registered upon receipt of funds from the Standby Purchaser for the purchase of such Purchased Bonds, in the name of the Standby Purchaser, or any nominee of the Standby Purchaser, and such Purchased Bonds shall be held by the Tender Agent, as agent of the Standby Purchaser, and (ii) while such book-entry system is in effect, the ownership interest in such Purchased Bonds shall be transferred to the Tender Agent upon receipt of funds from the Standby Purchaser for the purchase of such Purchased Bonds, and the Standby Purchaser shall be the beneficial owner of such Purchased Bonds. The Tender Agent shall not release, or cause a Direct Participant acting on its behalf to release, such Purchased Bonds, or such ownership interest therein, and neither the Trustee nor the Tender Agent shall authenticate any other 1997A Bonds in lieu thereof, until the Trustee and the Tender Agent receive written notification (which may be by telex or telecopy) from the Standby Purchaser, that it has received payment of the purchase price of such Purchased Bonds, that the principal component referred to in the Standby Agreement has been increased by the principal amount of such Purchased Bonds, that the interest component referred to in the Standby Agreement has been increased as therein provided, and that such Purchased Bonds may be released.

(3) 1997A Bonds purchased with moneys described in subparagraph (a)(2)(C) above shall be delivered to the Tender Agent for cancellation.

(4) In the event that the Remarketing Agent is able to remarket any 1997A Bonds required to be purchased pursuant to Section 601 or Section 602 hereof after the time on which the Remarketing Agent is required to provide notice to the Trustee and the Tender Agent as specified in paragraph (b)(3) above, the Remarketing Agent shall give notice in the manner and containing the details set forth in paragraph (b)(3), as appropriate, as soon as practicable after such remarketing, but in no event later than 1:00 p.m. on the date such 1997A Bonds are required to be purchased, and the 1997A Bonds shall be registered in the name of the purchasers thereof and made available to the Remarketing Agent as soon as practicable thereafter on such date.

(d) If the Tender Agent shall have received a demand for the purchase of 1997A Bonds or portions thereof (other than Purchased Bonds) in accordance with Section 601 hereof or the 1997A Bonds which are required to be tendered for purchase in accordance with Section 602 hereof, and the Remarketing Agent shall not then have provided the Tender Agent with sufficient funds to make such purchase by depositing in the Remarketing Proceeds Account immediately available funds by no later than one hour before the time provided in the Standby Agreement for presentation of notices in order to receive payment in immediately available funds by 3:00 p.m. on the date such

1997A Bonds are required to be purchased, then the Tender Agent shall immediately inform the Trustee of, and the Trustee shall draw under the Standby Agreement in accordance with the terms thereof by not later than the time provided in the Standby Agreement for presentation of notices in order to receive payment in immediately available funds by 3:00 p.m. on such day, an amount sufficient to pay the portion of the purchase price of such 1997A Bonds which exceeds the amount provided by the Remarketing Agent for deposit in the Remarketing Proceeds Account, provided that if the Tender Agent does not provide such information one-half hour prior to the time provided in the Standby Agreement for presentation of such notices, the Trustee shall contact the Tender Agent to determine if sufficient immediately available funds are on deposit and, if not, shall draw an amount sufficient to pay the full purchase price of such 1997A Bonds. The Trustee shall deposit the proceeds of such drawing in respect of such 1997A Bonds in accordance with the provisions of paragraph (a)(2) above. If the obligations of the Standby Purchaser under the Standby Agreement are guaranteed, the Trustee shall, contemporaneously with any draw under the Standby Agreement, give written notice of such draw to the guarantor.

(e) Subject (with respect to any remarketing premium) to paragraph (b) above, the proceeds of the remarketing by the Remarketing Agent of any 1997A Bonds or portions thereof shall be delivered to the Tender Agent upon receipt of 1997A Bonds therefor, and, except for 1997A Bonds not tendered as described in paragraph (a)(3) above immediately applied by the Tender Agent to the payment of the purchase price of 1997A Bonds or portions of 1997A Bonds pursuant to subparagraph (a)(2)(A) above or, in the case of the remarketing of Purchased Bonds, to the payment of the purchase price of such Purchased Bonds pursuant to the Standby Agreement, whether or not the Tender Agent has at the time received a 1997A Bond or ownership interest in a 1997A Bond as a result of such payment by the Standby Purchaser. In making such payments to the Standby Purchaser, the Tender Agent may conclusively assume that the Standby Purchaser has not been paid from any other sources. To the extent that the Standby Purchaser is so repaid with proceeds of the remarketing of 1997A Bonds by the Remarketing Agent, any Purchased Bond or ownership interest in such Purchased Bond shall be immediately returned to or released by the Tender Agent and new 1997A Bonds representing such remarketing proceeds shall be registered and delivered as provided in paragraph (c)(2) above.

(f) The Tender Agent shall, at the end of the tenth Business Day after the date on which 1997A Bonds are to be purchased, set aside on its books all funds then held in the Remarketing Proceeds Account and the Purchase Account by virtue of the fact that 1997A Bonds deemed purchased on such date were not presented for purchase to the Tender Agent in

accordance with the provisions of paragraph (a) above, and shall hold the same in trust for the payment to the owner of such 1997A Bonds of the purchase price thereof as required by the provisions of paragraph (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 1997A Bond or Bonds so deemed purchased to the Tender Agent.

Section 604. Standby Agreement.

(a) The Trustee shall take such actions as may be reasonably necessary to obtain funds under the Standby Agreement to pay the purchase price, including accrued interest, if any, of 1997A Bonds then subject to purchase under the Standby Agreement tendered for purchase or required to be purchased pursuant to the provisions of this Series Resolution at the times, on the dates, to the extent and in the manner provided by Section 603(d) hereof, and shall transfer the proceeds of such drawing to the Tender Agent for deposit in the Purchase Account pending application of such moneys to the payment of the purchase price of such 1997A Bonds.

(b) In connection with the termination or expiration of the term of the Standby Agreement requiring mandatory purchase of 1997A Bonds as provided in Section 602(c) hereof, the Trustee shall give the notice of mandatory tender for purchase of the 1997A Bonds immediately upon receipt by the Trustee of notice of a specified event of default from the Standby Purchaser.

Section 605. Alternate Standby Agreement.

(a) At any time upon at least 45 days prior written notice to the Trustee, the Insurer and the Paying Agent and compliance with this Section 605, the City may provide for the delivery to the Trustee of an Alternate Standby Agreement. Any such Alternate Standby Agreement may be for a term of years which is more or less than the Standby Agreement which is being replaced and shall contain administrative provisions reasonably acceptable to the Trustee and the Tender Agent. On or prior to the date of the delivery of such Alternate Standby Agreement to the Trustee, the City shall furnish to the Trustee, the Insurer and the Paying Agent (i) a Favorable Opinion of Bond Counsel and (ii) written notice from each Rating Agency then rating the 1997A Bonds confirming the ratings on the 1997A Bonds. Upon receipt of such documents and the documents set forth in paragraph (c) below, the Trustee shall accept such Alternate Standby Agreement and promptly surrender the Standby Agreement then in effect to the Standby Purchaser which issued such Standby Agreement in accordance with its terms for cancellation.

(b) The Trustee or the Tender Agent, as appropriate, shall comply with any procedures set forth in any outstanding Standby Agreement relating to the termination thereof. In addition, upon conversion of the 1997A Bonds to the Fixed Interest Rate in accordance with Section 503 hereof, the Trustee or the Tender Agent, as appropriate, shall comply with the procedures set forth in the outstanding Standby Agreement relating to the termination thereof.

(c) No Standby Agreement or Alternate Standby Agreement shall be accepted by the Trustee hereunder unless such Standby Agreement or Alternate Standby Agreement is accompanied by (i) opinions of counsel reasonably satisfactory to the City and the Insurer to the effect that (A) the Standby Purchaser 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 Standby Agreement or Alternate Standby Agreement is a legal, valid and binding obligation of the Standby Purchaser, 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) no registration under the Securities Act of 1933, as amended, or qualification of an indenture under the Trust Indenture Act of 1939, as amended, will be required in connection with the issuance and delivery of such Standby Agreement or Alternate Standby Agreement or the remarketing of the 1997A Bonds with the benefits thereof; (ii) unless AIG-FP or an affiliate guaranteed by the Parent is the Standby Purchaser, the written consents of the City and the Insurer to the selection of the Standby Purchaser; and (iii) the written approval of the Standby Agreement or Alternate Standby Agreement executed by the Insurer, except that if AIG-FP or an affiliate guaranteed by the Parent is the Standby Purchaser, such approval by the Insurer shall not be required if the Standby Agreement or Alternate Standby Agreement conforms to the requirements of the Liquidity Guarantee Agreement.

(d) In lieu of the opinion of counsel required by clause (i)(C) of paragraph (c) above, there may be delivered an opinion of counsel reasonably satisfactory to the City and the Insurer to the effect that either (i) at all times during the term of the Standby Agreement or Alternate Standby Agreement, the 1997A Bonds will be offered, sold and held by Owners in transactions not constituting a public offering of the 1997A Bonds or the Standby Agreement or Alternate Standby Agreement under the Securities Act of 1933, as amended, and accordingly no registration under the Securities Act of 1933, as amended, nor qualification of an indenture under the Trust Indenture Act of 1939, as amended, will be required in connection with the issuance and delivery of the Standby Agreement or

Alternate Standby Agreement or the remarketing of the 1997A Bonds with the benefits thereof, or (ii) the offering and sale of the 1997A Bonds, to the extent evidencing the Standby Agreement or Alternate Standby Agreement has been registered under the Securities Act of 1933, as amended, and any indenture required to be qualified with respect thereto under the Trust Indenture Act of 1939, as amended, has been so qualified. If the opinion described in clause (i) above is given, the 1997A Bonds and any transfer records relating to the 1997A Bonds shall be noted indicating the restrictions on sale and transferability described in clause (i).

Section 606. Notice of Termination of Standby Agreement. The Trustee shall give notice by first class mail postage prepaid, to the Standby Purchaser and to the Owners of the 1997A Bonds then subject to purchase under the Standby Agreement on or before the 30th day preceding the termination or expiration of any Standby Agreement in accordance with its terms, which notice shall (i) describe generally the Standby Agreement, if any, in effect prior to such termination or expiration and the Alternate Standby Agreement, if any, in effect or to be in effect upon such termination or expiration, (ii) state the date of such termination or expiration, and the date of the proposed provision of the Alternate Standby Agreement, if any, (iii) specify the ratings, if any, to be applicable to the 1997A Bonds after such termination or expiration of the Standby Agreement, describing any Alternate Standby Agreement, or state that no ratings will be assigned to the 1997A Bonds subsequent to such termination or expiration of the Standby Agreement, and (iv) state whether a mandatory tender will occur and, if so, the terms thereof. The City shall provide the Trustee with written notice of any information required to enable the Trustee to give the foregoing notices.

Section 607. Purchase and Remarketing Fund.

(a) There is hereby created a fund to be held by the Tender Agent and described as the "City of Charlotte, North Carolina Airport Refunding Revenue Bonds, Series 1997A, Purchase and Remarketing Fund." The following accounts shall be established within the Purchase and Remarketing Fund: (i) the Purchase Account; and (ii) the Remarketing Proceeds Account. The Purchase and Remarketing Fund shall not be part of or subject to the pledge of the City contained in the Bond Order or this Series Resolution. Amounts on deposit in the Purchase and Remarketing Fund shall not be commingled with the amounts held in any fund or account under the Bond Order or this Series Resolution.

(b) All drawings on the Standby Agreement to pay the purchase price of the 1997A Bonds shall be deposited in the Purchase Account, and used only for the payment of the purchase price of Outstanding 1997A Bonds in the manner and at the times specified in Section 603 hereof.

(c) All amounts received by the Tender Agent from the Remarketing Agent representing the purchase price of the 1997A Bonds remarketed by the Remarketing Agent shall be deposited in the Remarketing Proceeds Account and shall be used only for payments of the purchase price of the 1997A Bonds so remarketed as provided in Section 603 hereof or to the payment of the Standby Purchaser for the 1997A Bonds purchased by it and remarketed.

(d) No moneys provided by the City shall be accepted for deposit to the credit of the Purchase and Remarketing Fund, nor shall any such moneys, if deposited by mistake or otherwise, be used for the purchase of the 1997A Bonds tendered or deemed tendered for purchase pursuant to the terms of this Article VI. Moneys in the Purchase and Remarketing Fund shall be held uninvested and without liability for interest thereon.

ARTICLE VII.

USE OF BOND PROCEEDS AND OTHER REVENUES, REFUNDING, AND
NOTICE OF PRIOR REDEMPTION OF REFUNDED BONDS

Section 701. Disposition of Bond Proceeds. The proceeds of the 1997A Bonds, upon the receipt thereof at any time, or from time to time, shall be applied in the following manner:

(a) Creation of Funds. There is hereby created a separate and special fund to be held by the Refunding Agent in accordance with the terms of the Refunding Deposit Agreement and described as the "City of Charlotte, North Carolina Airport Revenue Bonds, Series 1987, Refunding Fund" (the "Refunding Fund");

There is also created an additional separate and special fund to be held by the City and not be held by the Trustee, to be known as the "City of Charlotte Airport Refunding Revenue Bonds, Series 1997A, Issuance Expense Fund" (the "1997A Bonds Issuance Expense Fund");

(b) Refunding Fund. First, there shall be transferred to the Refunding Agent for credit to the Refunding Fund an amount sufficient, together with any other money available therefor as provided in Section 702 hereof, to establish any initial cash balance and to acquire the Federal Securities designated in the Refunding Deposit Agreement for purchase by the City, for the payment of the Refunded Bonds; and

(c) 1997A Bonds Issuance Expense Fund. Second, all money, if any, remaining from the proceeds of the sale of the 1997A Bonds shall be transferred to the City for credit to the 1997A Bonds Issuance Expense Fund. The moneys in the 1997A Bonds Issuance Expense Fund, except as herein otherwise expressly provided, shall be used and paid out by the City solely (i) first, to pay the premium for the Bond Insurance Policy referred to in Section 906 hereof or the premium for any other bond insurance policy securing the 1997A Bonds, and (ii) second, to defray the other expenses pertaining to the Cost of the Refunding or to reimburse the City for the prior payment of any such costs, including, without limitation, amounts to be paid to the Trustee, the Paying Agent, the Tender Agent, the Registrar, the Refunding Agent, the Insurer, the Standby Purchaser and the Purchaser, and for fees of the financial advisor to the City, custodial fees, legal fees, accounting fees, printing costs, publication costs, rating fees, insurance of obligations and recording fees. When all such incidental costs have been reimbursed or paid in full or adequate provision has been made therefor, the Finance Director shall file with the Treasurer a certificate so stating; and thereupon the Treasurer shall transfer to the Series 1997A Subaccount of the Revenue Bond Interest Account

all moneys, if any, in excess of the aggregate amount of such costs remaining in the 1997A Bonds Issuance Expense Fund, which account shall be terminated upon the withdrawal of all moneys therefrom. The City may defray any such costs from time to time as Current Expenses to the extent the moneys credited to the 1997A Bonds Issuance Expense Fund are insufficient therefor.

Section 702. Additional Deposits to Refunding Fund. Simultaneously with the deposit to the Refunding Fund as provided in Section 701(a) hereof, the trustee for the Refunded Bonds shall transfer to the Refunding Fund (i) from amounts on deposit in or payable into the Series 1987 Subaccount of the Revenue Bond Interest Account, an amount equal to the interest to accrue on the Refunded Bonds during the period from January 1, 1997 to June 30, 1997, and (ii) from amounts on deposit in or payable into the Series 1987 Subaccount of the Revenue Bond Principal Account, an amount equal to the principal payment on the Refunded Bonds due on July 1, 1997.

Section 703. Maintenance of Refunding Fund. The Refunding Fund shall be maintained in an amount at the times of those initial deposits therein and at all times subsequently at least sufficient, together with the known minimum yield to be derived from the initial investments and any temporary reinvestment of the deposits therein or any part thereof in Federal Securities, to pay the principal, redemption premium and interest due in connection with the Refunded Bonds, both accrued and not accrued, as the same become due up to and including July 1, 1997.

Section 704. Use of Refunding Fund. Moneys shall be withdrawn by the Refunding Agent from the Refunding Fund in sufficient amounts and at such times to permit the payment without default of the principal, redemption premium and interest due in connection with the Refunded Bonds on July 1, 1997. Any moneys remaining in the Refunding Fund after provision shall have been made for the redemption in full of the Refunded Bonds shall be transferred to the Revenue Fund for application to any lawful purposes pertaining to the Airport.

Section 705. Insufficiency of Refunding Fund. If for any reason the amount in the Refunding Fund shall at any time be insufficient for the purpose of Sections 703 and 704 hereof pertaining thereto, there shall be transferred from the first moneys available therefor for deposit in such account such additional moneys as shall be necessary to permit the payment in full of the principal, redemption premium and interest due in connection with the Refunded Bonds as herein provided.

Section 706. Exercise of Option. The City Council has elected and does hereby declare its intent to exercise on the behalf and in the name of the City its option to redeem the 1987 Bonds on July 1, 1997. The City is hereby obligated so to exercise

such option, which option shall be deemed to have been exercised when notice is duly given and completed forthwith after the issuance of the 1997A Bonds as herein provided in Sections 707 and 708 hereof.

Section 707. Notice of Prior Redemption and Defeasance. The Trustee hereby is authorized and directed to give a notice of prior redemption and defeasance of the 1987 Bonds in accordance with provisions of the Bond Order and the 1987 Series Resolution. If the Trustee shall fail to give such notice upon the issuance of the 1997A Bonds, the Finance Director shall, and hereby is authorized to, give such notice.

Section 708. Manner of Giving Notice. The notice of prior redemption and defeasance shall be given:

(a) Publication. By publication at least once in each of the following:

(1) The Bond Buyer, or another financial newspaper published and of general circulation in the Borough of Manhattan, City and State of New York; and

(2) The Charlotte Observer, or another newspaper of general circulation in the City of Charlotte, North Carolina; and

(b) By mailing by certified or registered, return receipt requested, first class mail, postage prepaid, and deposited in the mails of the United States, addressed to:

(1) Each of the Owners of the Refunded Bonds, as shown on the registration records of the Bond Registrar for the 1987 Bonds.

(2) The Bond Registrar for the Refunded Bonds.

Section 709. Owners Not Responsible for Refunding. The validity of the 1997A Bonds shall neither be dependent upon nor be affected by the validity or regularity of any proceedings relating to the Refunding. The Owners of the 1997A Bonds shall in no manner be responsible for the application or disposal by the City or by any of the officers, agents and employees of the City of the moneys derived from the sale of the 1997A Bonds or of any other moneys herein designated.

Section 710. Lien on Bond Proceeds. Until the proceeds of the 1997A Bonds are deposited with the Refunding Agent and are credited to the Refunding Fund, the 1997A Bond proceeds shall be subject to a lien thereon and pledge thereof for the benefit of the Owners of the 1997A Bonds from time to time.

ARTICLE VIII.

THE REMARKETING AGENT AND THE TENDER AGENT

Section 801. The Remarketing Agent. Pursuant to the Remarketing Agreement, Smith Barney Shearson Inc. shall initially serve as Remarketing Agent. The Remarketing Agent shall be authorized by law to perform all of the duties imposed upon it hereunder. The Remarketing Agent or any successor shall signify its acceptance of the duties and obligations imposed upon it hereunder by a Remarketing Agreement under which the Remarketing Agent will agree to:

- (a) determine (which shall include inquiries of market sources as necessary to accurately ascertain then-prevailing market conditions for the 1997A Bonds) each Weekly Interest Rate and the Fixed Interest Rate and give notice of such rates as set forth in Article V hereof;
- (b) keep such books and records with respect to the remarketing of the 1997A Bonds as shall be consistent with prudent industry practice; and
- (c) use its best efforts to remarket the 1997A Bonds in accordance with this Series Resolution and the Remarketing Agreement.

Section 802. Removal or Resignation of Remarketing Agent.

- (a) During any period when the Floating Amount is equal to the Bond Floating Amount (as such terms are defined in the Swap Agreement):
 - (1) the Remarketing Agent may be removed, and shall be removed if at any time the Qualified Swap Provider shall so direct, by the City at any time by an instrument filed with such Remarketing Agent and the Trustee, subject (if such removal is other than at the direction of the Qualified Swap Provider) to the prior written agreement of the Qualified Swap Provider and the Insurer, provided a successor has been appointed and such successor has entered into a Remarketing Agreement with the City.
 - (2) The City shall promptly select any successor Remarketing Agent from a list provided by the Qualified Swap Provider of at least three entities qualified to serve in such capacity as described in paragraph (c) below, and appoint such successor with the approval of the Insurer in accordance with the provisions of the Swap Agreement.

(3) The City shall obtain the prior written consent of the Qualified Swap Provider, the Standby Purchaser and the Insurer prior to entering into any amendment of or permitting any assignment of the Remarketing Agreement, and shall use its best efforts to obtain such amendments of the Remarketing Agreement as shall be reasonably requested by the Qualified Swap Provider and consented to by the Standby Purchaser and the Insurer. The City agrees to terminate the Remarketing Agreement at any time the Qualified Swap Provider shall so direct; provided, that the prior written consent of the Insurer shall be required to the extent provided in the Qualified Swap.

(b) Except during any period when the Floating Amount is equal to the Bond Floating Amount (as such terms are defined in the Swap Agreement), the Remarketing Agent may be removed by the City at any time upon 45 days' notice by an instrument filed with such Remarketing Agent and Trustee, subject to the prior written agreement of the Standby Purchaser and the Insurer, and the City may appoint a successor with the approval of the Standby Purchaser and the Insurer, which approval shall not be unreasonably withheld.

(c) The Remarketing Agent may resign by written notice to the City, the Tender Agent, the Trustee, the Standby Purchaser and the Insurer at least 45 days before the effective date of such notice. In the event of such resignation the City shall appoint a successor Remarketing Agent. No resignation shall be effective until the successor has delivered an acceptance of its appointment to the City and the Trustee unless otherwise provided in the Remarketing Agreement.

(d) Each 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. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Series Resolution by giving at least 45 days' written notice to the City, the Standby Purchaser, the Qualified Swap Provider, the Insurer and the Trustee. The Trustee shall promptly give written notice to the Owners of the 1997A Bonds of any removal or resignation of the Remarketing Agent or appointment of a successor Remarketing Agent.

Section 803. Successor Remarketing Agents.

(a) 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, shall thereby become vested with

all the property, rights and powers of such Remarketing Agent under this Series Resolution.

(b) In the event that for any reason there shall be a vacancy in the office of the Remarketing Agent, the Trustee shall serve as Remarketing Agent hereunder, provided, however, that in serving as Remarketing Agent, the Trustee shall not be required to remarket any 1997A Bonds, and shall not be responsible for establishing any interest rate. The Trustee's sole responsibility under this Section 803 shall be to take custody of any funds or 1997A Bonds in the possession of the Remarketing Agent and to deliver such funds or 1997A Bonds to the appropriate Person or Persons. The Trustee shall not be liable for the acts or omissions of any other Remarketing Agent in taking any action under this Section 803.

Section 804. 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 consent of the Remarketing Agent is obtained in writing and that:

(a) any such modification shall be subject to the prior written consent (which consent shall not be unreasonably withheld) of the Qualified Swap Provider, the Insurer and the Standby Purchaser;

(b) the effective date for any such modification, as it affects the 1997A Bonds, shall be a Business Day which occurs not less than 35 days following the mailing by the Paying Agent to all Owners of the 1997A Bonds of a notice setting forth the nature of the modifications and specifying the effective date thereof;

(c) prior to the effective date of the modification, the Remarketing Agent shall not offer tendered 1997A Bonds for sale to any person unless it has advised such person of the nature and effective date of the modification;

(d) replacement 1997A Bonds reflecting the modification shall be prepared prior to the effective date thereof and such replacement 1997A Bonds shall be delivered in connection with all transfers (including transfers upon tender) and exchanges made on or after the effective date of the modification; and

(e) prior to the effective date of the modification, the City, the Trustee, the Tender Agent, the Standby Purchaser, the Insurer and the Remarketing Agent shall have received an opinion of Bond Counsel to the effect that the modification is authorized hereunder and will not adversely affect the exclusion of interest on the 1997A Bonds from federal income taxation.

Section 805. Remarketing Agent May Act Through Agents; Answerable Only for Misconduct or Negligence. The Remarketing Agent may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of counsel concerning all questions hereunder; and the Remarketing Agent shall not be answerable for the negligence or misconduct of any attorney or agent (other than an officer or an employee) selected by it with reasonable care, provided, however, that such attorney or agent shall be liable to the City for its own negligence or misconduct. The Remarketing Agent shall not be answerable for the exercise of any discretion or power under this Series Resolution, except only its own negligence or misconduct or that of any officer or employee, notwithstanding anything to the contrary set forth in the Remarketing Agreement.

Section 806. Tender Agent: Appointment and Acceptance of Duties.

(a) The City hereby appoints NationsBank of North Carolina, National Association as a Tender Agent for the 1997A Bonds (provided, that while the book-entry system described in Section 205 hereof is in effect, the Trustee shall be the Tender Agent hereunder), and may at any time or from time to time appoint one or more other Tender Agents having the qualifications set forth in Section 809 hereof for a successor Tender Agent. One or more Tender Agents may be appointed by the City to the extent necessary to effectuate the rights of the Owners of the 1997A bonds to tender 1997A Bonds for purchase.

(b) Each Tender Agent (other than the Trustee) shall signify its acceptance of the duties and obligations imposed upon it by this Series Resolution by executing and delivering to the City, the Trustee, the Standby Purchaser, the Insurer and the Remarketing Agent a written acceptance thereof.

(c) Unless otherwise provided, the principal corporate trust offices of the Tender Agents are designated as the respective offices or agencies of the City for the payment of the purchase price of tendered 1997A Bonds.

Section 807. General Responsibilities of Tender Agent.

(a) The Tender Agent shall perform the duties and obligations set forth in this Series Resolution, and in particular shall:

(1) hold all 1997A Bonds delivered to it for purchase hereunder in trust as bailee of, and for the benefit of, the respective Owners which have so delivered such 1997A Bonds, until moneys representing the purchase price of such 1997A Bonds shall have been delivered to or for the account of or to the order of such Owners;

(2) hold all moneys (other than moneys delivered to it by the City for the purchase of 1997A Bonds) delivered to it hereunder for the purchase of 1997A Bonds in trust as bailee of, and for the benefit of, the Person which shall have so delivered such moneys, until the 1997A Bonds purchased with such moneys shall have been delivered to or for the account of such Person;

(3) except while the book-entry system described in Section 205 hereof is in place, hold all Purchased Bonds and deliver such Purchased Bonds to the Standby Purchaser or transfer such Purchased Bonds as directed by the Standby Purchaser; and

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

(b) In performing its duties hereunder, the Tender Agent shall be entitled to all of the rights, protections and immunities accorded to the Trustee under the terms of the Bond Order and this Series Resolution.

(c) The City and the Trustee shall each 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 1997A Bonds presented at the designated office of the Tender Agent, and to otherwise enable the Tender Agent to carry out its duties hereunder.

(d) The Tender Agent shall cooperate with the Remarketing Agent to the extent necessary to permit the preparation, execution, issuance and authentication of replacement 1997A Bonds in connection with the tender and remarketing of 1997A Bonds hereunder.

Section 808. Procedures for Tendering Bonds.

(a) The Tender Agent shall promptly return any Tender Notice (together with 1997A Bonds submitted in connection therewith) that is incomplete or improperly completed or not delivered in a timely fashion to the Person submitting the notice upon surrender of the receipt, if any, issued therefor.

(b) The Tender Agent's determination of whether a Tender Notice is properly completed or delivered on a timely basis shall be binding on the City, the Trustee and the Owner of the 1997A Bonds submitted therewith.

(c) The Tender Agent shall comply fully with the notice and other requirements described in Articles V and VI hereof.

Section 809. 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 Series Resolution by giving at least 60 days' written notice to the City, the Standby Purchaser, the Remarketing Agent, the Qualified Swap Provider, the Insurer and the Trustee. Any Tender Agent may be removed at any time by an instrument filed by the City with such Tender Agent and the Trustee. Any successor Tender Agent shall be appointed by the City and shall be a commercial bank with trust powers or trust company organized under the laws of the United States or of any state of the United States, having, or with a parent organization having, capital stock and surplus aggregating at least \$50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Series Resolution.

(b) In the event of the resignation or removal of any Tender Agent, such Tender Agent shall pay over, assign and deliver any moneys and 1997A Bonds, including authenticated 1997A Bonds, held by it to its successor, or if there is no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Tender Agent, the Trustee shall act as such Tender Agent.

(c) Notwithstanding any other provision of this Series Resolution to the contrary, the duties of the Tender Agent shall terminate upon conversion of the Outstanding 1997A Bonds to the Fixed Interest Rate.

ARTICLE IX.

THE STANDBY AGREEMENT AND BOND INSURANCE POLICY

Section 901. Standby Agreement. The Trustee shall, as soon as practicable, notify the City by telephone, promptly confirmed in writing, of the amounts to be drawn on the Standby Agreement. The Trustee shall have the obligation to hold and maintain the Standby Agreement for the benefit of the Owners of the 1997A Bonds until the Standby Agreement terminates or expires in accordance with its terms or the Fixed Interest Rate Period has become effective. No 1997A Bonds owned by or on behalf of the City shall be entitled to the benefit of the Standby Agreement, and the Standby Agreement shall not be drawn upon for the benefit of any such 1997A Bonds. If at any time during the term of the Standby Agreement any successor Trustee shall be appointed and qualified under the Bond Order and this Series Resolution, the resigning Trustee shall request that the Standby Purchaser transfer the Standby Agreement to said successor Trustee. If the resigning Trustee fails to make this request, the successor Trustee shall do so before accepting appointment. When the Standby Agreement terminates or expires in accordance with its terms, the Trustee (or successor Trustee) which is holding the Standby Agreement shall immediately surrender it to the Standby Purchaser.

Notwithstanding anything contained in the Bond Order or herein, the Trustee shall not seek to be indemnified prior to making any drawings on the Standby Agreement pursuant to this Section 901.

Section 902. Release of Standby Agreement. The Trustee shall not release any then existing Standby Agreement with respect to 1997A Bonds unless and until either (i) an Alternate Standby Agreement has been provided or if the principal amount of 1997A Bonds Outstanding has been reduced and the release is in exchange for a Standby Agreement substantially the same as that released, but in a stated amount reflecting said lesser principal amount, (ii) the 1997A Bonds shall have been converted to a Fixed Interest Rate in accordance with Section 503 hereof and the City directs such a release or (iii) the 1997A Bonds have been defeased in accordance with the requirements of Section 1201 of the Bond Order. Nothing in this Section 902 shall be deemed, however, to waive compliance with Section 605 hereof.

Section 903. Trustee to Reduce or Terminate Standby Agreement. The Trustee shall, in accordance with any applicable provisions of the Standby Agreement, take such action (including filing of certificates of reduction) as shall be required to reduce the amounts available for drawing thereunder in respect of principal and interest on the 1997A Bonds to reflect any permanent reduction in the amount of 1997A Bonds Outstanding; provided, however, that the amount available to be drawn under the Standby

Agreement shall at all times be equal to the principal amount of the Outstanding 1997A Bonds and the number of days' interest thereon referenced in such Standby Agreement with respect to such reduced principal amount of 1997A Bonds Outstanding calculated at the Maximum Rate with respect to 1997A Bonds other than Purchased Bonds.

Section 904. Amendment of Standby Agreement. The Trustee shall notify the Owners of the 1997A Bonds, the Remarketing Agent and each Rating Agency of any proposed amendment of a Standby Agreement which, in the opinion of counsel, would adversely affect the interests of the Owners of the 1997A Bonds or the Trustee and may consent thereto upon receipt of the consent of at least a majority in aggregate principal amount of all 1997A Bonds then Outstanding which would be affected by the action proposed to be taken; provided, that the Trustee shall not, without the unanimous consent of the registered Owners of all 1997A Bonds Outstanding which would be affected by the action proposed to be taken, consent to any amendment which would (i) decrease the amount of the Standby Agreement, or (ii) reduce the term of the Standby Agreement. The Trustee shall not be required to notify the Owners of the 1997A Bonds or obtain their consent for any proposed amendment to a Standby Agreement which, in the opinion of counsel, would not adversely affect their interests, including any extension of the Standby Agreement. No amendment of a Standby Agreement shall be effected without the prior written consent of the Insurer.

Section 905. References to Standby Purchaser. Any provision of this Series Resolution regarding the consent of, or mandating the direction of action by, the Standby Purchaser shall, except as expressly provided herein, be deemed ineffective if (i) the Standby Agreement issued thereby is no longer in effect and no amount is due and owing under such Standby Agreement or (ii) the Standby Purchaser has failed to honor a proper draw under the Standby Agreement.

Section 906. Provisions Relating to Insured Bonds. The City hereby covenants that it will cause the 1997A Bonds to be insured by the Insurer or, at the City's option, by some other bond insurer the insurance policy of which will result in the rating of the 1997A Bonds on the date of their issuance to be in the highest rating category of each nationally recognized rating agency then rating the 1997A Bonds. Notwithstanding anything contained in the Bond Order or this Series Resolution, the Trustee shall not seek to be indemnified prior to requesting that any payments be made on the Bond Insurance Policy or any other bond insurance policy.

(a) Additional Definitions. The terms defined below in this paragraph (a) shall for all purposes of this Section 906 have the following meanings:

(1) "Business Day" means any day other than a Saturday, Sunday or a day on which the Fiscal Agent or the Trustee is authorized by law to remain closed.

(2) "Fiscal Agent" means Citibank, N.A. of New York, New York.

(3) "Insured Bonds" means the 1997A Bonds.

(4) "Prerefunded Municipal Securities" means Defeasance Securities the interest on which is exempt from gross income for federal income tax purposes which are rated "AAA" by Standard & Poor's and "Aaa" by Moody's and which meet the following conditions:

(i) The securities are: (a) not to be redeemed prior to maturity or the trustee for the securities has been given irrevocable instructions concerning the call and redemption of the securities, and (b) the issuer of the securities has covenanted not to redeem the securities other than as set forth in those instructions;

(ii) The securities are secured by cash or United States Obligations the receipts from which may be applied only to the payment of the interest on, principal of and prior redemption premium due in connection with such securities;

(iii) The principal of and interest on the United States Obligations (plus any cash in the escrow fund in which the United States Obligations are held) are sufficient to pay the principal of, interest on and any prior redemption premiums due in connection with the securities;

(iv) The United States Obligations held to pay the securities are held by an escrow agent or trustee; and

(v) The United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent.

(5) "United States Obligations" means Defeasance Securities which are Federal Securities including in the case of direct and general obligations of the United States of America evidences of ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (i) a bank or trust company acts as custodian and holds the underlying United States Obligations; (ii) the owner of

the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States Obligations; (iii) the underlying United States Obligations were held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian or any person to whom the custodian may be obligated.

(b) The Insurer to be Deemed a Bond Owner.

(1) Unless it shall be in default of its payment obligations under the Bond Insurance Policy, the Insurer shall at all times be deemed the exclusive owner of all Insured Bonds for the purposes of Articles X, XI and XII of the Bond Order. The Trustee in consenting to amendments pursuant to Section 1103 of the Bond Order shall consider the effect on the rights of the Owners of the Bonds as if the Bond Insurance Policy were not in effect.

(2) To the extent the Insurer makes payment of the principal of or interest on the Insured Bonds, it shall become the Owner of such Insured Bonds, or right to payment of principal of or interest on such Insured Bonds and shall be fully subrogated to all of the registered owners' rights thereunder, including the registered owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Registrar shall note the Insurer's rights as subrogee on the registration records of the City maintained by the Registrar upon receipt of proof from the Insurer as to payment of interest thereon to the Owner of the Insured Bonds and (ii) in the case of subrogation as to claims for past due principal, the Registrar shall note the Insurer's rights as subrogee on the registration records of the City maintained by the Registrar upon the surrender of the Insured Bonds by the Owners thereof to the Fiscal Agent and upon notice to the Trustee by the Fiscal Agent of such surrender.

(3) In the event that the principal of, interest on or both principal of and interest on the Insured Bonds shall be paid by the Insurer pursuant to the terms of the Bond Insurance Policy (i) such Insured Bonds shall continue to be treated as Outstanding, (ii) the pledges, covenants, agreements and other obligations of the City to the Owners of the Insured Bonds shall continue to exist and the Insurer shall be fully subrogated to all of the rights of such registered Owners in accordance with the terms and conditions of paragraph (2) above and the Bond Insurance Policy, and (iii) the City shall reimburse

the Insurer from Net Revenues for amounts paid by the Insurer under the Bond Insurance Policy and, to the extent permitted by law shall pay from Net Revenues interest to the Insurer on amounts so paid by the Insurer at the lower of the maximum rate permitted by law and the rate that the Fiscal Agent announces from time to time at its principal office as its prime lending rate for domestic and commercial loans, such rate to change on the effective date of each change in the announced rate. The payment of amounts as interest on amounts paid by the Insurer pursuant to clause (iii) of this paragraph which are in excess of interest at the rate specified in the Insured Bonds on the unpaid and past due principal thereof, shall be an obligation which is subordinate to all Bonds. Amounts paid to the Insurer as the Owner of any Insured Bond and as subrogee shall, to the extent of such payment, be credited against the amounts to be paid to the Insurer pursuant to clause (iii) of this paragraph. In the event that the Insurer makes any payments of the principal of, interest on or both principal of and interest on any of the Insured Bonds pursuant to the terms of the Bond Insurance Policy and payment of the Insured Bonds is for any reason accelerated, the Insurer may, at any time at its sole option, pay to the Owners of the Insured Bonds all or any portion of the amounts due on the Insured Bonds prior to the stated maturity dates thereof. Notwithstanding the foregoing, no acceleration of any of the Insured Bonds shall be permitted without the prior written consent of the Insurer.

(4) The Insurer shall be notified by the City (i) in advance of the execution of any Series Resolution or other order or resolution supplemental to the Bond Order, and of any amendment, change or modification of this Series Resolution or the Bond Order in the event the consent of the Owners of the Insured Bonds is not required for such amendment, change or modification, and (ii) immediately upon the occurrence of any Event of Default or of any event that with notice or with the lapse of time or both could become a material Event of Default.

(5) The City and the Trustee shall also notify the Insurer (i) immediately upon the occurrence of an Event of Default specified in Section 802 of the Bond Order or upon withdrawal of amounts on deposit in the Series 1997A Subaccount of the Revenue Bond Reserve Account, other than amounts comprising investment earnings thereon, upon the determination that a deficiency in the Series 1997A Subaccount of the Revenue Bond Reserve Account exists or upon the failure to make any required deposit into the Bond Fund to pay the principal of or interest on the

Bonds when due and (ii) within five days after the date either the City or the Trustee has received notice of or has actual knowledge of an Event of Default, or of an event that with notice or lapse of time or both could become a material Event of Default specified in Section 802 of the Bond Order. Any notice that is required to be given to the Owners of the Insured Bonds or to the Trustee pursuant to this Series Resolution or the Bond Order (including notices of prior redemption of Insured Bonds) and any Series Resolution or other order supplemental to the Bond Order executed after the date hereof pursuant to the Bond Order shall be provided to the Insurer. All notices required to be given to the Insurer under this Instrument shall be in writing and shall be sent by registered or certified mail or by overnight delivery addressed to:

Municipal Bond Investors Assurance Corporation
Attention: Surveillance
113 King Street
Armonk, New York 10504

(c) Registered Bond Payments under the Bond Insurance Policy. So long as the Bond Insurance Policy is in full force and effect, the City, the Trustee, the Registrar and the Paying Agent hereby agree to comply with the following provisions:

(1) If on the 3rd day (or if the 3rd day is not a Business Day, then on the Business Day next preceding the 3rd day) prior to an interest or principal payment date with respect to the Insured Bonds, the Trustee determines that there will be insufficient monies in the funds and accounts available to pay the principal of and interest on the Insured Bonds on such payment date, the Trustee shall immediately so notify the Insurer in accordance with the terms of the Bond Insurance Policy. Such notice shall be by telephone, promptly confirmed in writing, shall specify the amount of the anticipated deficiency and demand that payment of such deficiency be made by the Insurer to the Trustee, shall specify the Insured Bonds to which such deficiency will be applicable and whether payment due on such Insured Bonds will be deficient as to principal or interest or both;

(2) The Trustee and the Registrar shall, after giving notice to the Insurer as provided in paragraph (1) above, make available to the Insurer and the Fiscal Agent the registration records of the City maintained by the Registrar relating to the Insured Bonds and all records held by the Trustee relating to the funds and accounts established under the Bond Order or this Series Resolution;

(3) If the deficiency is made up in whole or in part prior to or on the Interest Payment Date, the Trustee shall so notify the Insurer or its designee.

(4) In addition, if the Trustee has notice that any Owner of an Insured Bond has been required to disgorge payments of principal or interest on the Insured Bond to a trustee in bankruptcy or creditors or others pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes a voidable preference to such Owner within the meaning of any applicable bankruptcy laws, then the Trustee shall notify the Insurer or its designee of such fact in accordance with the terms of the Bond Insurance Policy by telephone or telegraphic notice, confirmed in writing by registered or certified mail. Such notice shall specify the amount which has been required to be disgorged and demand that payment of such amount be made by the Insurer to the Trustee. The Trustee shall pay all amounts received from the Insurer pursuant to this paragraph to the trustee in bankruptcy or, if the Owner of an Insured Bond has already paid the trustee in bankruptcy, creditors or others, such amounts shall be paid to the Owner of such Insured Bond.

(5) The Trustee is hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for Owners of the Insured Bonds as follows:

(A) if and to the extent there is a deficiency in amounts required to pay interest on the Insured Bonds, the Trustee shall (i) execute and deliver to the Fiscal Agent, in form satisfactory to the Fiscal Agent, an instrument appointing the Insurer as agent for such Owners in any legal proceeding related to the payment of such interest and an assignment to the Insurer of the claims for interest to which such deficiency relates and which are paid by the Insurer, (ii) receive as designee of the respective Owners (and not as Trustee) in accordance with the tenor of the Bond Insurance Policy payment from the Fiscal Agent with respect to the claims for interest so assigned and (iii) disburse the same to such respective Owners; and

(B) if and to the extent of a deficiency in amounts required to pay principal of the Insured Bonds, the Trustee shall (i) execute and deliver to the Fiscal Agent in form satisfactory to the Fiscal Agent an instrument appointing the Insurer as agent for such Owner in any legal proceeding relating to

the payment of such principal and an assignment to the Insurer of any of the Insured Bonds surrendered to the Fiscal Agent of so much of the principal amount thereof as has not previously been paid or for which moneys are not held by the Trustee and available for such payment (but such assignment shall be delivered only if payment from the Fiscal Agent is received), (ii) receive as designee of the respective Owners (and not as Trustee) in accordance with the tenor of the Bond Insurance Policy payment therefor from the Fiscal Agent and (iii) disburse the same to such Owners.

(6) Payments with respect to claims for interest on and principal of Bonds disbursed by the Trustee from proceeds of the Bond Insurance Policy shall not be considered to discharge the obligation of the City with respect to such Insured Bonds, and the Insurer shall become the Owner of such unpaid Insured Bond and claims for the interest in accordance with the tenor of the assignment made to it under the provisions hereof or otherwise.

(7) The Insured Bonds will be insured by the Insurer for the timely payment of all interest and principal at scheduled maturity (but not of any prepayment premium) except that in the event of any acceleration of the due date of such principal, the payments guaranteed will be made in such amounts and at such times as would have been made had there not been an acceleration. The Insurer will not be liable for any acceleration of the Insured Bond indebtedness or payment of additional interest in the event interest on the Insured Bonds is declared taxable.

(d) Defeasance of Insured Bonds.

(1) Prior to any defeasance of any Insured Bond becoming effective under Section 1201 of the Bond Order (i) the Insurer and the Trustee shall receive (A) an opinion of counsel, satisfactory to the Insurer and the Trustee, to the effect that any deposit of cash or securities and any deposit of investment earnings thereon to effect the defeasance shall not constitute a voidable preference in a case commenced under the Federal Bankruptcy Code by or against the City, and (B) if the Insured Bonds which are being defeased bear interest at a variable rate and are then rated by Standard & Poor's, a written confirmation from Standard & Poor's to the effect that the defeasance will not result in the rating on the Insured Bonds from Standard & Poor's being reduced or withdrawn, (ii) the amounts required to be deposited into any escrow fund for the purpose of defeasing the

Insured Bonds shall be invested only in non-callable United States Obligations or Prerefunded Municipal Securities and (iii) the Insurer shall have received (A) the final official statement delivered in connection with any refunding bonds which are issued to accomplish in whole or in part a defeasance of any Insured Bonds, (B) a copy of the accountant's verification report issued in connection with such defeasance, (C) a copy of the escrow deposit agreement, in form and substance acceptable to the Insurer, establishing the escrow fund from which payments on Insured Bonds will be made after the defeasance has been effected, and (D) a copy of an opinion of Bond Counsel, dated as of the date of the issuance of any such refunding bonds and addressed to the Insurer to the effect that, based upon certificates of the Finance Director, the Insured Bonds have been paid within the meaning and with the effect expressed in Article XII of the Bond Order and that the covenants, agreements and other obligations of the City to the registered Owners of such Insured Bonds have been discharged and satisfied. So long as a Qualified Swap is in effect with respect to any Insured Bonds, the defeasance of any such Insured Bonds shall require the prior written consent of the Insurer.

(e) Reporting Requirements. The City will promptly cause to be provided to the Insurer:

(1) such financial, statistical or other information concerning the Airport as the Insurer shall from time to time reasonably request from the City;

(2) copies of those budgets and accounts produced and delivered to the Trustee under Sections 705 and 707 of the Bond Order;

(3) copies of any official statements delivered by the City in connection with the sale of Bonds issued under the Bond Order; and

(4) notice of the resignation or removal of the Trustee and the appointment of a successor thereto.

(f) No Bond-Related Changes. During the term of the Swap Agreement, the City shall not cause or permit any Bond-Related Change (as defined in the Swap Agreement) without the prior written consent of the Insurer.

(g) Notice of Failure to Receive Swap Payments. The Trustee shall promptly notify the Insurer of the failure to receive any payments due and payable to the City pursuant to a Qualified Swap, without regard to any grace period provided for such payment under the Qualified Swap.

(h) Waiver or Amendment Provisions of this Section. The provisions of this Section 906 are solely for the benefit of the City and the Insurer, may be waived by the Insurer without the consent of the Trustee or the Owners of any 1997A Bonds (which waiver shall be binding on the Trustee) in writing, and with the mutual consent of the Insurer and the City, the provisions of this Section 906 may be amended in writing at any time without notice to or consent by any of the Owners of any of the 1997A Bonds; provided, however, if the Insured Bonds are then rated by a Rating Agency, before any such waiver or amendment is executed, the City and the Insurer shall first provide a copy of the proposed waiver or amendment to the Rating Agency and the Rating Agency shall have confirmed in writing that the execution of the proposed amendment or waiver (as applicable) will not result in the rating of the Insured Bonds being reduced or withdrawn.

ARTICLE X.

SUPPLEMENTAL SERIES RESOLUTIONS

Section 1001. Supplemental Series Resolutions Without Consent of Owners. The City may, from time to time and at any time, adopt such resolutions supplemental hereto as shall be consistent with the terms and provisions of this Series Resolution and, in the opinion of the Trustee, shall 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 Series Resolution that shall be consistent with the provisions of this Series Resolution, 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 Series Resolution other covenants and agreements thereafter to be observed by the City or to surrender any right or power herein reserved to or conferred upon the City, or

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

(e) to provide for the issuance of 1997A Bonds in bearer form, or

(f) to make modifications in the provisions for the issuance of 1997A Bonds under a book-entry system, or

(g) to obtain a rating on the 1997A Bonds from a national rating service.

Section 1002. 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 1997A Bonds then Outstanding shall have the right, from time to time anything contained in this Series Resolution to the contrary notwithstanding, to consent to and approve the adoption by the City and the acceptance by the Trustee of such series resolution supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Series

Resolution or in any supplemental series resolution; provided, however, that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any 1997A Bond issued hereunder, or (b) a reduction in the principal amount of any 1997A 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 this Series Resolution, or (d) a preference or priority of any 1997A Bond over any other 1997A Bond, or (e) a reduction in the aggregate principal amount of 1997A Bonds required for consent to such supplemental series resolution. Nothing herein contained, however, shall be construed as making necessary the approval by the Owners of the adoption and acceptance of any supplemental series resolution as authorized in Section 1001.

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 Local Government Commission, the Insurer 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 shall not, however, be subject to any liability to any Owner by reason of its failure to mail the notice required by this Section, and any such failure shall not affect the validity of such supplemental series resolution when approved and consented to as provided in this Section.

Whenever the City shall deliver 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 1997A 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, thereupon, but not otherwise, the City may adopt such supplemental series resolution in substantially such form, without liability or responsibility to any Owner, whether or not such Owner shall have consented thereto.

If the Owners of not less than 51% in aggregate principal amount of the 1997A Bonds Outstanding shall have consented to and approved the adoption thereof as herein provided, to the extent permitted by law, no Owner shall have any right to object to the adoption of such supplemental series resolution, 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.

Upon the adoption of any supplemental series resolution pursuant to the provisions of this Section or Section 1001, this Series Resolution shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Series Resolution, the Trustee and all Owners shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Series Resolution as so modified and amended.

Section 1003. 1997A Bonds Affected. For purposes of this Series Resolution, 1997A 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 1997A Bonds. The Trustee may in its discretion determine whether any 1997A Bonds would be affected by any supplemental series resolution and any such determinations shall be conclusive upon the Owners of all 1997A Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

Section 1004. Exclusion of 1997A Bonds. 1997A Bonds owned or held by or for the account of the City shall not be deemed Outstanding 1997A Bonds for the purpose of any consent or other action or any calculation of Outstanding 1997A Bonds provided for in this Article, and City as Owner of such 1997A Bonds shall not be entitled to consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the City shall furnish the Trustee certificates of the Finance Director, upon which the Trustee may rely, describing all 1997A Bonds so to be excluded.

Section 1005. Responsibilities of Trustee and City Under this Article. The Trustee and the City shall be entitled to exercise their discretion in determining whether or not any proposed supplemental series resolution or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the City, the rights and interests of the Owners, and the rights, obligations and interests of the Trustee. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of counsel approved by it, who may be bond counsel for the City, as conclusive evidence that any such proposed supplemental series resolution does or does not comply with the provisions of this Series Resolution, and that it is or is not proper for it, under the provisions of this Article, to accept such supplemental series resolution.

Section 1006. Consent of the Insurer. So long as the Bond Insurance Policy is outstanding, the consent of the Bond Insurer will be required to amend, modify or supplement this Series Resolution.

ARTICLE XI.

MISCELLANEOUS PROVISIONS

Section 1101. State Law Governs. This Series Resolution is adopted with the intent that the laws of the State shall govern its construction.

Section 1102. Headings. Any heading preceding the text of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Series Resolution, nor shall they affect its meaning, construction or effect.

Section 1103. Application to Local Government Commission. The City Council hereby ratifies and confirms its request to the Local Government Commission to sell the 1997A Bonds at private sale and without advertisement in accordance with the provisions of Section 159-123 of the General Statutes of North Carolina.

Section 1104. Approval of Amount of 1997A Bonds and Interest Rate. The Finance Director is hereby authorized and directed to approve (i) the actual amount of 1997A Bonds to be issued hereunder up to the limits specified in Section 204, (ii) the interest rate for the Initial Interest Rate Period for the 1997A Bonds not in excess of the maximum set forth in Section 204 and (iii) the sale of such Bonds at a price to be finally determined by the City Manager or the Finance Director of not less than 99.35% of the face amount thereof, plus accrued interest from the date of delivery of the 1997A Bonds, if any.

Section 1105. Approval of Preliminary Official Statements and Final Official Statement. The City hereby approves and consents to the use and distribution of copies of the Preliminary Official Statement, the final Official Statement, the Bond Order and this Series Resolution by the underwriters of the 1997A Bonds in connection with the public offering of the 1997A Bonds. Any of the Mayor, City Manager and Finance Director is hereby authorized and directed to complete, execute and deliver the final Official Statement relating to the 1997A Bonds, in substantially the form of the draft of the Preliminary Official Statement 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 1106. 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 1997A Bonds, the Bond Order, this Series Resolution 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 Series Resolution, 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 1997A Bond proceeds.

(b) The Mayor, the Finance Director, the Airport Manger, 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, this Series Resolution and the Purchase Contract.

Section 1107. Tax Covenant. The City covenants for the benefit of the Owners of the 1997A Bonds that it will not take any action or omit to take any action with respect to the 1997A Bonds, the proceeds thereof, any other funds of the City or any facilities refinanced with the proceeds of the 1997A Bonds if such action or omission would cause the interest on the 1997A Bonds, except for interest on any 1997A Bond for any period during which it is held by a "substantial user" of the facilities financed with the 1997A Bonds or a "related person" as such terms are used in Section 147(a) of the Code, to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the 1997A Bonds until the date on which all obligations of the City in fulfilling the above covenant under the Code have been met.

Section 1108. Acceptance of Duties by Paying Agent. Each Paying Agent (other than the Trustee) shall signify its acceptance of the duties and obligations imposed upon it by the Bond Order and this Series Resolution by executing and delivering to the City, the Trustee, and Standby Purchaser, the Insurer, the Qualified Swap Provider and the Remarketing Agent a written acceptance thereof.

Section 1109. Replacement of Registrar, Paying Agent or Refunding Agent. If the Registrar, Paying Agent or Refunding Agent initially appointed hereunder shall resign (whether before or after the issuance of any 1997A Bonds), or if the Finance Director shall reasonably determine that said Registrar, Paying Agent or Refunding Agent has become incapable of performing its duties hereunder or under the Refunding Deposit Agreement, as the case may be, the City

may, upon notice mailed to each Owner of the 1997A Bonds, if any, at such Owner's address last shown on the registration records, appoint a successor Registrar, Paying Agent or Refunding 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, Paying Agent or Refunding Agent may take effect until a successor is appointed. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder. Whenever in this Series Resolution the Registrar, Paying Agent or Refunding Agent is named or referred to, such provision shall be deemed to include any successor of the Registrar, Paying Agent or Refunding Agent, respectively.

Section 1110. Amendments to Bond Order Affecting Standby Purchaser, Qualified Swap Provider or Insurer. Anything herein to the contrary notwithstanding, an amendment to the Bond Order or this Series Resolution altering the rights and duties of the Standby Purchaser, Qualified Swap Provider or Insurer thereunder or hereunder shall require the prior written consent of the Standby Purchaser, Qualified Swap Provider or Insurer, respectively. Notice of any such amendment or any amendment to the Swap Agreement shall be promptly delivered to the Local Government Commission.

Section 1111. Notice to Rating Agencies. The Trustee shall mail notice to Standard & Poor's (if the 1997A Bonds are then rated by Standard & Poor's) and each other Rating Agency designated by the Remarketing Agent (if the 1997A Bonds are then rated by such Rating Agency) of the occurrence of any of the following events of which it has actual knowledge or has been informed: (i) any amendment or supplement to the Standby Agreement, an Alternate Standby Agreement, the Remarketing Agreement, the Qualified Swap, the Bond Order, the Bond Insurance Policy, or this Series Resolution; (ii) any removal, resignation or appointment of a Remarketing Agent; (iii) any redemption or mandatory purchase of Outstanding 1997A Bonds; (iv) any expiration, termination, substitution or renewal of the Standby Agreement, the Bond Insurance Policy, or the Qualified Swap; and (v) any conversion of 1997A Bonds to a Fixed Interest Rate Period.

Section 1112. Acceptance and Execution of Purchase Contract; Approval of Award. The Purchase Contract providing for the sale of the 1997A Bonds authorized hereunder for delivery in 1993 in substantially the form presented at this meeting is hereby approved and accepted by the City; the award of the Bonds by the Local Government Commission to the Purchasers as underwriters for the 1997A Bonds and the selection of Smith Barney Shearson Inc., as Representative of the Purchasers is hereby approved; and the Mayor or City Manager, or other appropriate officials of the City hereby are authorized and directed to approve additional Purchasers 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 between the date hereof and December 31, 1994, 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 shall constitute conclusive evidence of such approval.

Section 1113. Execution of Refunding Deposit Agreement. The Refunding Deposit Agreement, in substantially the form presented to this meeting, is hereby approved and the Mayor, City Manager or Finance Director or other appropriate officials of the City as designated in the Refunding Deposit Agreement hereby are authorized to complete the form of and to execute the Refunding Deposit Agreement on behalf and in the name of the City, and so to enter into a contract with the Refunding Agent as provided in such agreement, upon its completion as to form with such changes, variations, omissions and insertions or any official executing such documents shall approve. The execution thereof by such officials shall constitute conclusive evidence of such approval.

Section 1114. Selection of Financial Advisor. The City, having considered the recommendations of the Finance Director, hereby (i) finds that the investment banking firm of Alex. Brown & Sons Inc. possess the expertise necessary to perform services required as financial advisor to the City in connection with the 1997A Bonds and has adequately provided in similar financial transactions, services of a nature and sophistication comparable to those required for the issue and sale of the 1997A Bonds, and (ii) approves the retention of, and contract with, such firm as financial advisor to the City in connection with the 1997A Bonds.

Section 1115. Acceptance and Execution of Other Documents. The following documents presented to the City Council at this meeting are hereby approved in substantially the form presented at this meeting, and the Mayor, City Manager, Finance Director or other appropriate officials of the City as designated therein hereby are authorized and directed to negotiate the final terms of, and to execute, said agreements on the behalf of and in the name of the City and so to enter into said agreements with such changes, variations, omissions and insertions as any official executing such documents shall approve:

(a) The Liquidity Guaranty Agreement dated as of December 1, 1993 between the City and AIG-FP and appended form of Standby Agreement;

(b) The Standby Agreement and any Alternate Standby Agreement; and

(b) The Remarketing Agreement dated as of December 1, 1993 between the City and Smith Barney Shearson Inc.

complete the terms of any Standby Agreement or Alternate Standby Agreement. The execution thereof by such officials shall constitute conclusive evidence of such approval.

Section 1116. Approval of Bond Insurance Policy. The purchase of and the payment of premiums and costs for the Bond Insurance Policy issued by the Insurer which insures the payment of principal and interest of the 1997A Bonds and amounts payable under the Swap Agreement is hereby approved. The Mayor, City Manager, Finance Director or other appropriate officials of the City are authorized and directed to negotiate the final premium with respect to such policy and to take any and all other steps deemed appropriate or desirable by them to procure such policies.

Section 1117. Series Resolution Effective. This Series Resolution shall take effect immediately upon the delivery and payment for the 1997A Bonds, except that the provisions of Article XI, inclusive, shall take effect immediately.

CERTIFICATION

I, Nancy S. Gilbert, Deputy City Clerk of the City of Charlotte, North Carolina, do hereby certify that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 22nd day of November, 1993, the reference having been made in Minute Book 103, and recorded in full in Resolution Book 31, Page(s) 395-489.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 22nd day of November, 1993.

Nancy S. Gilbert, Deputy City Clerk

A RESOLUTION REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL
FOR ISSUANCE OF VARIABLE RATE AIRPORT REFUNDING REVENUE
BONDS BY THE CITY OF CHARLOTTE, NORTH CAROLINA

WHEREAS, the City Council of the City of Charlotte, North Carolina (the "City") has, pursuant to a Bond Order dated November 18, 1985 (the "Bond Order"), this date adopted a Series Resolution- (the "1997A Series Resolution") authorizing the issuance and sale of up to \$72,000,000 of its City of Charlotte, North Carolina, Variable Rate Airport Refunding Revenue Bonds, Series 1997A (the "1997A Bonds"), the proceeds of which are to be used to refund the City of Charlotte, North Carolina Airport Revenue Bonds, Series 1987 (the "1987 Bonds"); and

WHEREAS, the City has also adopted a First Supplemental Bond Order (the "Supplemental Order") supplementing and amending certain provisions of the Bond Order and providing for the payment of certain Credit Support Payment Amounts (defined therein) including letter of credit fees; municipal bond insurance premiums; interest rate exchange, cap, collar or swap payments; dollar-denominated or cross-currency interest agreements; or similar fees, payments or charges; and

WHEREAS, an Interest Rate Swap Agreement dated as of December 1, 1993 (the "Swap Agreement") between the City and AIG Financial Products Corp. ("AIG-FP") has been presented to the City Council under the terms of which (i) the interest rate payable by the City in connection with the 1997A Bonds will be effectively fixed through maturity at prevailing market rates, (ii) the notional principal amount of the Swap Agreement will at all times parallel the principal of the 1997A Bonds then outstanding, (iii) the term of the Swap Agreement is the same as the term of the 1997A Bonds and (iv) the Swap Agreement will be complete when executed by the City and AIG-FP without payment of an exercise price or other similar consideration;

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

Section 1. The City Council of the City hereby authorizes the filing of an application (the "Application") with the Local Government Commission of North Carolina requesting approval for (i) the issuance of the 1997A Bonds in an amount not to exceed \$72,000,000 to refund the 1987 Bonds, and (ii) the other transactions described in the Application and the documents filed with the Application, and requests the Local Government Commission of North Carolina to:

- a. consider favorably the Application submitted with this resolution; and
- b. sell the 1997A Bonds, as more fully described in the Application, at private sale and without advertisement, at such prices as the Commission

determines to be in the best interest of the City,
subject to the approval of the City.

Section 2. The 1997A Bonds are to be issued by the City for the purpose of providing funds to refund and prepay the 1987 Bonds and pay certain costs of issuance thereof as set out more fully in the documents attached to the Application. The 1997A Bonds are necessary to generate interest cost savings to the City.

Section 3. The City finds and determines and asks the Local Government Commission of North Carolina to find and determine from the City's Application and supporting documentation:

- a. that the issuance of the 1997A Bonds is necessary or expedient;
- b. that the amount of the 1997A Bonds will be sufficient but is not excessive for the cost of refunding the 1987 Bonds and paying certain costs of issuance of the 1997A Bonds;
- c. that the proposed refunding of the 1987 Bonds is feasible;
- d. that the City's debt management procedures and policies are good and are expected to be good; and
- e. that the 1997A Bonds can be marketed at a reasonable interest cost to the City.

Section 4. The Mayor, City Manager, Finance Director or other appropriate officers of the City are hereby authorized to execute such instruments, documents and certificates as may from time to time be necessary or desirable to finalize the Application and effect the issuance of the 1997A Bonds.

Section 5. This resolution shall take effect without further action by the City Council of the City.

CERTIFICATION

I, Nancy S. Gilbert, Deputy City Clerk of the City of Charlotte, North Carolina, do hereby certify that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 22nd day of November, 1993, the reference having been made in Minute Book 103, and recorded in full in Resolution Book 31, Page(s) 490-492

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 24th day of November, 1993.

Nancy S. Gilbert, Deputy City Clerk

Pages 493-496 were
not used.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHARLOTTE CALLING FOR A JOINT PUBLIC HEARING TO BE HELD BY THE CITY COUNCIL AND THE CHARLOTTE-MECKLENBURG HISTORIC LANDMARKS COMMISSION ON THE QUESTION OF DESIGNATING THE PROPERTY KNOWN AS THE JOHN DINKINS HOUSE AND LODGE (THE LAND LISTED UNDER TAX PARCEL NUMBER 211-551-44, INCLUDING THE ENTIRE EXTERIOR AND THE ENTIRE INTERIOR OF THE JOHN DINKINS HOUSE AND LODGE LOCATED WITHIN THE BOUNDARIES OF SAID TAX PARCELS) AS AN HISTORIC LANDMARK. THE PARCEL OF LAND TO BE DESIGNATED INCLUDES ALL OF THE LAND LISTED UNDER TAX PARCEL NUMBER 211-551-44 IN THE MECKLENBURG COUNTY DEED BOOK. THE PROPERTY, OWNED BY JAMES F. BOYD AND JULIA T. BOYD, IS LOCATED AT 2400 SUMMERLAKE ROAD, CHARLOTTE, MECKLENBURG COUNTY, NORTH CAROLINA.

WHEREAS, the Charlotte-Mecklenburg Historic Landmarks Commission has made an investigation and report on the historic, architectural, educational, and cultural significance of the property as described below; and

WHEREAS, the Charlotte-Mecklenburg Historic Landmarks Commission has recommended that the City Council adopt an ordinance designating the property described below as a historic landmark pursuant to Chapter 160A, Article 19, as amended, of the General Statutes of North Carolina; and

WHEREAS, the Charlotte-Mecklenburg Historic Landmarks Commission has determined that the property described below meets the criteria for designation because of special significance in terms of its history, architectural, and/or cultural importance, and because it possesses integrity of design, setting, workmanship, materials, feeling and/or association as required by N.C.G.S. 160A-400.5.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charlotte, Mecklenburg County, North Carolina, that the City Council and the Charlotte-Mecklenburg Historic Landmarks Commission will hold a joint public hearing at which time interested parties

will have an opportunity to be heard on the question of the designation of the property known as the "John Dinkins House and Lodge" (the entire exterior and the entire interior of the John Dinkins House and Lodge located within the boundaries of the land upon which it is located) as an historic landmark.

BE IT FURTHER RESOLVED that reasonable notice of the time and place of the public hearing shall be given.

Approved as to form:


City Attorney

CERTIFICATION

I, Nancy S. Gilbert, Deputy City Clerk of the City of Charlotte, North Carolina, do hereby certify that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 22nd day of November, 1993, the reference having been made in Minute Book 103, and recorded in full in Resolution Book 31, Page(s) 497-498

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 24th day of November, 1993.

Nancy S. Gilbert, Deputy City Clerk

**A RESOLUTION PROVIDING FOR PUBLIC
HEARINGS ON PETITIONS FOR ZONING CHANGES**

WHEREAS, the City Council has received petitions for zoning changes, which petitions, numbered 93-114 through 93-119 are on record in the Office of the City Clerk, and

WHEREAS, the City Council deems it in the public interest that hearings be held on said petitions,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charlotte, that public hearings will be held in the Meeting Chamber located in the Charlotte-Mecklenburg Government Center, Lobby Level, at 600 East Fourth Street beginning at 6:00 o'clock P.M. on Monday, December 20, 1993 on petitions for zoning changes numbered 93-114 through 93-119.

BE IT FURTHER RESOLVED that notice of said hearings be published as required by law.

CERTIFICATION

I, Nancy S. Gilbert, Deputy City Clerk of the City of Charlotte, North Carolina, do hereby certify that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 22nd day of November, 1993, the reference having been made in Minute Book 103, and recorded in full in Resolution Book 31, Page(s) 499.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 24th day of November, 1993.

Nancy S. Gilbert, Deputy City Clerk