

**EXTRACTS FROM MINUTES OF CITY COUNCIL**

A Regular Meeting of the City Council of the City of Charlotte, North Carolina was duly held in the Meeting Chamber at the Charlotte-Mecklenburg Government Center in Charlotte, North Carolina, the regular place of meeting, at 7:00 P.M. on September 22, 2014.

Members Present: Mayor Clodfelter, Councilmembers Austin, Autry, Barnes, Driggs, Fallon, Howard, Kinsey, Lyles, Mayfield, Phipps, Smith

Members Absent: None

Also Present:

\* \* \* \* \*

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

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

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

*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;

*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 amended on June 8, 1992 and August 23, 2004 (the "Bond Order");

*WHEREAS*, the City Council hereby determines that it is desirable (1) to refund in advance of their maturities the City's Airport Revenue Bonds, Series 2004A (the "2004A Bonds") and the City's Airport Revenue Bonds, Series 2004B (the "2004B Bonds," and together with the 2004A Bonds, the "Refunded Bonds"), and (2) to pay the costs of issuance of the 2014 Bonds;

*WHEREAS*, in order to obtain funds to refund the Refunded Bonds, the City has determined to approve the transactions described herein whereby the City will authorize and approve (1) the issuance of, among other things, two series of its airport revenue bonds, one to be known as "City of Charlotte, North Carolina Airport Refunding Revenue Bonds, Series 2014A" (the "2014A Bonds") in an aggregate principal amount not to exceed \$95,000,000, and the second to be known as "City of Charlotte, North

*Carolina Airport Refunding Revenue Bonds, Series 2014B*" (the "2014B Bonds," and together with the 2014A Bonds, the "2014 Bonds") in an aggregate principal amount not to exceed \$40,000,000, and (2) a Bond Purchase Agreement among the Local Government Commission of North Carolina (the "Commission", the City and Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Bank, National Association d/b/a Wells Fargo Securities, and PNC Capital Markets, LLC, as the underwriters named therein (the "Underwriters"), providing for the sale of the 2014 Bonds authorized hereunder (the "Bond Purchase Agreement");

**WHEREAS**, the City Council wants to (1) retain Parker Poe Adams & Bernstein LLP, as bond counsel; (2) retain Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Bank, National Association d/b/a Wells Fargo Securities, and PNC Capital Markets, LLC, as underwriters for the 2014 Bonds; (3) approve the selection by the Underwriters of McGuireWoods LLP, as Underwriters' counsel; (4) retain Newton and Associates, Inc., as airport financial consultant, Frasca & Associates, L.L.C., as airport financial advisor, and DEC Associates, Inc., as financial advisor; and (5) retain U. S. Bank National Association, as trustee for the 2014 Bonds (collectively, the "Financing Team");

**WHEREAS**, the City Council wants the Finance Director of the City to file with the Commission an application for its approval of the 2014 Bonds, on a form prescribed by the Commission, and (1) request in such application that the Commission approve (A) the negotiation of the sale of the 2014 Bonds to the Underwriters, (B) the City's use of the Financing Team in connection with the issuance of the 2014 Bonds; and (2) state in such application such facts and to attach thereto such exhibits in regard to the 2014 Bonds and to the City and its financial condition, as may be required by the Commission, and to take all other action necessary to the issuance of the 2014 Bonds;

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

1. the Bond Purchase Agreement; and
2. a Preliminary Official Statement to be dated on or about October 8, 2014 (the "Preliminary Official Statement") with respect to the 2014 Bonds; and

**WHEREAS**, the City Council, following notice duly given in the form attached hereto as Exhibit A (the "TEFRA Notice"), held a public hearing today regarding the issuance of the 2014B Bonds and the refinancing of the projects financed with proceeds of the 2004B Bonds (collectively, the "2004 Projects") and now desires to approve the issuance of the 2014B Bonds and the refinancing of the 2004 Projects in accordance with the Internal Revenue Code of 1986, as amended (the "Code").

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Charlotte, North Carolina that the City Council has determined to adopt, in accordance with Section 208 of the Bond Order, this Resolution authorizing the issuance of the 2014 Bonds, as follows:

**Section 1.** For purposes of this Resolution, all capitalized, undefined words have the meanings ascribed to them in Appendix A (the "Appendix"). The Appendix is incorporated into this Resolution by reference.

**Section 2.** The 2014 Bonds are to be issued by the City for the purpose of providing funds, together with other available funds of the City, (1) to refund in advance of their maturities the Refunded Bonds and (2) to pay the costs of issuing the 2014 Bonds all as set out fully in the documents attached to the City's application to the Commission.

**Section 3.** The Financing Team is hereby approved in connection with the issuance by the City of the 2014 Bonds.

**Section 4.** The filing of an application with the Commission for its approval of the issuance of the 2014 Bonds by the Finance Director of the City, with advice from the City Manager and bond counsel, is hereby authorized and approved.

**Section 5.** The City Council finds and determines, and asks the Commission to find and determine from the City's application and supporting documentation, as follows:

- (a) the issuance of the 2014 Bonds is necessary or expedient;
- (b) the not to exceed stated principal amount of the 2014 Bonds will be sufficient but is not excessive, when added to other moneys available to the Airport, to refund the Refunded Bonds;
- (c) the Airport as now constituted and after the refunding of the Refunded Bonds is feasible;
- (d) the City's debt management procedure and policies are excellent; and
- (e) the 2014 Bonds can be marketed at a reasonable interest cost to the City.

**Section 6.** The City shall issue not to exceed (1) \$95,000,000 in total aggregate principal amount of its 2014A Bonds and (2) \$40,000,000 in total aggregate principal amount of its 2014B Bonds.

**Section 7.** The refunding of the 2004A Bonds and the 2004B Bonds will be completed only if it produces at least 5.00% net present value savings.

**Section 8.** The City Council requests that the Commission sell the 2014 Bonds through negotiation to the Underwriters on such terms as may be agreed on but at a true interest cost not exceeding 4.50%. The form and content of the Preliminary Official Statement are in all respects authorized, approved and confirmed, and the use of the Preliminary Official Statement by the Underwriters in connection with the sale of the 2014 Bonds is hereby in all respects authorized, approved and confirmed.

**Section 9.** The 2014 Bonds are to be dated as of their date of issuance and pay interest as set forth in the Appendix. The 2014 Bonds are being issued to provide funds, together with other available funds of the City, (1) to refund in advance of their maturities the Refunded Bonds and (2) to pay the costs of issuance of the 2014 Bonds.

**Section 10.** The City Council has ascertained and hereby determines that the average period of usefulness of the capital projects being refinanced by the proceeds of the 2014 Bonds is not less than 25 years computed from the date of issuance of the 2014 Bonds.

**Section 11.** The 2014 Bonds are payable in annual installments on July 1 in each year, as set forth in the Finance Director's certificate under Section 2.03 of the Appendix.

**Section 12.** The City covenants to take such action as may be required in the opinion of Bond Counsel to cause the 2014 Bonds and all actions of the City with respect to the proceeds thereof to comply with the Code. The Finance Director of the City is hereby authorized to execute a no-arbitrage

certificate in order to comply with Section 148 of the Code and the applicable Income Tax Regulations thereunder.

**Section 13.** The Commission is hereby requested to sell the 2014 Bonds through a negotiated sale to the Underwriters pursuant to the terms of the Bond Purchase Agreement. The form and content of the Bond Purchase Agreement are in all respects approved and confirmed, and the Mayor, the City Manager or the Finance Director of the City, individually or collectively, are hereby authorized, empowered and directed to execute and deliver the Bond Purchase Agreement for and on behalf of the City, including necessary counterparts, in substantially the form and content presented to the City, but with such changes, modifications, additions or deletions therein as he or she may deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of his or her approval of any and all such changes, modifications, additions or deletions therein. From and after the execution and delivery of the Bond Purchase Agreement, the Mayor, the City Manager and the Finance Director of the City, individually or collectively, are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Purchase Agreement as executed. The execution thereof by such officials constitutes conclusive evidence of such approval.

**Section 14.** The Mayor, the City Manager or Finance Director of the City, individually or collectively, are authorized to deliver the Official Statement to be dated on or about October 17, 2014 with respect to the 2014 Bonds, on behalf of the City 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 to be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

**Section 15.** No stipulation, obligation or agreement herein contained or contained in the 2014 Bonds, this Resolution, the Bond Purchase Agreement or any other instrument related to the issuance of the 2014 Bonds is deemed to be a stipulation, obligation or agreement of any officer, agent or employee of the City in his or her individual capacity, and no such officer, agent or employee is personally liable on the 2014 Bonds or subject to personal liability or accountability by reason of the issuance thereof.

**Section 16.** The Mayor, the City Manager, the Deputy City Manager, the Finance Director, the City Treasurer, the City Debt Manager, the City Attorney, the City Clerk and any Deputy City Clerk, individually or collectively, are hereby authorized, empowered and directed to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate in order to consummate the transactions contemplated by (1) this Resolution and (2) the other documents presented to this meeting; except that none of the above is authorized or empowered to do anything or execute any document which is in contravention, in any way, of (a) the specific provisions of this Resolution, (b) any agreement to which the City is bound or (c) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of North Carolina.

**Section 17.** Notwithstanding Section 203 of the Bond Order, the 2014 Bonds, and any other Bonds issued pursuant to the Bond Order hereafter, may be executed by of the City Manager or bear the facsimile signature of the City Manager, in substitution of the signature of the Mayor; *provided*, that the City Clerk has also executed the 2014 Bonds or such other Bond issued pursuant to the Bond Order.

**Section 18.** Pursuant to and in satisfaction of the requirements of Section 147(f) of the Code, the City Council hereby approves (a) the issuance of the 2014B Bonds in an aggregate principal amount not to exceed \$40,000,000 and (b) the refinancing of the 2004 Projects.

**Section 19.** From the adoption of this Resolution until the date the 2014 Bonds are issued, the Mayor, the City Clerk, the City Manager and the Finance Director of the City, individually or collectively, are hereby authorized, empowered and directed to make any changes, modifications, additions or deletions to the Appendix, the Bond Purchase Agreement or any other documents hereinabove authorized as he or she may deem necessary, desirable or appropriate (1) that may be requested by the rating agencies rating the 2014 Bonds, (2) that may be necessary to carry out and comply with the provisions of said documents as executed, (3) to effectuate other technical changes to the provisions of the 2014 Bonds necessary to implement the intent of this Resolution, or (4) to change the makeup of the financial institutions serving as Underwriters or add other financial institutions thereto. Furthermore, the Mayor, the City Clerk, the City Manager and the Finance Director of the City, individually or collectively, are authorized to take any and all further actions to execute and deliver any and all other documents as may be necessary in the issuance of the 2014 Bonds and the execution and delivery of the Bond Purchase Agreement. Any changes, modifications, additions or deletions to the Appendix shall be set forth in a certificate executed by the City Manager or the Finance Director of the City on the date the 2014 Bonds are issued.

**Section 21.** All acts and doings of the City officials authorized by this Resolution that are in conformity with the purposes and intents of this Resolution and in the furtherance of the issuance of the 2014 Bonds and the execution, delivery and performance of the Bond Purchase Agreement are in all respects approved and confirmed.

**Section 22.** If any one or more of the agreements or provisions herein contained is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or for any reason whatsoever is held invalid, then such covenants, agreements or provisions are null and void and separable from the remaining agreements and provisions and will in no way affect the validity of any of the other agreements and provisions hereof or of the 2014 Bonds authorized hereunder.

**Section 23.** This Resolution is adopted with the intent that the laws of the State govern its construction.

**Section 24.** All resolutions or parts thereof of the City Council in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

**Section 25.** This Resolution is effective on its adoption.

\* \* \* \*



EXHIBIT A

**NOTICE OF A PUBLIC HEARING REGARDING THE  
FINANCING OF CERTAIN AIRPORT PROJECTS  
WITH THE PROCEEDS OF A TAX-EXEMPT BOND ANTICIPATION NOTE  
TO BE ISSUED BY THE CITY OF CHARLOTTE, NORTH CAROLINA**

**NOTICE IS HEREBY GIVEN** to all interested parties that the City of Charlotte, North Carolina, a municipal corporation of the State of North Carolina (the "*City*"), has determined to issue an Airport Revenue Bond Anticipation Note in an aggregate principal amount not to exceed \$100,000,000 (the "*Note*") and Airport Revenue Refunding Bonds, Series 2014B (AMT), in an aggregate principal amount not to exceed \$40,000,000 (the "*Bonds*"), the interest on which will be excludible from gross income for federal income tax purposes.

The Note will be issued to finance (1) all or a portion of the cost of the acquisition, rehabilitation, renovation, expansion and construction of certain improvements to the Charlotte Douglas International Airport (the "*Airport*"), including (a) the design and construction of a new 3,200-space business valet parking deck, (b) the rehabilitation of the passenger areas of Concourses A, B and C, and the Atrium, (c) an approximately 42,000 square foot, three-level addition to the East Terminal at the connector of Concourses D and E, (d) an approximately 387,000 square foot expansion of the concrete ramp adjacent to Runway 36R, (e) an approximately 750 linear foot extension of Little Rock Road to Wilkinson Boulevard, (f) additional electrical ductbank and manholes, and (g) expansion of the Long Term 2 parking lot to add approximately 3,000 additional parking spaces (collectively, the "*2014 Project*"), and (2) all or a portion of the costs of issuing the Note.

The Bonds will be issued to refund in advance of their stated maturities the City's Airport Revenue Bonds, Series 2004B (the "*2004 Bonds*"), issued in the aggregate principal amount of \$48,465,000, of which \$35,575,000 is currently outstanding. The 2004 Bonds were issued to finance (1) the acquisition, rehabilitation, renovation, expansion and construction of certain improvements to the Airport, consisting of (a) improvements to Concourses A, B, C and D, (b) improvements to, and the expansion of, Concourse E, (c) terminal building improvements, and (d) the expansion of the Airport's fuel farm (all such capital projects, together with the 2014 Project, the "*Project*"), (2) a deposit to a reserve fund securing the 2004 Bonds, and (3) costs of issuing the 2004 Bonds.

The Airport and the Project are located 5501 Josh Birmingham Parkway, Charlotte, North Carolina 28208. The Project will be, and has at all times been, owned and operated by the City.

**NOTICE IS HEREBY GIVEN** that the City will hold a public hearing in the Meeting Chamber at the Charlotte-Mecklenburg County Governmental Center, 600 East Fourth Street, Charlotte, North Carolina 28202, on September 22, 2014 at 7:00 p.m., or as soon as practicable thereafter, at which time any person may be heard regarding the proposed issuance of the Note and the nature and location of the Project. All interested parties are invited to present comments, either orally or in writing, at the public hearing regarding the proposed issuance of the Note and the location and nature of the Project.

Any person wishing to comment in writing on the proposed issuance of the Note and the nature and location of the Project should do so within 14 days after the date of publication of this notice to the Director of Finance of the City, 600 East Fourth Street, Tenth Floor, Charlotte, North Carolina, 28202, Attention: Chief Financial Officer.

By: /s/ Emily A. Kunze  
Deputy City Clerk  
City of Charlotte, North Carolina

**APPENDIX A**

**To**

**RESOLUTION PROVIDING FOR THE ISSUANCE OF:**

**CITY OF CHARLOTTE, NORTH CAROLINA**

**AIRPORT REFUNDING REVENUE BONDS, SERIES 2014A**

**and**

**AIRPORT REFUNDING REVENUE BONDS, SERIES 2014B**

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EXHIBIT A FORM OF 2014A BOND  
EXHIBIT B FORM OF 2014B BOND

## ARTICLE I.

### DEFINITIONS

#### Section 1.01. *Meaning of Words and Terms.*

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

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

“*Authorized Denomination*” means \$5,000 and any integral multiple thereof.

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

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

“*City Contribution*” means an amount equal to the required deposit to the Common Reserve Subaccount of the Revenue Bond Reserve Account.

“*Code*” means the Internal Revenue Code of 1986, as from time to time amended.

“*Commission*” means the Local Government Commission of North Carolina.

“*Common Reserve Bonds*” means, collectively, the 2014 Bonds and any subsequent series of Bonds issued under a series resolution that (1) designates such Series of Bonds as being secured by the Common Reserve Subaccount of the Revenue Bond Reserve Account created under this Series Resolution, (2) requires annual payments of principal on July 1 of each year set forth in such series resolution and (3) requires semiannual payments of interest on January 1 and July 1 of each year, beginning on the date set forth in such series resolution.

“*Common Reserve Series Resolution*” means a series resolution executed and delivered in accordance with Section 1105 of the Bond Order under which one or more Series of Common Reserve Bonds are issued.

“*Common Reserve Subaccount of the Revenue Bond Reserve Account*” means the subaccount created and so designated by Section 4.01.

“*Direct Participant*” means a participant in the book-entry system maintained by DTC.

“*DTC*” means The Depository Trust Company, New York, New York.

“*Finance Director*” means the 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 City Treasurer or any Deputy Finance Director.

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

*"Interest Payment Date"* means, with respect to the 2014 Bonds, January 1, 2015 and each January 1 and July 1 thereafter.

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

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

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

*"Purchase Contract"* means the Purchase Contract among the Commission, the City and the Purchasers, providing for the initial purchase of the 2014 Bonds.

*"Purchasers"* means, collectively, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Bank, National Association d/b/a Wells Fargo Securities, PNC Capital Markets, LLC and any other banking firm or underwriter 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 a subaccount of the Revenue Bond Reserve Account in lieu of or in partial substitution for monies on deposit therein, the issuer of which, at the time of the issuance of the Qualified Surety Bond, is rated in one of the two highest rating categories by either S&P, Moody's or Fitch Ratings.

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

*"Rating Agency"* means Moody's, S&P or Fitch Ratings. Except as otherwise provided herein, if more than one Rating Agency maintains a credit rating with respect to the 2014 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 2004A Bonds and the 2004B Bonds.

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

*"Reserve Requirement"* means, with respect to the Common Reserve Bonds, (1) the lesser of (a) 10% of the issuance price of the Common Reserve Bonds, (b) the maximum amount required to pay principal and interest on the Common Reserve Bonds for any current or succeeding Fiscal Year and (c) 125% of the average annual principal and interest requirements on the Common Reserve Bonds or (2) such lesser amount as may be permitted under the Code, as set forth in a certificate of Bond Counsel delivered to the City and the Trustee.

“*Series Resolution*” means, the Series Resolution adopted by the City Council of the City on September 22, 2014, the appendices attached thereto, and any amendments or supplements thereto.

“*Series 2014A Subaccount of the Revenue Bond Interest Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2014A Subaccount of the Revenue Bond Principal Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2014A Subaccount of the Revenue Bond Redemption Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2014A Subaccount of the Revenue Bond Sinking Fund Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2014B Subaccount of the Revenue Bond Interest Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2014B Subaccount of the Revenue Bond Principal Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2014B Subaccount of the Revenue Bond Redemption Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2014B Subaccount of the Revenue Bond Sinking Fund Account*” means the subaccount created and so designated by Section 4.01.

“*Sinking Fund Requirement*” means the principal amount of the 2014 Bonds to be retired by mandatory redemption pursuant to section 3.04 of this Appendix A as specified by the Finance Director in his certificate delivered under Section 2.03(4)(E) of this Appendix A. If during any 12-month period ended June 30 the total principal amount of the 2014A Bonds or 2014B Bonds retired by purchase or redemption under the provisions of this Appendix A is greater than the amount of the corresponding Sinking Fund Requirement for such 2014 Bonds, the next succeeding Sinking Fund Requirements for such 2014A Bonds or 2014B Bonds will be reduced in such amount aggregating the amount of such excess.

“*S&P*” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, its successors and their assigns or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency (other than Moody’s or Fitch Ratings) as may be designated in writing by the City and approved in writing by the LGC.

“*2004A Bonds*” means the City’s Airport Revenue Bonds, Series 2004A maturing on and after July 1, 2023, of which \$87,095,000 is currently outstanding.

“*2004B Bonds*” means the City’s Airport Revenue Bonds, Series 2004B maturing on and after July 1, 2015, of which \$35,575,000 is currently outstanding.

“*2014 Bonds*” means, collectively, the 2014A Bonds and the 2014B Bonds.

“2014A Bonds” means the City of Charlotte, North Carolina Airport Refunding Revenue Bonds, Series 2014A issued pursuant to the Bond Order and this Appendix A.

“2014B Bonds” means the City of Charlotte, North Carolina Airport Refunding Revenue Bonds, Series 2014B, issued pursuant to the Bond Order and this Appendix A.

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

Section 1.02. *Parties Interested Herein.* Except as otherwise expressly provided in this Appendix A, nothing herein expressed or implied is intended or to be construed to confer on or to give to any Person, other than the City, the City Council, the Paying Agent, the Bond Registrar, the Trustee, the Purchasers and the owners from time to time of the 2014 Bonds, any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the City are for the sole and exclusive benefit of the City, the City Council, the Paying Agent, the Bond Registrar, the Trustee, the Purchasers and the owners of the 2014 Bonds, except as herein otherwise provided.

Section 1.03. *Ratification.* All action heretofore taken (not inconsistent with the provisions of this Appendix A) by the City directed toward the refunding of the Refunded Bonds, toward the sale and delivery of the 2014 Bonds for that purpose, and toward the acceptance and execution of the Purchase Contract submitted by the Purchasers to the City, hereby is ratified, approved and confirmed.

[End of Article I]

## ARTICLE II.

### AUTHORIZATION, FORM, ISSUANCE, DELIVERY AND REGISTRATION OF 2014 BONDS

Section 2.01. *Authorization of Financing and Authorization of 2014 Bonds.* The refunding of the Refunded Bonds is hereby authorized. For the purpose of providing funds for the refunding of the Refunded Bonds and paying the costs of issuing the 2014 Bonds, there is hereby authorized and shall be issued, under and pursuant to the Constitution and the laws of the State, including the Act, the Bond Order and the Series Resolution and this Appendix A, the 2014 Bonds of the City in the amounts and subject to the conditions herein provided. No 2014 Bonds may be issued under the provisions of this Appendix A and the Bond Order except in accordance with this Article. The total principal amount of 2014A Bonds that may be issued is hereby expressly limited to \$95,000,000 and the total principal amount of 2014B Bonds that may be issued is hereby expressly limited to \$40,000,000 except as provided in Sections 204 and 210 of the Bond Order.

#### Section 2.02. *Issuance of 2014 Bonds.*

(a) The 2014A Bonds will be designated “*City of Charlotte, North Carolina Airport Refunding Revenue Bonds, Series 2014A.*” The 2014A Bonds will be issuable as fully registered bonds in any Authorized Denomination. The 2014A Bonds will be numbered from RA-1 upwards. The 2014A Bonds will be substantially in the form set forth in Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by this Appendix A.

(b) The 2014B Bonds will be designated “*City of Charlotte, North Carolina Airport Refunding Revenue Bonds, Series 2014B.*” The 2014B Bonds will be issuable as fully registered bonds in

any Authorized Denomination. The 2014B Bonds will be numbered from RB-1 upwards. The 2014B Bonds will be substantially in the form set forth in Exhibit B, with such appropriate variations, omissions and insertions as are permitted or required by this Appendix A.

Section 2.03. *Delivery of 2014 Bonds.* Before the delivery by the Trustee of any of the 2014 Bonds, the items required under Section 717 of the Bond Order must be filed with the Trustee. The 2014 Bonds must be in Authorized Denominations and executed substantially in the form and in the manner set forth in the Exhibits to this Appendix A and will be deposited with the Bond Registrar for authentication, but before the 2014 Bonds may be authenticated and delivered by the Bond Registrar to the State Treasurer for redelivery to the Purchasers, there must be filed with the Trustee the following:

1. a copy, certified by the City Clerk, of the Series Resolution;
2. a copy, certified by the Secretary or any Deputy Secretary of the Commission, of the resolution of the Commission approving the issuance of and awarding the 2014 Bonds;
3. a copy, certified by the City Clerk, of the Bond Order;
4. a certificate or certificates of the Finance Director collectively setting forth the following:
  - (A) the aggregate principal amount of the 2014A Bonds and the 2014B Bonds to be issued, not in excess of the maximum amount previously established in Section 2.01;
  - (B) the interest rates for the 2014A Bonds and the 2014B Bonds, such interest rate not to be in excess of 6.0% for any maturity;
  - (C) the amount of the Reserve Requirement which is required to be deposited into the Common Reserve Subaccount of the Revenue Bond Reserve Account;
  - (D) the disposition of the proceeds of the 2014 Bonds and the City Contribution to the Common Reserve Subaccount of the Revenue Bond Reserve Account, to the Series 2014A Cost of Issuance Account of the Construction Fund, to the Series 2014B Cost of Issuance Account of the Construction Fund, to the Series 2004A Revenue Bond Redemption Subaccount and to the Series 2004B Revenue Bond Redemption Subaccount;
  - (E) the designation of the principal amount of each maturity of each of the 2014A Bonds and 2014B Bonds and the Sinking Fund Requirements, if any, for the 2014A Bonds and the 2014B Bonds; and
  - (F) the designation of the premium (not to exceed 2.00%) for optional redemption of the 2014A Bonds and the 2014B Bonds under Section 3.02;
5. an opinion of the Airport's Attorney to the effect that the City has title to the Airport, subject to Permitted Encumbrances or other exceptions satisfactory to the Purchasers;

6. evidence of compliance by the City with the provisions of Section 717 of the Bond Order;

7. copies of insurance certificates and a statement, signed by the City's Director of Insurance and Risk Management or insurance agent, to the effect that the insurance required by the Bond Order is in effect; and

8. an opinion of the City Attorney stating that (i) the Series Resolution has been duly and validly adopted by the City, (ii) no provision of the Bond Order or the Series Resolution violates any provision of the Act or results in or constitutes a default under any agreement, indenture or other instrument to which the City is a party or by which the City may be bound, and of which he has knowledge, (iii) the City's adoption of the Series Resolution and execution and issuance of the 2014 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 2014 Bonds have been duly and validly authorized by the City, and the 2014 Bonds constitute valid and binding special obligations of the City in accordance with their terms.

When the documents mentioned in paragraphs (1) to (8) of this Section have been filed with the Trustee and when the 2014 Bonds have been executed and authenticated as required by this Series Resolution, the Trustee shall deliver the 2014 Bonds at the times as prescribed in each Purchase Contract to the State Treasurer for redelivery to or on the order of the Purchasers, but only on payment to the Trustee of the purchase price of the 2014 Bonds. The Trustee is entitled to rely on the resolutions and certificates mentioned in paragraphs (1) through (8) of this Section as to all matters stated therein.

**Section 2.04. *Details of 2014 Bonds; Payment.***

(a) The 2014 Bonds will mature on July 1 of the years and in the amounts and will bear interest (computed on the basis of a 360-day year of twelve 30-day months) as set forth in the Finance Director's certificate referred to in Section 2.03(4) above.

(b) Both the principal of and the interest on the 2014 Bonds are payable in any lawful coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Each 2014 Bond shall bear interest from its date until its principal sum has been paid, but if such 2014 Bond has matured or has been called for redemption and the redemption date has occurred and funds are available for the payment thereof in full in accordance with the terms of the Bond Order, such 2014A Bond or 2014B Bond shall then cease to bear interest as of the maturity date or Redemption Date. The 2014 Bonds will be dated as of their date of issuance, except that 2014 Bonds issued in exchange for or on the registration of transfer of 2014 Bonds will be dated as of the Interest Payment Date next preceding the date of authentication thereof, unless (i) the date of such authentication precedes December 15, 2014, in which case they will be dated their date of issuance, or (ii) the date of such authentication is an Interest Payment Date to which interest on the 2014A Bonds or 2014B Bonds has been paid in full or duly provided for in accordance with the terms of this Appendix A, in which case they will be dated as of such Interest Payment Date; except that if, as shown by the records of the Paying Agent, interest on the 2014A Bonds or 2014B Bonds is in default, 2014A Bonds or 2014B Bonds executed and delivered in exchange for or on registration of transfer of 2014A Bonds or 2014B Bonds will be dated as of the date to which interest on the 2014A Bonds or 2014B Bonds, respectively, has been paid in full. If no interest has been paid on the 2014A Bonds or 2014B Bonds, 2014A Bonds or 2014B Bonds executed and delivered in



exchange for or on the registration of transfer of 2014A Bonds or 2014B Bonds will be dated as of their date of issuance.

(c) The 2014 Bonds will be initially delivered by means of a book-entry system with no physical distribution of definitive 2014 Bonds made to the public. One definitive 2014 Bond for each maturity of each series is to be delivered to The Depository Trust Company, New York, New York (“DTC”), and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the 2014 Bonds in denominations of \$5,000 or any integral multiple thereof, with transfers of beneficial ownership effected on the records of DTC and its participants (the “DTC Participants”) pursuant to rules and procedures established by DTC.

Each DTC Participant will be credited in the records of DTC with the amount of such DTC Participant’s interest in the 2014A Bonds or the 2014B Bonds. Beneficial ownership interests in the 2014 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the “Beneficial Owners.” The Beneficial Owners will not receive definitive 2014 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner will be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its 2014 Bonds. Transfers of ownership interests in the 2014 Bonds will be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. So long as Cede & Co., as nominee for DTC, is the Registered Owner of the 2014 Bonds, the Trustee shall treat Cede & Co. as the only owner of the 2014 Bonds for all purposes under the Bond Order and this Appendix A, including receipt of all principal and premium, if any, and interest on the 2014 Bonds, receipt of notices, voting and requesting or directing the Trustee to take or not to take, or consenting to, certain actions under the Bond Order or this Appendix A.

Payments of principal, interest and premium, if any, with respect to the 2014 Bonds, so long as DTC is the only Owner of the 2014 Bonds, will be paid by the Trustee directly to DTC or its nominee, Cede & Co., as provided in the Blanket Letter of Representation dated November 21, 1996 from the City and the Trustee to DTC (the “Letter of Representation”). DTC will remit such payments to DTC Participants, and such payments thereafter will be paid by DTC Participants to the Beneficial Owners. The Trustee and the City are not and will not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

If (a) DTC determines not to continue to act as securities depository for the 2014 Bonds or (b) the Trustee and the City determine to discontinue the book entry system in accordance with DTC’s rules and the City fails to identify another qualified securities depository to replace DTC, the City will deliver fully registered definitive 2014 Bonds to DTC in accordance with DTC’s rules and procedures.

The City and the Trustee have no responsibility or obligation with respect to (A) the accuracy of any records maintained by DTC or any DTC Participant; (B) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal of and premium, if any, and interest on the 2014 Bonds; (C) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any beneficial owner which is required or permitted under the terms of the Bond Order or this Appendix A to be given to Owners; (D) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the 2014 Bonds; or (E) any consent given or other action taken by DTC or its nominee, Cede & Co., as Owner.

(d) The 2014 Bonds are payable at the designated corporate trust office of the Paying Agent on presentation and surrender. Interest on the 2014 Bonds will be paid by the Paying Agent by check or draft mailed on the Interest Payment Date to each Owner as its name and address appear on the registration books kept by the Bond Registrar at the close of business on the Record Date. At the written request of any Owner of at least \$1,000,000 in aggregate principal amount of the 2014 Bonds, principal and interest may be payable by wire transfer at the address specified in writing by the Owner to the Paying Agent by the Record Date. CUSIP number identification with appropriate dollar amounts for each CUSIP number shall accompany all payments of principal of, premium, if any, and interest on any 2014 Bonds, whether by check or by wire transfer.

(e) U.S. Bank National Association, Charlotte, North Carolina, is hereby appointed as Bond Registrar with respect to the 2014 Bonds.

Section 2.05. *Arbitrage and Tax Covenants.* The City covenants that it will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from federal income taxation of the interest on the 2014 Bonds and, if it should take or permit, or omit to take or cause to be taken, any such action, the City will take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly on having knowledge thereof. The City acknowledges that the continued exclusion of interest on the 2014 Bonds or from an Owner's gross income for federal income tax purposes depends, in part, on compliance with the arbitrage limitations imposed by Section 148 of the Code. The City covenants that it will comply with all the requirements of Section 148 of the Code, including the rebate requirements, and that it will not permit at any time any of the proceeds of the 2014 Bonds or other funds under their control be used, directly or indirectly, to acquire any asset or obligation, the acquisition of which would cause the 2014 Bonds to be "*arbitrage bonds*" for purposes of Section 148 of the Code.

[End of Article II]

### ARTICLE III.

#### REDEMPTION OF THE 2014 BONDS

Section 3.01. *Privilege of Redemption and Redemption Prices.* The 2014 Bonds are redeemable, on notice as provided below, at the times, at the redemption prices and on the terms contained in this Article III and in Article III of the Bond Order.

#### Section 3.02. *Optional Redemption of the 2014 Bonds.*

(a) The 2014A Bonds maturing on or after July 1, 2025, may be redeemed before their maturities, at the option of the City, from any funds that may be available for such purpose, either in whole or in part on any date beginning on or after July 1, 2024, at the redemption price, including a premium (calculated on the par amount on the 2014A Bonds called for redemption) not to exceed 2.00%, all as set forth in the Finance Director's certificate referred to in Section 2.03(4) above.

(b) The 2014B Bonds maturing on or after July 1, 2025, may be redeemed before their maturities, at the option of the City, from any funds that may be available for such purpose, either in whole or in part on any date beginning on or after July 1, 2024, at the redemption price, including a premium (calculated on the par amount on the 2014A Bonds called for redemption) not to exceed 2.00%, all as set forth in the Finance Director's certificate referred to in Section 2.03(4) above.

Section 3.03. *Extraordinary Optional Redemption of 2014 Bonds.* The 2014 Bonds will be subject to optional redemption by the City, in whole or in part on any date at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date of redemption, on instructions from the City, from the Net Proceeds of insurance or Eminent Domain which are deposited in the Series 2014A Subaccount of the Revenue Bond Redemption Account or the Series 2014B Subaccount of the Revenue Bond Redemption Account, respectively, as provided in the Bond Order.

Section 3.04. *Sinking Fund Redemption.* The 2014 Bonds are required to be redeemed to the extent of any Sinking Fund Requirement on each July 1 on which there is a Sinking Fund Requirement from money required to be deposited in the Series 2014A Subaccount of the Revenue Bond Sinking Fund Account or the Series 2014B Subaccount of the Revenue Bond Sinking Fund Account, respectively, at a redemption price equal to the principal amount of the 2014 Bonds being redeemed, without premium, plus accrued interest to the date of redemption.

Section 3.05. *Notice of Redemption.* Notice of redemption will be given by the Trustee not less than 30 days nor more than 60 days before the Redemption Date (1) to the Commission by Mail or facsimile transmission, (2)(a) to DTC or its nominee by registered or certified mail at the address provided to the Trustee by DTC or as otherwise permitted by DTC's rules and procedures or (b) if DTC or its nominee is no longer the Owner of the 2014 Bonds, by Mail to the then-registered Owners of 2014 Bonds to be redeemed at the last address shown on the registration books kept by the Bond Registrar and (3) to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB.

Such notice must (1) specify the 2014 Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due on such redemption must be payable (which must be the designated office of the Paying Agent) and if less than all of the 2014 Bonds are to be redeemed, the numbers of the 2014 Bonds and the portions of 2014 Bonds to be redeemed, and (2) state that on the redemption date, the 2014 Bonds to be redeemed will cease to bear interest. If at the time of mailing of notice of redemption there is not on deposit with the Trustee money sufficient to redeem the 2014 Bonds called for redemption, which money is or will be available for redemption of the 2014 Bonds, such notice will state that it is conditional on the deposit of the redemption money with the Trustee on the redemption date. Any notice, once given, may be withdrawn by notice delivered in the manner set forth above, on receipt by the Trustee of written instructions from the City with respect to such withdrawal.

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

If money is on deposit with the Trustee to pay the redemption price of the 2014 Bonds called for redemption including premium, if any, thereon on a redemption date, 2014 Bonds or portions thereof so called for redemption as hereinabove specified will not bear interest after such redemption date and will not be considered to be Outstanding or to have any other rights under the Bond Order other than the right to receive payment. No payment of principal will be made by the Paying Agent on any 2014 Bonds or portions thereof called for redemption until such 2014 Bonds or portions thereof have been delivered for payment or cancellation or the Paying Agent has received the items required by Section 210 of the Bond Order with respect to any mutilated, lost, stolen or destroyed 2014 Bonds.

Section 3.06. *Selection of 2014 Bonds To Be Redeemed.* Notwithstanding Section 302 of the Bond Order, in the case of any partial redemption of 2014 Bonds, the City will select the series of the 2014 Bonds and the maturity or maturities of the 2014 Bonds within a series to be redeemed and DTC

will select the 2014 Bonds within the same maturity of a series pursuant to its rules and procedures or, if the book-entry system with DTC or any other securities depository has been discontinued, the Bond Registrar will select the 2014 Bonds to be redeemed by lot in such manner as the Bond Registrar in its discretion may deem proper.

If a 2014A Bond or 2014B Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2014A Bond or 2014B Bond may be redeemed, but only in a principal amount such that the unredeemed portion of such 2014A Bond or 2014B Bond is equal to an Authorized Denomination. For any 2014A Bond or 2014B Bond in a denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2014A Bond or 2014B Bond as representing a single 2014A Bond or 2014B Bond in the minimum Authorized Denomination plus that number of 2014A Bonds or 2014B Bonds that is obtained by dividing the remaining principal amount of such 2014A Bond or 2014B Bond by the minimum Authorized Denomination.

If it is determined that one or more, but not all, of the Authorized Denominations of principal amount represented by any 2014A Bond or 2014B Bond is to be called for redemption, then, on written notice of intention to redeem such Authorized Denominations of principal amount of such 2014A Bond or 2014B Bond, the Owner of such 2014A Bond or 2014B Bond, on surrender of such 2014A Bond or 2014B Bond to the Paying Agent for payment of the principal amount of such 2014A Bond or 2014B Bond, will be entitled to receive new 2014A Bond or 2014B Bond in the aggregate principal amount of the unredeemed balance of the principal amount of such 2014A Bond or 2014B Bond. New 2014A Bond or 2014B Bond representing the unredeemed balance of the principal amount of such 2014A Bond or 2014B Bond will be issued to the Owner thereof.

If the Owner of any 2014A Bond or 2014B Bond of a denomination greater than the amount being redeemed fails to present such 2014A Bond or 2014B Bond to the Paying Agent for payment and exchange as aforesaid, such 2014A Bond or 2014B Bond will, nevertheless, become due and payable on the date fixed for redemption to the extent of the denomination being redeemed and to that extent only.

Section 3.07. *No Partial Redemption After Default.* Anything in this Appendix A to the contrary notwithstanding, if an Event of Default occurs and is continuing hereunder there will be no redemption of less than all of the 2014 Bonds Outstanding.

[End of Article III]

#### ARTICLE IV.

##### REVENUES, ACCOUNTS AND FUNDS

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

- (a) Common Reserve Subaccount of the Revenue Bond Reserve Account;
- (b) Series 2014A Subaccount of the Revenue Bond Interest Account;
- (c) Series 2014A Subaccount of the Revenue Bond Principal Account;
- (d) Series 2014A Subaccount of the Revenue Bond Redemption Account;
- (e) Series 2014A Subaccount of the Revenue Bond Sinking Fund Account

- (f) Series 2014A Cost of Issuance Account of the Construction Fund;
- (g) Series 2014B Subaccount of the Revenue Bond Interest Account;
- (h) Series 2014B Subaccount of the Revenue Bond Principal Account;
- (i) Series 2014B Subaccount of the Revenue Bond Redemption Account;
- (j) Series 2014B Subaccount of the Revenue Bond Sinking Fund Account
- (k) Series 2014B Cost of Issuance Account of the Construction Fund;

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

Section 4.02. *Revenues Received by the City.* On or before the 25<sup>th</sup> day of each month beginning November 25, 2014, the City shall, subject to the provisions of the Bond Order, deposit or cause to be deposited from Net Revenues with the Trustee the following amounts and the Trustee shall apply such amounts to the various accounts and subaccounts specified herein:

(a) into the applicable Subaccount of the Revenue Bond Interest Account created with respect to each Series of Common Reserve Bonds an amount in substantially equal monthly installments necessary, after taking into account money transferred from the PFC Revenue Account or otherwise deposited therein by the City, to have funds on hand each June 25 and December 25, commencing (i) with respect to each Series of 2014 Bonds, on December 25, 2014, and (ii) with respect to any other Series of Common Reserve Bonds, on the date set forth in the applicable Common Reserve Series Indenture, to pay the next maturing installment of interest, on each such Series of Common Reserve Bonds then Outstanding; and

(b) into the applicable Subaccount of the Revenue Bond Principal Account created with respect to any each Series of Common Reserve Bonds an amount in substantially equal monthly installments necessary, after taking into account money transferred from the PFC Revenue Account or otherwise deposited therein by the City, to have funds on hand each June 25, commencing (i) with respect to each Series of 2014 Bonds, on June 25, 2015, and (ii) with respect to any other Series of Common Reserve Bonds, on the date set forth in the applicable Common Reserve Series Indenture, to pay the next maturing installment of principal, on each such Series of Common Reserve Bonds then Outstanding; or

(c) into the applicable Subaccount of the Revenue Bond Sinking Fund Account created with respect to each Series of Common Reserve Bonds, after taking into account money transferred from the PFC Revenue Account or otherwise deposited therein by the City, 1/12<sup>th</sup> of the amount required to retire each such Series of Common Reserve Bonds to be called by mandatory redemption pursuant to the applicable Common Reserve Series Indenture on the next ensuing July 1, in accordance with the Sinking Fund Requirement therefor.

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

Section 4.03. *Application of Money in the Series 2014A Subaccount of the Revenue Bond Sinking Fund Account.* Money held in the Series 2014A Subaccount of the Revenue Bond Sinking Fund Account will be applied during each Fiscal Year to the purchase or retirement of 2014A Bonds then Outstanding as follows:

(a) The Trustee shall, at the request of the City, endeavor to purchase and cancel 2014A Bonds or portions thereof subject to redemption by operation of the Series 2014A 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 2014A Bond shall not exceed par plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such 2014A Bonds to the date of settlement therefore from the Series 2014A Subaccount of the Revenue Bond Interest Account and the purchase price from the Series 2014A Subaccount of the Revenue Bond Sinking Fund Account, but no such purchase shall be made by the Trustee from money in the Series 2014A Subaccount of the Revenue Bond Sinking Fund Account within the period of 45 days immediately preceding any July 1 on which such 2014A Bonds are subject to redemption, except from money other than the money set aside in the Series 2014A Subaccount of the Revenue Bond Sinking Fund Account for the redemption of 2014A Bonds. The aggregate purchase price of 2014A Bonds during each Fiscal Year shall not exceed the amount to be deposited in the Series 2014A Subaccount of the Revenue Bond Sinking Fund Account on account of the Sinking Fund Requirement for the 2014A Bonds for such Fiscal Year. If in any Fiscal Year the sum of the amount on deposit in the Series 2014A Subaccount of the Revenue Bond Sinking Fund Account for the payment of any 2014A Bonds and the principal amount of the 2014A 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 2014A Bonds for such Fiscal Year, the Trustee shall endeavor to purchase Outstanding 2014A Bonds with such excess money;

(b) The Trustee shall call for redemption on July 1 in each Fiscal Year 2014A Bonds in a principal amount equal to the aggregate Sinking Fund Requirement for the 2014A Bonds for such Fiscal Year, less the principal amount of any such 2014A 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 2014A Subaccount of the Revenue Bond Sinking Fund Account the amount required to pay the Redemption Price of the 2014A Bonds so called for redemption. The amount of interest on the 2014A Bonds so called for redemption shall be paid from the Series 2014A Subaccount of the Revenue Bond Interest Account. If such date is the stated maturity date of any such 2014A Bonds, the Trustee shall not call such 2014A Bonds for redemption but, on such maturity, shall withdraw the amount required for paying the principal of such 2014A Bonds when due and payable.

If at any date there is money in the Series 2014A Subaccount of the Revenue Bond Sinking Fund Account and no 2014A Bonds are then Outstanding or if on any payment date money remains therein after the mandatory redemption of 2014A Bonds in accordance with the Sinking Fund Requirement therefor, the Trustee shall withdraw such money and shall apply the same as follows: (a) deposit in the Common Reserve 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 2014A Subaccount of the Revenue Bond Sinking Fund Account on the 25<sup>th</sup> day of the month next preceding a payment date on which 2014A Bonds are to be redeemed in

accordance with the Sinking Fund Requirements therefor is insufficient to satisfy such Sinking Fund Requirement, the Trustee shall transfer to such Subaccount such amounts as may be necessary to remedy the deficiency, drawing on money in the Common Reserve Subaccount of the Revenue Bond Reserve Account.

If, in any Fiscal Year, by the application of money in the Series 2014A Subaccount of the Revenue Bond Sinking Fund Account the Trustee should purchase or receive from the City and cancel 2014A Bonds in excess of the aggregate Sinking Fund Requirements for such Fiscal Year, the Trustee shall file with the City not later than the 20th day before the next August 1 a statement identifying the 2014A Bonds purchased or delivered during such Fiscal Year and the amount of such excess. The City shall thereafter cause a certificate of the Finance Director to be filed with the Trustee not later than the 10th day before such August 1, setting forth with respect to the amount of such excess the Fiscal Years in which the Sinking Fund Requirements with respect to 2014A Bonds are to be reduced and the amount by which the Sinking Fund Requirements so determined are to be reduced.

On the retirement of any 2014A Bonds by purchase or redemption under the provisions of this Section, the Trustee shall file with the City a statement identifying such 2014A Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such 2014A Bonds, and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such 2014A Bonds shall be paid by the City from the Operating Fund or from any other available money.

Section 4.04. *Application of Money in the Series 2014A Revenue Bond Redemption Account.* The Trustee shall apply money in the Series 2014A Revenue Bond Redemption Subaccount to the purchase or redemption of 2014A Bonds as follows:

(a) Subject to the provisions of paragraph (c) of this Section, at the request of the City, the Trustee shall endeavor to purchase and cancel 2014A Bonds or portions thereof, regardless of whether such 2014A 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 2014A Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Owner of such 2014A Bond under the provisions of this Appendix A if such 2014A Bond or such portion thereof should be called for redemption on such date from the money in the Series 2014A Subaccount of the Revenue Bond Redemption Account. The Trustee shall pay the interest accrued on such 2014A Bonds or portions thereof to the date of settlement from the Series 2014A Subaccount of the Revenue Bond Interest Account and the purchase price from the Series 2014A Subaccount of the Revenue Bond Redemption Account, but no such purchase shall be made by the Trustee from money in the Series 2014A Subaccount of the Revenue Bond Redemption Account within the period of 45 days immediately preceding any Interest Payment Date on which such 2014A Bonds or portions thereof are to be redeemed, except from money other than the money set aside in the Series 2014A Subaccount of the Revenue Bond Redemption Account for the redemption of Bonds.

(b) Subject to the provisions of paragraph (c) of this Section, the Trustee shall call for redemption on a date permitted by this Appendix A such amount of 2014A Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Series 2014A 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 2014A Subaccount of the Revenue Bond Interest Account and the Redemption Price of such 2014A Bonds or portions thereof from the Series 2014A Subaccount of the Revenue Bond Redemption Account. The Trustee shall withdraw from the Series 2014A

Subaccount of the Revenue Bond Redemption Account and set aside the respective amounts required to pay the Redemption Price of the 2014A Bonds or portions thereof so called for redemption.

(c) Money in the Series 2014A Subaccount of the Revenue Bond Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of 2014A Bonds then Outstanding in accordance with the Sinking Fund Requirement.

On the retirement of any 2014A Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the City a statement identifying such 2014A Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such 2014A Bonds and the amount paid as interest thereon. The expense incurred by the Trustee in connection with the purchase or redemption of any such 2014A Bonds shall be paid by the City from the Operating Fund or from any other available money.

Section 4.05. *Application of Money in the Series 2014B Subaccount of the Revenue Bond Sinking Fund Account.* Money held in the Series 2014B Subaccount of the Revenue Bond Sinking Fund Account will be applied during each Fiscal Year to the purchase or retirement of 2014B Bonds then Outstanding as follows:

(a) The Trustee shall, at the request of the City, endeavor to purchase and cancel 2014B Bonds or portions thereof subject to redemption by operation of the Series 2014B 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 2014B Bond shall not exceed par plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such 2014B Bonds to the date of settlement therefore from the Series 2014B Subaccount of the Revenue Bond Interest Account and the purchase price from the Series 2014B Subaccount of the Revenue Bond Sinking Fund Account, but no such purchase shall be made by the Trustee from money in the Series 2014B Subaccount of the Revenue Bond Sinking Fund Account within the period of 45 days immediately preceding any July 1 on which such 2014B Bonds are subject to redemption, except from money other than the money set aside in the Series 2014B Subaccount of the Revenue Bond Sinking Fund Account for the redemption of 2014B Bonds. The aggregate purchase price of 2014B Bonds during each Fiscal Year shall not exceed the amount to be deposited in the Series 2014B Subaccount of the Revenue Bond Sinking Fund Account on account of the Sinking Fund Requirement for the 2014B Bonds for such Fiscal Year. If in any Fiscal Year the sum of the amount on deposit in the Series 2014B Subaccount of the Revenue Bond Sinking Fund Account for the payment of any 2014B Bonds and the principal amount of the 2014B 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 2014B Bonds for such Fiscal Year, the Trustee shall endeavor to purchase Outstanding 2014B Bonds with such excess money;

(b) The Trustee shall call for redemption on July 1 in each Fiscal Year 2014B Bonds in a principal amount equal to the aggregate Sinking Fund Requirement for the 2014B Bonds for such Fiscal Year, less the principal amount of any such 2014B 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 2014B Subaccount of the Revenue Bond Sinking Fund Account the amount required to pay the Redemption Price of the 2014B Bonds so called for redemption. The amount of interest on the 2014B Bonds so called for redemption shall be paid from the Series 2014B Subaccount of the



Revenue Bond Interest Account. If such date is the stated maturity date of any such 2014B Bonds, the Trustee shall not call such 2014B Bonds for redemption but, on such maturity, shall withdraw the amount required for paying the principal of such 2014B Bonds when due and payable.

If at any date there is money in the Series 2014B Subaccount of the Revenue Bond Sinking Fund Account and no 2014B Bonds are then Outstanding or if on any payment date money remains therein after the mandatory redemption of 2014B Bonds in accordance with the Sinking Fund Requirement therefor, the Trustee shall withdraw such money and shall apply the same as follows: (a) deposit in the Common Reserve 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 2014B Subaccount of the Revenue Bond Sinking Fund Account on the 25<sup>th</sup> day of the month next preceding a payment date on which 2014B Bonds are to be redeemed in accordance with the Sinking Fund Requirements therefor is insufficient to satisfy such Sinking Fund Requirement, the Trustee shall transfer to such Subaccount such amounts as may be necessary to remedy the deficiency, drawing on money in the Common Reserve Subaccount of the Revenue Bond Reserve Account.

If, in any Fiscal Year, by the application of money in the Series 2014B Subaccount of the Revenue Bond Sinking Fund Account the Trustee should purchase or receive from the City and cancel 2014B Bonds in excess of the aggregate Sinking Fund Requirements for such Fiscal Year, the Trustee shall file with the City not later than the 20th day before the next August 1 a statement identifying the 2014B 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 10<sup>th</sup> day before such August 1, setting forth with respect to the amount of such excess the Fiscal Years in which the Sinking Fund Requirements with respect to 2014B Bonds are to be reduced and the amount by which the Sinking Fund Requirements so determined are to be reduced.

On the retirement of any 2014B Bonds by purchase or redemption under the provisions of this Section, the Trustee shall file with the City a statement identifying such 2014B Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such 2014B Bonds, and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such 2014B Bonds shall be paid by the City from the Operating Fund or from any other available money.

Section 4.06. *Application of Money in the Series 2014B Revenue Bond Redemption Account.* The Trustee shall apply money in the Series 2014B Revenue Bond Redemption Subaccount to the purchase or redemption of 2014B Bonds as follows:

(a) Subject to the provisions of paragraph (c) of this Section, at the request of the City, the Trustee shall endeavor to purchase and cancel 2014B Bonds or portions thereof, regardless of whether such 2014B 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 2014B Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Owner of such 2014B Bond under the provisions of this Appendix A if such 2014B Bond or such portion thereof should be called for redemption on such date from the money in the Series 2014B Subaccount of the Revenue Bond Redemption Account. The Trustee shall pay the interest accrued on such 2014B Bonds or portions thereof to the date of settlement from the Series 2014B Subaccount of the Revenue Bond Interest Account and the

purchase price from the Series 2014B Subaccount of the Revenue Bond Redemption Account, but no such purchase shall be made by the Trustee from money in the Series 2014B Subaccount of the Revenue Bond Redemption Account within the period of 45 days immediately preceding any Interest Payment Date on which such 2014B Bonds or portions thereof are to be redeemed, except from money other than the money set aside in the Series 2014B Subaccount of the Revenue Bond Redemption Account for the redemption of Bonds.

(b) Subject to the provisions of paragraph (c) of this Section, the Trustee shall call for redemption on a date permitted by this Appendix A such amount of 2014B Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Series 2014B 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 2014B Subaccount of the Revenue Bond Interest Account and the Redemption Price of such 2014B Bonds or portions thereof from the Series 2014B Subaccount of the Revenue Bond Redemption Account. The Trustee shall withdraw from the Series 2014B Subaccount of the Revenue Bond Redemption Account and set aside the respective amounts required to pay the Redemption Price of the 2014B Bonds or portions thereof so called for redemption.

(c) Money in the Series 2014B Subaccount of the Revenue Bond Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of 2014B Bonds then Outstanding in accordance with the Sinking Fund Requirement.

On the retirement of any 2014B Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the City a statement identifying such 2014B Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such 2014B Bonds and the amount paid as interest thereon. The expense incurred by the Trustee in connection with the purchase or redemption of any such 2014B Bonds shall be paid by the City from the Operating Fund or from any other available money.

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

Section 4.08. *Application of Money in Common Reserve Subaccount of the Revenue Bond Reserve Account.*

(a) There will be deposited in the Common Reserve Subaccount of the Revenue Bond Reserve Account an initial amount as certified by the Finance Director under Section 2.03(4) and such other amounts as may be required by the terms of this Series Resolution and any subsequent Common Reserve Series Resolution. The Trustee shall use money deposited in the Common Reserve Subaccount of the Revenue Bond Reserve Account solely for the purpose of paying the principal of and the interest on each Series of Common Reserve Bonds whenever and to the extent that (1) money in the applicable Subaccount of the Revenue Bond Interest Account created with respect to such Series of Common Reserve Bonds is insufficient to pay the interest on such Series of Common Reserve Bonds or (2) money in the applicable Subaccount of the Revenue Bond Principal Account or the applicable Subaccount of the Revenue Bond Sinking Fund Account created with respect to such Series of Common Reserve Bonds is insufficient to pay the principal of such Series of Common Reserve Bonds. With respect to the 2014 Bonds, the Trustee shall withdraw such money in accordance with the order of priorities set forth in Section 4.02, and with respect to any subsequent Series of Common Reserve Bonds, the Trustee shall

withdraw such money in accordance with the order of priorities set forth in the corresponding section of the applicable Common Reserve Series Resolution; *provided, however*, if there is insufficient money in the Common Reserve Subaccount of the Revenue Bond Reserve Account to satisfy all deposits required within each subsection of Section 4.02, then any amounts remaining in the Common Reserve Subaccount of the Revenue Bond Reserve Account will be used to satisfy the deposits between each subaccount on a *pro rata* basis in accordance with the Outstanding aggregate principal amount of each corresponding Series of Common Reserve Bonds. If on any Interest Payment Date the amount on deposit in an account of the Common Reserve Subaccount of the Revenue Bond Reserve Account exceeds the Reserve Requirement therefor, the Trustee shall transfer such excess to (1) the applicable Subaccount of the Revenue Bond Interest Account created with respect to each Series of Common Reserve Bonds on a *pro rata* basis based on the Outstanding aggregate principal amount of each corresponding Series of Common Reserve Bonds or (2) as the City otherwise directs as required by the City's arbitrage and tax regulatory agreement executed and delivered in connection with any Series of Common Reserve Bonds.

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

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

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

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

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

Section 4.09. *Investment of Money.* Money held for the credit of all subaccounts or accounts established under this Appendix A on deposit with the Trustee are to be continuously invested and

reinvested by the Trustee in such Investment Obligations as the City may direct to the extent practicable. Any such Investment Obligations shall mature not later than the respective dates when the money held for the credit of such subaccounts or accounts will be required for the purposes intended. No Investment Obligations in any such subaccount or account may mature beyond the latest maturity date of any 2014 Bonds Outstanding at the time such Investment Obligations are deposited.

The interest accruing on Investment Obligations in the subaccounts established hereunder and any profit or loss realized on the disposition or maturity of such Investment Obligations are to be credited to or charged against the following Funds, accounts and subaccounts: interest and profit or loss resulting from each of the subaccounts established under Section 4.01 other than the Series 2014A Construction Account of the Construction Fund shall be credited to or charged against the Revenue Fund, and interest and profit or loss resulting from the Series 2014A Construction Account of the Construction Fund shall be credited to or charged against that account.

Section 4.10. *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 2014 Bond issued under this Appendix A at the places, on the dates and in the manner provided herein and in the 2014 Bonds, and any premium required for the retirement of the 2014 Bonds by purchase or redemption, according to the true intent and meaning thereof. The City represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the 2014 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 2014 Bonds initially issued hereunder has been duly and effectively taken; and that such 2014 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 2014 Bonds are not payable from the general funds of the City and do not constitute a legal or equitable pledge, lien or encumbrance on any of the properties of the City or on any of its income, receipts or revenues, except as provided in this Appendix A and the Bond Order, and neither the credit nor the taxing power of the City are pledged for the payment of the 2014 Bonds, or the City's obligations to comply with any covenant or agreement under this Appendix A or any other agreement entered into by the City pursuant to its authority.

[End of Article IV]

## ARTICLE V.

### USE OF BOND PROCEEDS AND CITY CONTRIBUTION

The proceeds of the 2014 Bonds and the City Contribution are to be deposited in accordance with the certificate of the Finance Director delivered under Section 2.03(4). In addition, the Trustee shall debit such amount from the City's deposit account held by Wells Fargo Bank, National Association an amount equal to the City Contribution and deposit that amount in accordance with the certificate of the Finance Director delivered under Section 2.03(4).

[End of Article V]

## ARTICLE VI.

### SUPPLEMENTAL SERIES RESOLUTIONS

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

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Appendix A that shall be consistent with the provisions of this Appendix A, or

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

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

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

(e) to provide for the issuance of any of the 2014A Bonds or the 2014B Bonds in bearer form, or

(f) to make modifications in the provisions for the issuance of any of the 2014A Bonds or the 2014B Bonds under a book-entry system, or

(g) to obtain a rating on any of the 2014A Bonds or the 2014B Bonds from a national rating service.

Notwithstanding anything in the Bond Order or the Series Resolution to the contrary, (1) any initial purchaser, underwriter or remarketing agent holding any 2014 Bonds or another Series of the Bonds issued after the issuance of the 2014 Bonds may, regardless of its intent to sell or distribute such Bonds in the future, consent as the Owner of such Bonds to any amendment or supplemental resolution as required or permitted by this Article, including any amendment or supplemental resolution that adversely affects the interests of other Owners, and (2) any such holder providing its consent under this Section is not entitled to receive, nor is the City required to provide, any prior notice or other documentation regarding such amendment or supplemental resolution.

Section 6.02. *Modification of Series Resolution with Consent of Owners.* Subject to the terms and provisions contained in this Section, and not otherwise, the Owners of not less than 51% in aggregate principal amount of the 2014 Bonds then Outstanding have the right, from time to time anything contained in this Appendix A to the contrary notwithstanding, to consent to and approve the adoption by the City and the acceptance by the Trustee of such series resolution supplemental hereto as are necessary or considered desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Appendix A or in any supplemental series resolution; but nothing herein contained permits, or may be construed as

permitting (a) an extension of the maturity of the principal of or the interest on any 2014 Bond or (b) a reduction in the principal amount of any 2014 Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a pledge of Net Revenues other than any pledge created or permitted by the Bond Order or the Series Resolution, or (d) a preference or priority of any 2014 Bond over any other 2014 Bond, or (e) a reduction in the aggregate principal amount of 2014 Bonds required for consent to such supplemental series resolution. Nothing herein contained, however, may be construed as making necessary the approval by the Owners of the adoption and acceptance of any supplemental series resolution as authorized in Section 7.01.

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

Whenever the City delivers to the Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than 51% in aggregate principal amount of 2014 Bonds then Outstanding that are affected by a proposed supplemental series resolution, which instrument or instruments shall refer to the proposed supplemental series resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, then the City may adopt such supplemental series resolution in substantially such form, without liability or responsibility to any Owner, whether or not such Owner has consented thereto.

If the Owners of not less than 51% in aggregate principal amount of the 2014 Bonds Outstanding have consented to and approved the adoption thereof as herein provided, to the extent permitted by law, no Owner has any right to object to the adoption of such supplemental series resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City from adopting the same or from taking any action pursuant to the provisions thereof.

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

Section 6.03. **2014 Bonds Affected.** For purposes of this Appendix A, 2014 Bonds are deemed to be "*affected*" by a supplemental series resolution if the same adversely affects or diminishes the rights of Owners against the City or the rights of the Owners in the security for such 2014 Bonds. The Trustee may in its discretion determine whether any 2014 Bonds would be affected by any supplemental series resolution and any such determinations is conclusive on the Owners of all 2014 Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee is not liable for any such determination made in good faith.

Section 6.04. **Exclusion of 2014 Bonds.** 2014 Bonds owned or held by or for the account of the City shall not be deemed Outstanding 2014 Bonds for the purpose of any consent or other action or any calculation of Outstanding 2014 Bonds provided for in this Article, and City as Owner of such 2014

Bonds is not entitled to consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the City shall furnish the Trustee certificates of the Finance Director, on which the Trustee may rely, describing all 2014 Bonds so to be excluded.

Section 6.05. *Responsibilities of Trustee and City Under this Article.* The Trustee and the City are entitled to exercise their discretion in determining whether or not any proposed supplemental series resolution or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the City, the rights and interests of the Owners, and the rights, obligations and interests of the Trustee. The Trustee is entitled to receive, and is fully protected in relying on, the opinion of counsel approved by it, who may be bond counsel for the City, as conclusive evidence that any such proposed supplemental series resolution does or does not comply with the provisions of this Appendix A, and that it is or is not proper for it, under the provisions of this Article, to accept such supplemental series resolution.

[End of Article VII]

## ARTICLE VIII.

### MISCELLANEOUS PROVISIONS

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

Section 8.02. *Application to Commission.* The City Council hereby ratifies and confirms its request to the Commission to sell the 2014 Bonds at private sale and without advertisement in accordance with the provisions of Section 159-123 of the General Statutes of North Carolina.

Section 8.03. *Approval of Amount of 2014 Bonds and Interest Rate.* The Finance Director is hereby authorized and directed to approve (1) the actual amount of the 2014A Bonds and the 2014B Bonds and each maturity of the 2014 Bonds and the Sinking Fund Requirements for the 2014 Bonds to be issued under this Appendix A to the limits specified in Section 2.01, (2) the interest rates for each maturity of the 2014A Bonds and the 2014B Bonds, not in excess of the maximum set forth in Section 2.03 and (3) the sale of such 2014 Bonds at a price to be finally determined by the City Manager or the Finance Director of not less than 95.0% of the face amount thereof.

Section 8.04. *Authorization for Other Acts.*

(a) The Finance Director and other officers, agents and employees of the City and the officers and agents of the Trustee are hereby authorized and directed to do all acts and things required of them by the provisions of the 2014 Bonds, the Bond Order, the Series Resolution, this Appendix A and the Purchase Contract for the full, punctual and complete performance of the terms, covenants, provisions and agreements of the same and also to do all acts and things required of them by the provisions of this Appendix A, including the advancement of any fees and expenses in connection with the transactions described therein with the expectation that such fees and expenses will be reimbursed to the City from 2014 Bond proceeds.

(b) The Mayor, the City Manager, the Deputy City Manager, the Chief Financial Officer, the City Treasurer, the City Debt Manager, the Airport Manager, the City Attorney, the City Clerk and any Deputy City Clerk, or any of them or their deputies and designees, are further authorized and directed (without limitation except as may be expressly set forth herein) to employ

and compensate advisers, bond counsel, counsel, and consultants, to take such action and to execute and deliver any such documents, deeds, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary and appropriate to effect the transactions contemplated by the Bond Order, the Series Resolution, this Appendix A and the Purchase Contract.

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

Section 8.06. *Holidays.* Except as otherwise provided herein, whenever any payment or action to be made or taken hereunder is stated to be due on a day which is not a Business Day, such payment or action will be made or taken on the next following Business Day, and such extension of time will be included in computing interest, if any, in connection with such payment or action.

Section 8.07. *Replacement of Registrar or Paying Agent.* If the Bond Registrar or Paying Agent initially appointed under this Appendix A resigns (whether before or after the issuance of any 2014 Bonds), or if the Finance Director reasonably determines that the Bond Registrar or Paying Agent has become incapable of performing its duties hereunder, the City may, on notice mailed to each Owner of the 2014 Bonds, if any, at such Owner's address last shown on the registration records, appoint a successor Registrar or Paying Agent which meets any requirement set forth in the Bond Order, including the prior approval by the Commission of a successor Registrar. No resignation or dismissal of the Bond Registrar or Paying Agent may take effect until a successor is appointed. The same institution is not required to serve as both Registrar and Paying Agent hereunder, but the City has the right to have the same institution serve as both Registrar and Paying Agent hereunder. Whenever in this Appendix A the Bond Registrar or Paying Agent is named or referred to, such provision is deemed to include any successor of the Bond Registrar or Paying Agent, respectively.

Section 8.08. *Notice to Rating Agencies.* The Trustee shall mail notice to each Rating Agency then rating the 2014 Bonds and the LGC of the occurrence of any of the following events of which it has actual knowledge or has been informed: (1) any amendment or supplement to the Bond Order, the Series Resolution or the Policy; or (2) any redemption of Outstanding 2014 Bonds.

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

(1) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ended June 30, 2014, , the audited financial statements of the City for the preceding Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or if such audited financial statements are not then available, unaudited financial statements of the City for such Fiscal Year to be replaced subsequently by audited financial statements of the City to be delivered within 15 days after such audited financial statements become available for distribution;

(2) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ended June 30, 2014, the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year (which data shall be prepared at least annually, shall specify the date as to which such information was prepared and shall be delivered together with any subsequent material events notices specified in subparagraph (3) below) for the type of information included under the captions in the Official Statement dated on or about October 17,



2014, as identified in the Official Statement to the extent such items are not included in the financial statements referred to in paragraph (1) above;

(3) in a timely manner not in excess of 10 Business Days after the occurrence of the event, notice of any of the following events with respect to the 2014 Bonds:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

(c) unscheduled draws on the debt service reserves reflecting financial difficulties;

(d) unscheduled draws on any credit enhancements reflecting financial difficulties;

(e) substitution of any credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2014 Bonds or other material events affecting the tax status of the 2014 Bonds;

(g) modification of the rights of the Beneficial Owners of the 2014 Bonds, if material;

(h) call of any of the 2014 Bonds, if material, and tender offers;

(i) defeasance of any of the 2014 Bonds;

(j) release, substitution or sale of any property securing repayment of the 2014 Bonds, if material;

(k) rating changes;

(l) bankruptcy, insolvency, receivership or similar event of the City;

(m) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and

(n) the appointment of a successor or additional trustee, or the change in the name of a trustee, if material;

(4) in a timely manner, notice of a failure of the City to provide required annual financial information described in (1) or (2) above on or before the date specified.

The City agrees to provide all documents described in this section in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The City agrees that its undertaking under this Article is intended to be for the benefit of the Owners and the beneficial owners of the 2014 Bonds and is enforceable by the Trustee or by any of them, including an action for specific performance of the City's obligations under this Article, but a failure to comply will not be an event of default under Section 802 of the Bond Order and will not result in acceleration of the payment of the 2014 Bonds. An action must be instituted, had and maintained in the manner provided in this paragraph for the benefit of all of the Owners and beneficial owners of the 2014 Bonds.

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

(1) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the City;

(2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of the Official Statement, after taking into account any amendments or interpretations of the Rule as well as any changes in circumstances; and

(3) any such modification does not materially impair the interest of the Owners or the beneficial owners, as determined by the Trustee or Bond Counsel or by the approving vote of the Owners of a majority in principal amount of the 2014 Bonds pursuant to Section 7.02 of this Appendix A.

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

The provisions of this Article terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on the 2014 Bonds.

**EXHIBIT A**  
**FORM OF 2014A BOND**

**CITY OF CHARLOTTE, NORTH CAROLINA**  
**AIRPORT REFUNDING REVENUE BONDS,**  
**SERIES 2014A**

No. RA-1

§

<u>INTEREST RATE</u>	<u>DATED DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
%	November 6, 2014	July 1, 20__	161036__

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT: DOLLARS**

*The City of Charlotte, North Carolina (the "City"), a municipal corporation of the State of North Carolina (the "State"), for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the Owner named above the Principal Amount stated above on the Maturity Date set forth above (or earlier as hereinafter described), and to pay such Owner at the address as it appears on the registration books kept by U.S. Bank, National Association, the Bond Registrar, the Trustee and the Paying Agent for the 2014A Bonds (the "Bond Registrar," the "Paying Agent" and the "Trustee"), at the close of business on the 15<sup>th</sup> day of the month preceding each hereinafter-described Interest Payment Date (each, a "Regular Record Date"), interest on such Principal Amount at the Interest Rate set forth above from the Interest Payment Date next preceding the date of authentication (unless (i) the date of authentication precedes the first Interest Payment Date in which case this 2014A Bond will bear interest from its date of issuance, or (ii) the date of authentication is an Interest Payment Date, in which case this 2014A Bond will bear interest from such date) until the principal hereof has been paid or provided for in accordance with the Indenture hereinafter referred to, payable January 1, 2015 and thereafter semiannually on July 1 and January 1 in each year (each an "Interest Payment Date"). Both principal and interest and any premium on the redemption before the maturity of all or part hereof are payable in lawful coin or currency of the United States of America and (except for interest which is payable by check or draft as stated above) are payable at the principal corporate trust office of the Paying Agent in Charlotte, North Carolina*

THE 2014A BONDS ARE SPECIAL OBLIGATIONS OF THE CITY. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE 2014A BONDS ARE NOT PAYABLE FROM THE GENERAL FUNDS OF THE CITY, NOR DO THEY CONSTITUTE A LEGAL OR EQUITABLE PLEDGE, CHARGE, LIEN, OR ENCUMBRANCE ON ANY OF ITS PROPERTY OR ON ANY OF ITS INCOME, RECEIPTS, OR REVENUES EXCEPT THE FUNDS WHICH ARE PLEDGED UNDER THE INDENTURE (HEREINAFTER DEFINED). NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR THE CITY ARE PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2014A BONDS, AND NO OWNER OF THIS 2014A BOND HAS THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER BY THE STATE OR THE CITY OR THE FORFEITURE OF ANY OF ITS PROPERTY IN CONNECTION WITH ANY DEFAULT.

The 2014A Bonds will be initially delivered by means of a book-entry system with no physical distribution of definitive 2014A Bonds made to the public. One definitive 2014A Bond for each maturity will be delivered to The Depository Trust Company, New York, New York ("DTC"), and immobilized in

its custody. A book-entry system will be employed, evidencing ownership of the 2014A Bonds in Authorized Denominations (hereinafter defined) with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Principal of, premium, if any, and interest on this 2014A Bond will be payable to DTC or its nominee as registered owner of the 2014A Bonds by wire transfer in immediately available funds. The City, the Paying Agent and the Trustee are not responsible or liable for maintaining, supervising, or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If (a) DTC determines not to continue to act as securities depository for the 2014A Bonds or (b) the Trustee and the City determine to discontinue the book entry system in accordance with DTC's rules and the City fails to identify another qualified securities depository to replace DTC, the City will deliver fully registered definitive 2014A Bonds to DTC in accordance with DTC's rules and procedures.

The City, the Paying Agent, the Bond Registrar and the Trustee have no responsibility or obligation with respect to (a) the accuracy of any records maintained by DTC; (b) the payment by DTC of any amount in respect of the principal of and premium, if any, and interest on the 2014A Bonds; (c) the delivery or timeliness of delivery by DTC of any notice which is required or permitted under the terms of the Indenture (hereinafter defined) to be given to Owners; (d) the selection of Owners to receive payments in the event of any partial redemption of the 2014A Bonds; or (e) any consent given or other action taken by DTC, or its nominee.

This Bond is one of an issue of Bonds designated "*Airport Refunding Revenue Bonds, Series 2014A*" (the "*2014A Bonds*") issued under a bond order adopted by the City Council of the City (the "*City Council*") on November 18, 1985, which the City Council supplemented and amended on June 8, 1992 and August 23, 2004 (the "*Bond Order*") and a resolution adopted by the City Council on September 22, 2014 (the "*Series Resolution*"). Unless the context indicates otherwise, all capitalized, undefined terms used herein have the meanings ascribed to them in the Bond Order, the Series Resolution or the Appendix A attached to, and incorporated in, the Series Resolution. The City intends to issue its Airport Refunding Revenue Bonds, Series 2014B (the "*2014B Bonds*" and collectively with the 2014A Bonds, the "*2014 Bonds*") and its Airport Revenue Bond Anticipation Note, Series 2014C (the "*2014C Note*"), on or about the time the City issues its 2014A Bonds, under the Bond Order. Under the Bond Order, the City has previously issued several series of Bonds (the "*Existing Bonds*"). The 2014 Bonds, the 2014C Note, the Existing Bonds and any additional Bonds which may be issued under the Bond Order are parity obligations under the Bond Order.

The 2014 Bonds are being issued to pay a portion of the costs (1) to refund in advance of their maturities the 2004A Bonds and the 2004B Bonds (each, as defined in the Series Resolution) and (2) to pay the costs of issuance of the 2014 Bonds.

The 2014A Bonds, together with interest thereon, are special obligations of the City payable solely from Revenues after payment of the Current Expenses of the Airport and constitute a valid claim of the respective Owners thereof only against the funds and other money held by the Trustee for the benefit of the Owners of the 2014A Bonds, which amounts are pledged and assigned pursuant to the Bond Order for the equal and ratable payment of the 2014A Bonds and will be used for no other purpose than to pay the principal of, premium, if any, and interest on the 2014A Bonds, except as may be otherwise expressly authorized in the Bond Order and the Appendix A.

As used herein, "*Revenues*" means (a) except to the extent hereinafter excluded, all payments, proceeds, fees, charges, rents and all other income derived by or for the City for the use of and for the services and facilities furnished by or from the operation or ownership of, the Airport and all other income derived by the City from the operation or ownership of the Airport and all rights to receive the

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

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

Pursuant to the Bond Order the City has, for the benefit of the Owners of the 2014A Bonds, assigned Net Revenues, the City’s rights to receive Net Revenues, the money and Investment Obligations in the Renewal and Improvement Fund to the extent such money and Investment Obligations have not been encumbered by the City and the money and Investment Obligations in the subaccounts of the Revenue Bond Fund relating to the 2014A Bonds, to the Trustee in trust.

Reference is made to the Bond Order and the Series Resolution for a more complete statement of the provisions thereof and of the rights of the City, the Trustee and the Owners of the 2014A Bonds. Copies of the Bond Order and the Series Resolution are on file and may be inspected at the designated

office of the Trustee in Charlotte, North Carolina. By the purchase and acceptance of this 2014A Bond, the Owner hereof signifies assent to all of the provisions of the aforementioned documents.

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

This Bond is exchangeable on the presentation and surrender hereof at the principal corporate trust office of the Bond Registrar for the 2014A Bonds in Authorized Denominations. On surrender for registration of transfer, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner hereof or his or her attorney duly authorized in writing, the Bond Registrar will authenticate and deliver in the name of the transferee or transferees a new fully registered 2014A Bond or 2014A Bonds. The Bond Registrar may require the payment by any Owner requesting registration of transfer or exchange of 2014A Bonds of any tax, fee or other governmental charge required to be paid with respect to such registration of transfer or exchange. The Bond Registrar is not required to register the transfer of or exchange any 2014A Bonds selected, called or being called for redemption in whole or in part. The person in whose name this Bond is registered will be deemed and regarded as the absolute owner hereof for all purposes, and payment of this Bond will be made only to or on the written order of the Owner hereof to his or her legal representative. All such payments will be valid and effectual to satisfy and discharge this Bond to the extent of the sum or sums paid.

The 2014A Bonds maturing on or after July 1, 2025 may be redeemed before their maturities, at the option of the City, from any funds that may be available for such purpose, either in whole or in part on any date beginning on or after July 1, 2024, at the redemption price, equal to the principal amount of 2014A Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption.

The 2014A Bonds are subject to optional redemption by the City, in whole or in part on any date at a Redemption Price equal to the principal amount thereof, without premium, plus accrued interest to the date of redemption, on instructions from the City, from the Net Proceeds of insurance or Eminent Domain which are deposited in the Series 2014A Subaccount of the Revenue Bond Redemption Account, as provided in the Bond Order.

The 2014A Bonds are required to be redeemed to the extent of any Sinking Fund Requirement on each July 1 on which there is a Sinking Fund Requirement from money required to be deposited in the applicable subaccount of the Revenue Bond Sinking Fund Account, at a Redemption Price equal to the principal amount of the 2014A Bonds being redeemed, without premium, plus accrued interest to the date of redemption.

The 2014A Bonds maturing on July 1, 20\_\_ are subject to mandatory sinking fund redemption in part without premium on each July 1 in the following amount of the Sinking Fund Requirement per year at a redemption price equal to the amount of 2014A Bonds to be redeemed plus accrued interest thereon to the redemption date and without premium:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
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\* Maturity

The 2014A Bonds maturing on July 1, 20\_\_ are subject to mandatory sinking fund redemption in part without premium on each July 1 in the following amount of the Sinking Fund Requirement per year at a redemption price equal to the amount of 2014A Bonds to be redeemed plus accrued interest thereon to the redemption date and without premium:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
* Maturity			

Notice of redemption will be given by the Trustee not less than 30 days nor more than 60 days before the Redemption Date (1) to the Commission by Mail or facsimile transmission, (2)(a) to DTC or its nominee by registered or certified mail at the address provided to the Trustee by DTC or as otherwise permitted by DTC's rules and procedures or (b) if DTC or its nominee is no longer the Owner of the 2014A Bonds, by Mail to the then-registered Owners of 2014A Bonds to be redeemed at the last address shown on the registration books kept by the Bond Registrar and (3) to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB.

Such notice must (1) specify the 2014A Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due on such redemption must be payable (which must be the designated office of the Paying Agent) and if less than all of the 2014A Bonds are to be redeemed, the numbers of the 2014A Bonds and the portions of 2014A Bonds to be redeemed, and (2) state that on the redemption date, the 2014A Bonds to be redeemed will cease to bear interest. If at the time of mailing of notice of redemption there is not on deposit with the Trustee money sufficient to redeem the 2014A Bonds called for redemption, which money is or will be available for redemption of the 2014A Bonds, such notice will state that it is conditional on the deposit of the redemption money with the Trustee not later than the opening of business on the redemption date. Any notice, once given, may be withdrawn by notice delivered in the manner set forth above, on receipt by the Trustee of written instructions from the City with respect to such withdrawal.

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

If money is on deposit with the Trustee to pay the Redemption Price of the 2014A Bonds called for redemption including premium, if any, thereon on a Redemption Date, 2014A Bonds or portions thereof so called for redemption as hereinabove specified will not bear interest after such Redemption Date and will not be considered to be Outstanding or to have any other rights under the Bond Order other than the right to receive payment. No payment of principal will be made by the Paying Agent on any 2014A Bonds or portions thereof called for redemption until such 2014A Bonds or portions thereof have been delivered for payment or cancellation or the Paying Agent has received the items required by the Bond Order with respect to any mutilated, lost, stolen or destroyed 2014A Bonds.

In the case of any partial redemption of 2014A Bonds, the City will select the 2014A Bonds and the maturity or maturities of the 2014A Bonds to be redeemed and DTC will select the 2014A Bonds within the same maturity pursuant to its rules and procedures or, if the book-entry system with DTC or any other securities depository has been discontinued, the Bond Registrar will select the 2014A Bonds to be redeemed by lot in such manner as the Bond Registrar in its discretion may deem proper.

If a 2014A Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2014A Bond may be redeemed, but only in a principal amount such that

the unredeemed portion of such 2014A Bond is equal to an Authorized Denomination. For any 2014A Bond in a denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2014A Bond as representing a single 2014A Bond in the minimum Authorized Denomination plus that number of 2014A Bonds that is obtained by dividing the remaining principal amount of such 2014A Bond by the minimum Authorized Denomination.

If it is determined that one or more, but not all, of the Authorized Denominations of principal amount represented by any 2014A Bond is to be called for redemption, then, on written notice of intention to redeem such Authorized Denominations of principal amount of such 2014A Bond, the Owner of such 2014A Bond, on surrender of such 2014A Bond to the Paying Agent for payment of the principal amount of such 2014A Bond, will be entitled to receive new 2014A Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2014A Bond. New 2014A Bonds representing the unredeemed balance of the principal amount of such 2014A Bonds will be issued to the Owner thereof.

If the Owner of any 2014A Bond of a denomination greater than the amount being redeemed fails to present such 2014A Bond to the Paying Agent for payment and exchange as aforesaid, such 2014A Bond will, nevertheless, become due and payable on the date fixed for redemption to the extent of the denomination being redeemed and to that extent only.

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

Appendix A permits amendment thereto on the agreement of the City and the Trustee and with the approval of not less than 51% in aggregate principal amount of the 2014A Bonds and the 2014B Bonds then Outstanding. Appendix A also contains provisions permitting the City and the Trustee to enter into amendments to Appendix A without the consent of the Owners of the 2014A Bonds then Outstanding for certain purposes which do not affect adversely the interest of the Owners of the 2014A Bonds.

Any consent or request by the Owner of this 2014A Bond is conclusive and binding on such Owner and on all future Owners of this 2014A Bond and of any 2014A Bond issued on the transfer of this 2014A Bond whether or not notation of such consent or request is made on this 2014A Bond.

This 2014A Bond is issued with the intent that the laws of the State of North Carolina shall govern its legality, validity, enforceability and construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this 2014A Bond and the adoption of the Bond Order and the Series Resolution have happened, existed and have been performed as so required.

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



*IN WITNESS WHEREOF*, the City of Charlotte, North Carolina has caused this 2014A Bond to be executed with the manual or facsimile signatures of the City Manager and the City Clerk, and has caused the City's official seal or a facsimile thereof to be impressed or imprinted hereon.

CITY OF CHARLOTTE, NORTH CAROLINA

By: \_\_\_\_\_  
City Manager

[SEAL]

By: \_\_\_\_\_  
City Clerk

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

\_\_\_\_\_  
T. VANCE HOLLOMAN  
Secretary of the Local Government Commission

**CERTIFICATE OF AUTHENTICATION**

Date of Authentication:

November 6, 2014

This 2014A Bond is one of the Airport Refunding Revenue Bonds, Series 2014A designated herein issued under the provisions of the within-mentioned Bond Order and Series Resolution.

**U.S. BANK NATIONAL ASSOCIATION**, as Bond  
Registrar

By: \_\_\_\_\_  
Vice President

**ASSIGNMENT**

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

---

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

---

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

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

Dated: \_\_\_\_\_

Signature guaranteed by:

---

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

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

**TRANSFER FEE MAY BE REQUIRED**

**EXHIBIT B**  
**FORM OF 2014B BOND**

**CITY OF CHARLOTTE, NORTH CAROLINA**  
**AIRPORT REFUNDING REVENUE BONDS,**  
**SERIES 2014B**

No. RB-1

§

<u>INTEREST RATE</u>	<u>DATED DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
%	November 6, 2014	July 1, 20__	161036__

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT: DOLLARS**

*The City of Charlotte, North Carolina (the "City"), a municipal corporation of the State of North Carolina (the "State"), for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the Owner named above the Principal Amount stated above on the Maturity Date set forth above (or earlier as hereinafter described), and to pay such Owner at the address as it appears on the registration books kept by U.S. Bank, National Association, the Bond Registrar, the Trustee and the Paying Agent for the 2014B Bonds (the "Registrar," the "Paying Agent" and the "Trustee"), at the close of business on the 15<sup>th</sup> day of the month preceding each hereinafter-described Interest Payment Date (each, a "Regular Record Date"), interest on such Principal Amount at the Interest Rate set forth above from the Interest Payment Date next preceding the date of authentication (unless (i) the date of authentication precedes the first Interest Payment Date in which case this 2014B Bond will bear interest from its date of issuance, or (ii) the date of authentication is an Interest Payment Date, in which case this 2014B Bond will bear interest from such date) until the principal hereof has been paid or provided for in accordance with the Indenture hereinafter referred to, payable January 1, 2015 and thereafter semiannually on July 1 and January 1 in each year (each an "Interest Payment Date"). Both principal and interest and any premium on the redemption before the maturity of all or part hereof are payable in lawful coin or currency of the United States of America and (except for interest which is payable by check or draft as stated above) are payable at the principal corporate trust office of the Paying Agent in Charlotte, North Carolina*

THE 2014B BONDS ARE SPECIAL OBLIGATIONS OF THE CITY. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE 2014B BONDS ARE NOT PAYABLE FROM THE GENERAL FUNDS OF THE CITY, NOR DO THEY CONSTITUTE A LEGAL OR EQUITABLE PLEDGE, CHARGE, LIEN, OR ENCUMBRANCE ON ANY OF ITS PROPERTY OR ON ANY OF ITS INCOME, RECEIPTS, OR REVENUES EXCEPT THE FUNDS WHICH ARE PLEDGED UNDER THE INDENTURE (HEREINAFTER DEFINED). NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR THE CITY ARE PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2014B BONDS, AND NO OWNER OF THIS 2014B BOND HAS THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER BY THE STATE OR THE CITY OR THE FORFEITURE OF ANY OF ITS PROPERTY IN CONNECTION WITH ANY DEFAULT.

The 2014B Bonds will be initially delivered by means of a book-entry system with no physical distribution of definitive 2014B Bonds made to the public. One definitive 2014B Bond for each maturity will be delivered to The Depository Trust Company, New York, New York ("DTC"), and immobilized in

its custody. A book-entry system will be employed, evidencing ownership of the 2014B Bonds in Authorized Denominations (hereinafter defined) with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Principal of, premium, if any, and interest on this 2014B Bond will be payable to DTC or its nominee as registered owner of the 2014B Bonds by wire transfer in immediately available funds. The City, the Paying Agent and the Trustee are not responsible or liable for maintaining, supervising, or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If (a) DTC determines not to continue to act as securities depository for the 2014B Bonds or (b) the Trustee and the City determine to discontinue the book entry system in accordance with DTC's rules and the City fails to identify another qualified securities depository to replace DTC, the City will deliver fully registered definitive 2014B Bonds to DTC in accordance with DTC's rules and procedures.

The City, the Paying Agent, the Bond Registrar and the Trustee have no responsibility or obligation with respect to (a) the accuracy of any records maintained by DTC; (b) the payment by DTC of any amount in respect of the principal of and premium, if any, and interest on the 2014B Bonds; (c) the delivery or timeliness of delivery by DTC of any notice which is required or permitted under the terms of the Indenture (hereinafter defined) to be given to Owners; (d) the selection of Owners to receive payments in the event of any partial redemption of the 2014B Bonds; or (e) any consent given or other action taken by DTC, or its nominee.

This Bond is one of an issue of Bonds designated "*Airport Refunding Revenue Bonds, Series 2014B*" (the "*2014B Bonds*") issued under a bond order adopted by the City Council of the City (the "*City Council*") on November 18, 1985, which the City Council supplemented and amended on June 8, 1992 and August 23, 2004 (the "*Bond Order*") and a resolution adopted by the City Council on December 14, 2009 (the "*Series Resolution*"). Unless the context indicates otherwise, all capitalized, undefined terms used herein have the meanings ascribed to them in the Bond Order, the Series Resolution or the Appendix A attached to, and incorporated in, the Series Resolution. The City intends to issue its Airport Refunding Revenue Bonds, Series 2014A (the "*2014A Bonds*" and collectively with the 2014B, the "*2014 Bonds*") and its Airport Revenue Bond Anticipation Note, Series 2014 (the "*2014C Note*"), on or about the time the City issues its 2014B Bonds, under the Bond Order. Under the Bond Order, the City has previously issued several series of Bonds (the "*Existing Bonds*"). The 2014A Bonds, the 2014B Bonds, the 2014C Note, the Existing Bonds and any additional Bonds which may be issued under the Bond Order are parity obligations under the Bond Order.

The 2014 Bonds are being issued to pay a portion of the costs (1) to refund in advance of their maturities the 2004A Bonds and the 2004B Bonds (as defined in the Series Resolution) and (2) to pay the costs of issuance of the 2014 Bonds.

The 2014B Bonds, together with interest thereon, are special obligations of the City payable solely from Revenues after payment of the Current Expenses of the Airport and constitute a valid claim of the respective Owners thereof only against the funds and other money held by the Trustee for the benefit of the Owners of the 2014B Bonds, which amounts are pledged and assigned pursuant to the Bond Order for the equal and ratable payment of the 2014B Bonds and will be used for no other purpose than to pay the principal of, premium, if any, and interest on the 2014B Bonds, except as may be otherwise expressly authorized in the Bond Order and the Appendix A.

As used herein, "*Revenues*" means (a) except to the extent hereinafter excluded, all payments, proceeds, fees, charges, rents and all other income derived by or for the City for the use of and for the services and facilities furnished by or from the operation or ownership of, the Airport and all other income derived by the City from the operation or ownership of the Airport and all rights to receive the

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

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

Pursuant to the Bond Order the City has, for the benefit of the Owners of the 2014B Bonds, assigned Net Revenues, the City’s rights to receive Net Revenues, the money and Investment Obligations in the Renewal and Improvement Fund to the extent such money and Investment Obligations have not been encumbered by the City and the money and Investment Obligations in the subaccounts of the Revenue Bond Fund relating to the 2014B Bonds, to the Trustee in trust.

Reference is made to the Bond Order and the Series Resolution for a more complete statement of the provisions thereof and of the rights of the City, the Trustee and the Owners of the 2014B Bonds. Copies of the Bond Order and the Series Resolution are on file and may be inspected at the designated

office of the Trustee in Charlotte, North Carolina. By the purchase and acceptance of this 2014B Bond, the Owner hereof signifies assent to all of the provisions of the aforementioned documents.

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

This Bond is exchangeable on the presentation and surrender hereof at the principal corporate trust office of the Bond Registrar for the 2014B Bonds in Authorized Denominations. On surrender for registration of transfer, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner hereof or his or her attorney duly authorized in writing, the Bond Registrar will authenticate and deliver in the name of the transferee or transferees a new fully registered 2014B Bond or 2014B Bonds. The Bond Registrar may require the payment by any Owner requesting registration of transfer or exchange of 2014B Bonds of any tax, fee or other governmental charge required to be paid with respect to such registration of transfer or exchange. The Bond Registrar is not required to register the transfer of or exchange any 2014B Bonds selected, called or being called for redemption in whole or in part. The person in whose name this Bond is registered will be deemed and regarded as the absolute owner hereof for all purposes, and payment of this Bond will be made only to or on the written order of the Owner hereof to his or her legal representative. All such payments will be valid and effectual to satisfy and discharge this Bond to the extent of the sum or sums paid.

The 2014B Bonds maturing on or after July 1, 2025 may be redeemed before their maturities, at the option of the City, from any funds that may be available for such purpose, either in whole or in part on any date beginning on or after July 1, 2024, at the redemption price, equal to the principal amount of 2014B Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption.

The 2014B Bonds are subject to optional redemption by the City, in whole or in part on any date at a Redemption Price equal to the principal amount thereof, without premium, plus accrued interest to the date of redemption, on instructions from the City, from the Net Proceeds of insurance or Eminent Domain which are deposited in the Series 2014B Subaccount of the Revenue Bond Redemption Account, as provided in the Bond Order. The 2014B Bonds are not otherwise subject to optional redemption by the City.

The 2014B Bonds are required to be redeemed to the extent of any Sinking Fund Requirement on each July 1 on which there is a Sinking Fund Requirement from money required to be deposited in the applicable subaccount of the Revenue Bond Sinking Fund Account, at a Redemption Price equal to the principal amount of the 2014B Bonds being redeemed, without premium, plus accrued interest to the date of redemption.

The 2014B Bonds maturing on July 1, 20\_\_ are subject to mandatory sinking fund redemption in part without premium on each July 1 in the following amount of the Sinking Fund Requirement per year at a redemption price equal to the amount of 2014B Bonds to be redeemed plus accrued interest thereon to the redemption date and without premium:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
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\* Maturity

Notice of redemption will be given by the Trustee not less than 30 days nor more than 60 days before the Redemption Date (1) to the Commission by Mail or facsimile transmission, (2)(a) to DTC or its nominee by registered or certified mail at the address provided to the Trustee by DTC or as otherwise permitted by DTC's rules and procedures or (b) if DTC or its nominee is no longer the Owner of the 2014B Bonds, by Mail to the then-registered Owners of 2014B Bonds to be redeemed at the last address shown on the registration books kept by the Bond Registrar and (3) to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB.

Such notice must (1) specify the 2014B Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due on such redemption must be payable (which must be the designated office of the Paying Agent) and if less than all of the 2014B Bonds are to be redeemed, the numbers of the 2014B Bonds and the portions of 2014B Bonds to be redeemed, and (2) state that on the redemption date, the 2014B Bonds to be redeemed will cease to bear interest. If at the time of mailing of notice of redemption there is not on deposit with the Trustee money sufficient to redeem the 2014B Bonds called for redemption, which money is or will be available for redemption of the 2014B Bonds, such notice will state that it is conditional on the deposit of the redemption money with the Trustee not later than the opening of business on the redemption date. Any notice, once given, may be withdrawn by notice delivered in the manner set forth above, on receipt by the Trustee of written instructions from the City with respect to such withdrawal.

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

If money is on deposit with the Trustee to pay the Redemption Price of the 2014B Bonds called for redemption including premium, if any, thereon on a Redemption Date, 2014B Bonds or portions thereof so called for redemption as hereinabove specified will not bear interest after such Redemption Date and will not be considered to be Outstanding or to have any other rights under the Bond Order other than the right to receive payment. No payment of principal will be made by the Paying Agent on any 2014B Bonds or portions thereof called for redemption until such 2014B Bonds or portions thereof have been delivered for payment or cancellation or the Paying Agent has received the items required by the Bond Order with respect to any mutilated, lost, stolen or destroyed 2014B Bonds.

In the case of any partial redemption of 2014B Bonds, the City will select the 2014B Bonds and the maturity or maturities of the 2014B Bonds to be redeemed and DTC will select the 2014B Bonds within the same maturity pursuant to its rules and procedures or, if the book-entry system with DTC or any other securities depository has been discontinued, the Bond Registrar will select the 2014B Bonds to be redeemed by lot in such manner as the Bond Registrar in its discretion may deem proper.

If a 2014B Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2014B Bond may be redeemed, but only in a principal amount such that the unredeemed portion of such 2014B Bond is equal to an Authorized Denomination. For any 2014B Bond in a denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2014B Bond as representing a single 2014B Bond in the minimum Authorized Denomination plus that number of 2014B Bonds that is obtained by dividing the remaining principal amount of such 2014B Bond by the minimum Authorized Denomination.

If it is determined that one or more, but not all, of the Authorized Denominations of principal amount represented by any 2014B Bond is to be called for redemption, then, on written notice of intention to redeem such Authorized Denominations of principal amount of such 2014B Bond, the Owner of such



2014B Bond, on surrender of such 2014B Bond to the Paying Agent for payment of the principal amount of such 2014B Bond, will be entitled to receive new 2014B Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2014B Bond. New 2014B Bonds representing the unredeemed balance of the principal amount of such 2014B Bonds will be issued to the Owner thereof.

If the Owner of any 2014B Bond of a denomination greater than the amount being redeemed fails to present such 2014B Bond to the Paying Agent for payment and exchange as aforesaid, such 2014B Bond will, nevertheless, become due and payable on the date fixed for redemption to the extent of the denomination being redeemed and to that extent only.

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

Appendix A permits amendment thereto on the agreement of the City and the Trustee and with the approval of not less than 51% in aggregate principal amount of the 2014A Bonds, the 2014B Bonds and the 2014B Bonds then Outstanding. Appendix A also contains provisions permitting the City and the Trustee to enter into amendments to Appendix A without the consent of the Owners of the 2014B Bonds then Outstanding for certain purposes which do not affect adversely the interest of the Owners of the 2014B Bonds.

Any consent or request by the Owner of this 2014B Bond is conclusive and binding on such Owner and on all future Owners of this 2014B Bond and of any 2014B Bond issued on the transfer of this 2014B Bond whether or not notation of such consent or request is made on this 2014B Bond.

This 2014B Bond is issued with the intent that the laws of the State of North Carolina shall govern its legality, validity, enforceability and construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this 2014B Bond and the adoption of the Bond Order and the Series Resolution have happened, existed and have been performed as so required.

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

*IN WITNESS WHEREOF*, the City of Charlotte, North Carolina has caused this 2014B Bond to be executed with the manual or facsimile signatures of the City Manager and the City Clerk, and has caused the City's official seal or a facsimile thereof to be impressed or imprinted hereon.

CITY OF CHARLOTTE, NORTH CAROLINA

By: \_\_\_\_\_  
City Manager

[SEAL]

By: \_\_\_\_\_  
City Clerk

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

\_\_\_\_\_  
T. VANCE HOLLOMAN  
Secretary of the Local Government Commission

**CERTIFICATE OF AUTHENTICATION**

Date of Authentication:

November 6, 2014

This 2014B Bond is one of the Airport Refunding Revenue Bonds, Series 2014B designated herein issued under the provisions of the within-mentioned Bond Order and Series Resolution.

**U.S. BANK NATIONAL ASSOCIATION**, as Bond  
Registrar

By: \_\_\_\_\_  
Vice President

**ASSIGNMENT**

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

---

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

---

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

---

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

Dated: \_\_\_\_\_

Signature guaranteed by:

---

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

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

**TRANSFER FEE MAY BE REQUIRED**

**EXTRACTS FROM MINUTES OF CITY COUNCIL**

A Regular Meeting of the City Council of the City of Charlotte, North Carolina was duly held in the Meeting Chamber at the Charlotte-Mecklenburg Government Center in Charlotte, North Carolina, the regular place of meeting, at 7:00 P.M. on September 22, 2014.

Members Present: Mayor Clodfelter, Councilmembers Austin, Autry, Barnes, Driggs, Fallon, Howard, Kinsey, Lyles, Mayfield, Phipps, Smith

Members Absent: None

Also Present:

\* \* \* \* \*

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

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

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

*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;

*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 amended on June 8, 1992 and August 23, 2004 (the "Bond Order");

*WHEREAS*, the City Council hereby determines that it is desirable (1) to finance all or a portion of the cost of the acquisition, rehabilitation, renovation, expansion and construction of certain improvements to the Airport, including (a) the design and construction of a new 3,200-space business valet parking deck, (b) the rehabilitation of the passenger areas of the Atrium and of Concourses A, B and C, (c) an approximately 42,000 square foot, three-level addition to the East Terminal at the connector of Concourses D and E, (d) an approximately 387,000 square foot expansion of the concrete ramp adjacent to Runway 36R, (e) an approximately 750 linear foot extension of Little Rock Road to Wilkinson Boulevard, (f) additional electrical ductbank and manholes, and (g) expansion of the Long Term 2 parking lot to add approximately 3,000 additional parking spaces (collectively, the "Projects"), and (2) to pay the costs of issuance of the 2014 Note (as defined below);

**WHEREAS**, in order to obtain funds to finance the Projects, the City has determined to approve the transactions described herein whereby the City will authorize and approve (1) the issuance of, among other things, its airport revenue bond anticipation note to be known as "*City of Charlotte, North Carolina Airport Revenue Bond Anticipation Note, Series 2014C*" (the "*2014 Note*") in an aggregate principal amount not to exceed \$100,000,000, and (2) a Note Purchase and Advance Agreement among the Local Government Commission of North Carolina (the "*Commission*") and PNC Bank, National Association, as the initial purchaser of the 2014 Note (the "*Purchaser*"), providing for the sale of the 2014 Note authorized hereunder (the "*Note Purchase Agreement*");

**WHEREAS**, the City Council wants to (1) retain Parker Poe Adams & Bernstein LLP, as bond counsel; (2) request the Commission's approval of PNC Bank, National Association, as the initial purchaser of the 2014 Note; (3) approve the selection by the Purchaser of McGuireWoods LLP, as Purchaser's counsel; (4) retain Newton and Associates, Inc., as airport financial consultant, Frasca & Associates, L.L.C., as airport financial advisor, and DEC Associates, Inc., as financial advisor; and (5) retain U.S. Bank National Association, as trustee for the 2014 Note (collectively, the "*Financing Team*");

**WHEREAS**, the City Council wants the Finance Director of the City to file with the Commission an application for its approval of the 2014 Note, on a form prescribed by the Commission, and (1) request in such application that the Commission approve (A) the negotiation of the sale of the 2014 Note to the Purchaser, (B) the City's use of the Financing Team in connection with the issuance of the 2014 Note; and (2) state in such application such facts and to attach thereto such exhibits in regard to the 2014 Note and to the City and its financial condition, as may be required by the Commission, and to take all other action necessary to the issuance of the 2014 Note;

**WHEREAS**, a copy of the form of the Note Purchase Agreement has been filed with the City and has been made available to the City Council; and

**WHEREAS**, the City Council, following notice duly given in the form attached hereto as Exhibit A (the "*TEFRA Notice*"), held a public hearing today regarding the issuance of the 2014 Note and the financing of the Projects and now desires to approve the issuance of the 2014 Note and the financing of the Projects in accordance with the Internal Revenue Code of 1986, as amended (the "*Code*").

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Charlotte, North Carolina that the City Council has determined to adopt, in accordance with Section 208 of the Bond Order, this Resolution authorizing the issuance of the 2014 Note, as follows:

**Section 1.** For purposes of this Resolution, all capitalized, undefined words have the meanings ascribed to them in Appendix A (the "*Appendix*"). The Appendix is incorporated into this Resolution by reference.

**Section 2.** The 2014 Note is to be issued by the City for the purpose of providing funds, together with other available funds of the City, (1) to finance all or a portion of the Projects and (2) to pay the costs of issuing the 2014 Note all as set out fully in the documents attached to the City's application to the Commission.

**Section 3.** The Financing Team is hereby approved in connection with the issuance by the City of the 2014 Note.

**Section 4.** The filing of an application with the Commission for its approval of the issuance of the 2014 Note by the Finance Director of the City, with advice from the City Manager and bond counsel, is hereby authorized and approved.

**Section 5.** The City Council finds and determines, and asks the Commission to find and determine from the City's application and supporting documentation, as follows:

- (a) the issuance of the 2014 Note is necessary or expedient;
- (b) the not to exceed stated principal amount of the 2014 Note will be sufficient but is not excessive, when added to other moneys available to the Airport, to finance the Projects;
- (c) the Airport, as now constituted and after completion of the Projects, is feasible;
- (d) the City's debt management procedure and policies are excellent; and
- (e) the 2014 Note can be marketed at a reasonable interest cost to the City.

**Section 6.** The City shall issue not to exceed \$100,000,000 in total aggregate principal amount of its 2014 Note.

**Section 7.** The City Council requests that the Commission sell the 2014 Note through negotiation to the Purchaser on such terms as may be agreed on but at an initial interest rate not exceeding 3.5%.

**Section 8.** The 2014 Note is to be dated as of its date of issuance and is being issued to provide funds, together with other available funds of the City, (1) to finance all or a portion of the Projects and (2) to pay the costs of issuance of the 2014 Note.

**Section 9.** The City Council has ascertained and hereby determines that the average period of usefulness of the Projects is not less than 25 years computed from the date of issuance of the 2014 Note.

**Section 10.** The principal of and interest on the 2014 Note will be payable as set forth in the Appendix.

**Section 11.** The City covenants to take such action as may be required in the opinion of Bond Counsel to cause the 2014 Note and all actions of the City with respect to the proceeds thereof to comply with the Code. The Finance Director of the City is hereby authorized to execute a no-arbitrage certificate in order to comply with Section 148 of the Code and the applicable Income Tax Regulations thereunder.

**Section 12.** The Commission is hereby requested to sell the 2014 Note through a negotiated sale to the Purchaser pursuant to the terms of the Note Purchase Agreement. The form and content of the Note Purchase Agreement are in all respects approved and confirmed, and the Mayor, the City Manager or the Finance Director of the City, individually or collectively, are hereby authorized, empowered and directed to execute and deliver the Note Purchase Agreement for and on behalf of the City, including necessary counterparts, in substantially the form and content presented to the City, but with such changes, modifications, additions or deletions therein as he or she may deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of his or her approval of any and all such changes, modifications, additions or deletions therein. From and after the execution and delivery of the Note Purchase Agreement, the Mayor, the City Manager and the Finance Director of the City, individually or collectively, are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Note Purchase

Agreement as executed. The execution thereof by such officials constitutes conclusive evidence of such approval.

**Section 13.** No stipulation, obligation or agreement herein contained or contained in the 2014 Note, this Resolution, the Note Purchase Agreement or any other instrument related to the issuance of the 2014 Note is deemed to be a stipulation, obligation or agreement of any officer, agent or employee of the City in his or her individual capacity, and no such officer, agent or employee is personally liable on the 2014 Note or subject to personal liability or accountability by reason of the issuance thereof.

**Section 14.** The Mayor, the City Manager, the Deputy City Manager, the Finance Director, the City Treasurer, the City Debt Manager, the City Attorney, the City Clerk and any Deputy City Clerk, individually or collectively, are hereby authorized, empowered and directed to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate in order to consummate the transactions contemplated by (1) this Resolution and (2) the other documents presented to this meeting; except that none of the above is authorized or empowered to do anything or execute any document which is in contravention, in any way, of (a) the specific provisions of this Resolution, (b) any agreement to which the City is bound or (c) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of North Carolina.

**Section 15.** Notwithstanding Section 203 of the Bond Order, the 2014 Note, and any other Bonds issued pursuant to the Bond Order hereafter, may be executed by of the City Manager or bear the facsimile signature of the City Manager, in substitution of the signature of the Mayor; *provided*, that the City Clerk has also executed the 2014 Note or such other Bond issued pursuant to the Bond Order.

**Section 16.** Pursuant to and in satisfaction of the requirements of Section 147(f) of the Code, the City Council hereby approves (a) the issuance of the 2014 Note in an aggregate principal amount not to exceed \$100,000,000 and (b) the financing of the Projects.

**Section 17.** From the adoption of this Resolution until the date the 2014 Note is issued, the Mayor, the City Clerk, the City Manager and the Finance Director of the City, individually or collectively, are hereby authorized, empowered and directed to make any changes, modifications, additions or deletions to the Appendix, the Note Purchase Agreement or any other documents hereinabove authorized as he or she may deem necessary, desirable or appropriate (1) that may be requested by the rating agencies rating the 2014 Note, (2) that may be necessary to carry out and comply with the provisions of said documents as executed, (3) to effectuate other technical changes to the provisions of the 2014 Note necessary to implement the intent of this Resolution, or (4) to change the makeup of the financial institutions serving as Purchaser or add other financial institutions thereto. Furthermore, the Mayor, the City Clerk, the City Manager and the Finance Director of the City, individually or collectively, are authorized to take any and all further actions to execute and deliver any and all other documents as may be necessary in the issuance of the 2014 Note and the execution and delivery of the Note Purchase Agreement. Any changes, modifications, additions or deletions to the Appendix shall be set forth in a certificate executed by the City Manager or the Finance Director of the City on the date the 2014 Note is issued.

**Section 18.** All acts and doings of the City officials authorized by this Resolution that are in conformity with the purposes and intents of this Resolution and in the furtherance of the issuance of the 2014 Note and the execution, delivery and performance of the Note Purchase Agreement are in all respects approved and confirmed.

**Section 19.** If any one or more of the agreements or provisions herein contained is held contrary to any express provision of law or contrary to the policy of express law, though not expressly





EXHIBIT A

**NOTICE OF A PUBLIC HEARING REGARDING THE  
FINANCING OF CERTAIN AIRPORT PROJECTS  
WITH THE PROCEEDS OF A TAX-EXEMPT BOND ANTICIPATION NOTE  
TO BE ISSUED BY THE CITY OF CHARLOTTE, NORTH CAROLINA**

**NOTICE IS HEREBY GIVEN** to all interested parties that the City of Charlotte, North Carolina, a municipal corporation of the State of North Carolina (the "City"), has determined to issue an Airport Revenue Bond Anticipation Note in an aggregate principal amount not to exceed \$100,000,000 (the "Note") and Airport Revenue Refunding Bonds, Series 2014B (AMT), in an aggregate principal amount not to exceed \$40,000,000 (the "Bonds"), the interest on which will be excludible from gross income for federal income tax purposes.

The Note will be issued to finance (1) all or a portion of the cost of the acquisition, rehabilitation, renovation, expansion and construction of certain improvements to the Charlotte Douglas International Airport (the "Airport"), including (a) the design and construction of a new 3,200-space business valet parking deck, (b) the rehabilitation of the passenger areas of Concourses A, B and C, and the Atrium, (c) an approximately 42,000 square foot, three-level addition to the East Terminal at the connector of Concourses D and E, (d) an approximately 387,000 square foot expansion of the concrete ramp adjacent to Runway 36R, (e) an approximately 750 linear foot extension of Little Rock Road to Wilkinson Boulevard, (f) additional electrical ductbank and manholes, and (g) expansion of the Long Term 2 parking lot to add approximately 3,000 additional parking spaces (collectively, the "2014 Project"), and (2) all or a portion of the costs of issuing the Note.

The Bonds will be issued to refund in advance of their stated maturities the City's Airport Revenue Bonds, Series 2004B (the "2004 Bonds"), issued in the aggregate principal amount of \$48,465,000, of which \$35,575,000 is currently outstanding. The 2004 Bonds were issued to finance (1) the acquisition, rehabilitation, renovation, expansion and construction of certain improvements to the Airport, consisting of (a) improvements to Concourses A, B, C and D, (b) improvements to, and the expansion of, Concourse E, (c) terminal building improvements, and (d) the expansion of the Airport's fuel farm (all such capital projects, together with the 2014 Project, the "Project"), (2) a deposit to a reserve fund securing the 2004 Bonds, and (3) costs of issuing the 2004 Bonds.

The Airport and the Project are located 5501 Josh Birmingham Parkway, Charlotte, North Carolina 28208. The Project will be, and has at all times been, owned and operated by the City.

**NOTICE IS HEREBY GIVEN** that the City will hold a public hearing in the Meeting Chamber at the Charlotte-Mecklenburg County Governmental Center, 600 East Fourth Street, Charlotte, North Carolina 28202, on September 22, 2014 at 7:00 p.m., or as soon as practicable thereafter, at which time any person may be heard regarding the proposed issuance of the Note and the nature and location of the Project. All interested parties are invited to present comments, either orally or in writing, at the public hearing regarding the proposed issuance of the Note and the location and nature of the Project.

Any person wishing to comment in writing on the proposed issuance of the Note and the nature and location of the Project should do so within 14 days after the date of publication of this notice to the Director of Finance of the City, 600 East Fourth Street, Tenth Floor, Charlotte, North Carolina, 28202, Attention: Chief Financial Officer.

By: /s/ Emily A. Kunze  
Emily A. Kunze, Deputy City Clerk  
City of Charlotte, North Carolina

**APPENDIX A**

**To**

**RESOLUTION PROVIDING FOR THE ISSUANCE OF:**

**CITY OF CHARLOTTE, NORTH CAROLINA**

**AIRPORT REVENUE BOND ANTICIPATION NOTE, SERIES 2014C**

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## ARTICLE I.

### DEFINITIONS

#### Section 1.01. *Meaning of Words and Terms.*

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

“*Advance*” means all advances of the purchase price of the Note made by the Purchaser under the Note Purchase Agreement on or before the Advance Termination Date.

“*Advance Termination Date*” has the meaning assigned to such term in Section 5.1.

“*Amortization Period*” has the meaning assigned in the Note Purchase Agreement.

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

“*Authorized Denomination*” means \$250,000 and multiples of \$1,000 in excess thereof.

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

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

“*Business Day*” means, with respect to the Note, any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in Charlotte, North Carolina.

“*Code*” means the Internal Revenue Code of 1986, as from time to time amended.

“*Commission*” means the Local Government Commission of North Carolina.

“*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 City Treasurer or any Deputy Finance Director.

“*Full Funding Date*” means November 6, 2017.

“*Interest Payment Date*” means the first Business Day of each month and any other date that interest is required to be paid on the Note under the Note Purchase Agreement.

“*Interest Rate*” means the interest rate required to be paid on the Note as set forth in the Note Purchase Agreement.

“*Mail*” means first-class United States mail, postage prepaid.

“*Note*” means the up to \$100,000,000 City of Charlotte, North Carolina Airport Revenue Bond Anticipation Note, Series 2014C issued pursuant to the Bond Order and this Appendix A.

“*Note Purchase Agreement*” means the Note Purchase and Advance Agreement dated as of November 6, 2014 among the City, the Purchaser and the Commission.

“*Owner*” means, with respect to the Note, the registered owner of the Note.

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

“*Principal Amount*” means the sum of all Advances less any prepayment of Note. Advances and prepayments shall be recorded (which records may be electronic) on the Table of Advances and Table of Partial Prepayment attached to the Note, however failure to record an Advance or prepayment shall not affect the Principal Amount outstanding under the Note.

“*Projects*” means, collectively, the acquisition, rehabilitation, renovation, expansion and construction of certain improvements to the Airport, including (1) the design and construction of a new 3,200-space business valet parking deck, (2) the rehabilitation of the passenger areas of Concourses A, B and C, and the Atrium, (3) an approximately 42,000 square foot, three-level addition to the East Terminal at the connector of Concourses D and E, (4) an approximately 387,000 square foot expansion of the concrete ramp adjacent to Runway 36R, (5) an approximately 750 linear foot extension of Little Rock Road to Wilkinson Boulevard, (6) additional electrical ductbank and manholes and (7) expansion of the Long Term 2 parking lot to add approximately 3,000 additional parking spaces.

“*Purchaser*” means PNC Bank, National Association, as the initial Owner of the Note, and its successors and assigns.

“*Record Date*” means the day next preceding each Interest Payment Date, whether or not a Business Day.

“*Series Resolution*” means, the Series Resolution adopted by the City Council of the City on September 22, 2014 with respect to the Note, the appendices attached thereto, and any amendments or supplements thereto.

“*Series 2014C Construction Account of the Construction Fund*” means the subaccount created and so designated by Section 4.01.

“*Series 2014C Subaccount of the Revenue Bond Redemption Account*” means the subaccount created and so designated by Section 4.01.

“*Stated Principal Amount*” means \$100,000,000.

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

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

City, the City Council, the Paying Agent, the Bond Registrar, the Trustee, the Purchaser and the owners of the Note, except as herein otherwise provided.

Section 1.03. *Ratification.* All action heretofore taken (not inconsistent with the provisions of this Appendix A) by the City directed toward the financing of the Projects, toward the sale and delivery of the Note for that purpose, and toward the acceptance and execution of the Note Purchase Agreement is hereby ratified, approved and confirmed.

[End of Article I]

## ARTICLE II.

### AUTHORIZATION, FORM, ISSUANCE, DELIVERY AND REGISTRATION OF NOTE

Section 2.01. *Authorization of Financing and Authorization of the Note.* The financing of the Projects is hereby authorized. For the purpose of providing funds for the financing of the Projects and paying the costs of issuing the Note, there is hereby authorized and shall be issued, under and pursuant to the Constitution and the laws of the State, including the Act, the Bond Order and the Series Resolution and this Appendix A, the Note of the City in the amount and subject to the conditions herein provided. No Note may be issued under the provisions of this Appendix A and the Bond Order except in accordance with this Article. The total principal amount of the Note that may be issued is hereby expressly limited to the Stated Principal Amount, except as provided in Sections 204 and 210 of the Bond Order.

Section 2.02. *Issuance of the Note.* The Note will be designated "City of Charlotte, North Carolina Airport Revenue Bond Anticipation Note, Series 2014C." The Note will be issuable as fully registered note in any Authorized Denomination. The Note will be numbered RC-1. The Note will be substantially in the form set forth in Exhibit A with such appropriate variations, omissions and insertions as are permitted or required by this Appendix.

Section 2.03. *Delivery of the Note.* Before the delivery by the Trustee of the Note, the items required under Section 717 of the Bond Order must be filed with the Trustee. The Note will be deposited with the Bond Registrar for authentication, but before the Note may be authenticated and delivered by the Bond Registrar to the State Treasurer for redelivery to the Purchaser, there must be filed with the Trustee the following:

1. a copy, certified by the City Clerk, of the Series Resolution;
2. a copy, certified by the Secretary or any Deputy Secretary of the Commission, of the resolution of the Commission approving the issuance of and awarding the Note;
3. a copy, certified by the City Clerk, of the Bond Order;
4. 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;
5. evidence of compliance by the City with the provisions of Section 717 of the Bond Order;

6. copies of insurance certificates and a statement, signed by the City's Director of Insurance and Risk Management or insurance agent, to the effect that the insurance required by the Bond Order is in effect; and

7. an opinion of the City Attorney stating that (i) the Series Resolution has been duly and validly adopted by the City, (ii) no provision of the Bond Order or the Series Resolution violates any provision of the Act or results in or constitutes a default under any agreement, indenture or other instrument to which the City is a party or by which the City may be bound, and of which he has knowledge, (iii) the City's adoption of the Series Resolution and execution and issuance of the Note 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 Note have been duly and validly authorized by the City, and the Note constitutes a valid and binding special obligation of the City in accordance with its terms.

When the documents mentioned in paragraphs (1) to (7) of this Section have been filed with the Trustee and when the Note have been executed and authenticated as required by this Series Resolution, the Trustee shall deliver the Note at the times as prescribed in the Note Purchase Agreement to the State Treasurer for redelivery to or on the order of the Purchaser, but only on payment to the Trustee of the initial purchase price of the Note as set forth in the Note Purchase Agreement. The Trustee is entitled to rely on the resolutions and certificates mentioned in paragraphs (1) through (7) of this Section as to all matters stated therein.

Section 2.04. *Details of the Note; Payment.*

(a) The Note will mature, subject to prepayment as set forth herein, on November 6, 2022 and will bear interest at the Interest Rate. Interest payable on the Note shall be determined based on the Principal Amount of the Note. The amount of interest payable on each Interest Payment Date shall be calculated by the Purchaser in accordance with the Note Purchase Agreement and confirmed by the Trustee. Interest on the Note will be payable in arrears.

(b) Both the principal of and the interest on the Note are payable in any lawful coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The Note shall bear interest from its date until its principal sum has been paid, but if such Note has matured or has been called for prepayment and the Prepayment Date has occurred and funds are available for the payment thereof in full in accordance with the terms of the Bond Order, such Note shall then cease to bear interest as of the maturity date or Prepayment Date, as applicable. The Note will be dated as of its date of issuance, except that a Note issued in exchange for or on the registration of transfer of the Note will be dated as of the Interest Payment Date next preceding the date of authentication thereof, unless (1) the date of such authentication precedes the first Interest Payment Date, in which case it will be dated as of the date of the initial issuance of the Note or (2) the date of such authentication is an Interest Payment Date to which interest on the Note has been paid in full or duly provided for in accordance with the terms of this Appendix, in which case it will be dated as of such Interest Payment Date; except that if, as shown by the records of the Paying Agent, interest on the Note is in default, the Note executed and delivered in exchange for or on registration of transfer of the Note will be dated as of the date to which interest on the Note has been paid in full. If no interest has been paid on the Note, the Note executed and delivered in exchange for or on the registration of transfer of the Note will be dated as of the initial issuance of the Note.



(c) The Note is payable at the designated corporate trust office of the Paying Agent without the need for presentation and surrender of the Note. Interest on the Note will be paid by the Paying Agent by check or draft mailed on the Interest Payment Date to the Owner as its name and address appear on the registration books kept by the Bond Registrar at the close of business on the Record Date. At the written request of the Owner, principal and interest may be payable by wire transfer at the address specified in writing by the Owner to the Paying Agent by the Record Date. CUSIP number identification, if such is assigned to the Note, with appropriate dollar amounts for the CUSIP number shall accompany all payments of principal of, premium, if any, and interest on the Note, whether by check or by wire transfer. Notwithstanding the foregoing, so long as the Owner of the Note is the Purchaser, all amounts due under the Note will be paid and will be payable in accordance with the Note Purchase Agreement.

(d) U.S. Bank National Association, Charlotte, North Carolina, is hereby appointed as Bond Registrar with respect to the Note.

Section 2.05. *Arbitrage and Tax Covenants.* The City covenants that it will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from federal income taxation of the interest on the Note and, if it should take or permit, or omit to take or cause to be taken, any such action, the City will take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof. The City acknowledges that the continued exclusion of interest on the Note from an Owner's gross income for federal income tax purposes depends, in part, on compliance with the arbitrage limitations imposed by Section 148 of the Code. The City covenants that it will comply with all the requirements of Section 148 of the Code, including the rebate requirements, and that it will not permit at any time any of the proceeds of the Note or other funds under their control to be used, directly or indirectly, to acquire any asset or obligation, the acquisition of which would cause the Note to be "*arbitrage bonds*" for purposes of Section 148 of the Code.

Section 2.06. *Restriction on Transfer of the Note.* This Note may only be in an Authorized Denomination and may not be transferred other than to (a) an affiliate of the Purchaser who is a "*qualified institutional buyer*" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, (b) a trust or custodial arrangement established by the purchaser or one of its affiliates, the owners of the beneficial interests in which are limited to qualified institutional buyers, or (c) to a person that is a qualified institutional buyer that is a commercial bank having a combined capital and surplus, determined as of the date of any transfer pursuant to this section, of \$5,000,000,000 or more that has executed and delivered to the City an investor letter in the form of Exhibit A to the Note Purchase Agreement. In no event shall the Note be transferred to any person or entity who holds the Note for the benefit of a person or entity that is not a qualified institutional buyer or as part of a pool of assets in which persons that are not qualified institutional buyers may invest, such as a mutual fund or retirement plan.

The Paying Agent will have no obligation to pay any amounts due on the Note to anyone other than the Owner of the Note as shown on the registration books kept by the Bond Registrar.

[End of Article II]

### ARTICLE III.

#### PREPAYMENT OF THE NOTE

Section 3.01. *Privilege of Prepayment and Prepayment Price.* The Note is redeemable, on notice as provided below, at the times, at the prepayment prices and on the terms contained in this Article III and in Article III of the Bond Order.

Section 3.02. *Optional Prepayment of the Note.* The City may prepay the Note, either in whole or in part, on any Interest Payment Date at a prepayment price equal to 100% of the principal amount thereof, without premium, plus the accrued interest thereon to the Prepayment Date.

Section 3.03. *Mandatory Prepayment of the Note.* The City shall prepay the Note in whole on the Full Funding Date at a prepayment price equal to 100% of the principal amount thereof, without premium, plus the accrued interest thereon to the Prepayment Date, unless the Note is eligible for the Amortization Period under Section 3(c) of the Note Purchase Agreement, in which case the City will not be required to prepay the Note on the Full Funding Date and the Note will continue to be Outstanding and will be prepaid during the Amortization Period as set forth in Section 3(c) of the Note Purchase Agreement.

Section 3.04. *Notice of Prepayment.* Notice of prepayment under Section 3.02 will be given by the Trustee not less than 30 days (or such lesser period of time as may be agreed to by the Owner of the Note) before the Prepayment Date (1) to the Commission by Mail or facsimile transmission, and (2) by Mail or by such other means as may be permitted by the Owner to the then-registered Owner of the Note at the last address shown on the registration books kept by the Bond Registrar.

Such notice must (1) specify the Prepayment Date, the prepayment price and the place or places where amounts due on such prepayment must be payable (which must be the designated office of the Paying Agent) and if less than all of the Note is to be prepaid, the portion of the Note to be prepaid, and (2) state that on the Prepayment Date, the Note or portion thereof to be prepaid will cease to bear interest.

Failure to provide such notice to the Commission will not affect the validity of any proceedings for such prepayment.

If money is on deposit with the Trustee to pay the prepayment price of the Note, or portion thereof, called for prepayment on a Prepayment Date, the Note or portion thereof so called for prepayment as hereinabove specified will not bear interest after such Prepayment Date and will not be considered to be Outstanding or to have any other rights under the Bond Order other than the right to receive payment.

Section 3.05. *Payment of Prepayment Price.* The City will cause to be deposited in the Series 2014C Subaccount of the Revenue Bond Redemption Account, solely out of Net Revenues, an amount sufficient to pay the principal of and interest on the Note, or portion thereof, to be prepaid on the Prepayment Date, and the Note, or portion thereof, will be deemed to be paid within the meaning of Section 305 of the Bond Order.

Section 3.06. *Record of Prepayment.* The Trustee will record any prepayments of the Note on the Table of Partial Prepayment attached to the Note (or otherwise kept on the Trustee's official books and records, which may be electronic records).

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

[End of Article III]

#### ARTICLE IV.

##### ADVANCES, ACCOUNTS AND FUNDS

Section 4.01. *Establishment of Accounts.* The following Subaccounts are hereby established with, and shall be held by, the Trustee under the Bond Order:

- (a) Series 2014C Construction Account of the Construction Fund; and
- (b) Series 2014C Subaccount of the Revenue Bond Redemption Account.

The Note will not be secured by any Subaccount of the Revenue Bond Reserve Account.

The City's obligation under the Bond Order to make deposits from the Revenue Fund to a subaccount of the Revenue Bond Principal Account, the Revenue Bond Interest Account or the Revenue Bond Sinking Fund Account with respect to its obligations under the Note shall be deemed satisfied and discharged to the extent of any corresponding payment made by the City directly to the Purchaser pursuant to this Appendix A and the Note Purchase Agreement.

Promptly following the occurrence of an Event of Default under the Bond Order, the City shall (1) deliver to the Trustee and the Purchaser written direction to the Trustee (a) establishing a Series 2014C Subaccount within each such Account in accordance with Section 501 of the Bond Order, (b) specifying the dates on which any deposits into each such Series 2014C Subaccount are to begin and the amounts required to be deposited in accordance with Section 503 of the Bond Order, and (c) instructing the Trustee as to the application of the funds held in each such 2014C Subaccount. Following the delivery of such written direction, the City shall cause all amounts due under the Note and this Appendix A, including payments of principal of and interest on the Note, to be deposited with the Trustee as provided in such written direction.

Section 4.02. *Advance of Note Proceeds.* The City and the Trustee acknowledge and agree that prior to the earliest to occur of (a) the date when the sum of the aggregate Advances made hereunder equals the Stated Principal Amount, (b) the date on which the Purchaser's obligation to make Advances under the Note Purchase Agreement terminates or (c) the Full Funding Date (the "*Advance Termination Date*"), the proceeds of the Note will be disbursed in installments through the making of Advances by the Purchaser in accordance with the Note Purchase and Advance Agreement. The date and amount of each Advance shall be noted on the Table of Advances attached to the Note (or otherwise kept on the Trustee's official books and records, which may be electronic records); *provided* that the failure to record any such Advance on the Table of Advances shall not affect the Principal Amount due. In no event may the total amount of all Advances exceed the Stated Principal Amount. Following the Advance Termination Date, no additional Advances may be made. On the Advance Termination Date, the positive difference, if any, between the Stated Principal Amount and the aggregate principal amount of all Advances made under the Note Purchase Agreement shall be deemed to have been prepaid automatically and without any further notice or act by the Trustee, the City or any other Person. Any such automatic prepayment of principal shall not be taken into consideration in determining the Principal Amount of the Note and shall not be recorded on the Table of Partial Prepayment attached to the Note.

Section 4.03. *Application of Note Proceeds.*

(a) The Proceeds from each Advance will be deposited by the Purchaser with the Trustee, and the Trustee shall deposit such amounts in the Series 2014A Construction Account of the Construction Fund.

(b) The proceeds of the Note will be applied for the payment of Costs of the Projects in accordance with Article IV of the Bond Order.

Section 4.04. *Investment of Money.* Money held for the credit of all subaccounts or accounts established under this Appendix A on deposit with the Trustee are to be continuously invested and reinvested by the Trustee in such Investment Obligations as the City may direct to the extent practicable. Any such Investment Obligations shall mature not later than the respective dates when the money held for the credit of such subaccounts or accounts will be required for the purposes intended. No Investment Obligations in any such subaccount or account may mature beyond the maturity date of the Note.

The interest accruing on Investment Obligations in the subaccounts established hereunder and any profit or loss realized on the disposition or maturity of such Investment Obligations are to be credited to or charged against the following Funds, accounts and subaccounts: interest and profit or loss resulting from each of the subaccounts established under Section 4.01 other than the Series 2014A Construction Account of the Construction Fund shall be credited to or charged against the Revenue Fund, and interest and profit or loss resulting from the Series 2014A Construction Account of the Construction Fund shall be credited to or charged against that account.

Section 4.05. *Payment of Principal and Interest and Pledge of Net Revenues.* The City covenants that it will promptly pay the principal of and the interest on every Note issued under this Appendix A at the places, on the dates and in the manner provided herein, in the Note and in the Note Purchase Agreement, according to the true intent and meaning thereof. The City represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Note 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 Note initially issued hereunder has been duly and effectively taken; and that such Note 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 Note is not payable from the general funds of the City and does not constitute a legal or equitable pledge, lien or encumbrance on any of the properties of the City or on any of its income, receipts or revenues, except as provided in this Appendix A and the Bond Order, and neither the credit nor the taxing power of the City is pledged for the payment of the Note, or the City's obligations to comply with any covenant or agreement under this Appendix A or any other agreement entered into by the City pursuant to its authority.

[End of Article IV]

**ARTICLE V.**

**SUPPLEMENTAL SERIES RESOLUTIONS**

Section 5.01. *Supplemental Series Resolutions.* This Series Resolution and the rights and obligations of the City and the Owner may be modified or amended at the same times, in the same manner and for the same purposes as the Bond Order, but if the modification or amendment affects only the Note,

the percentage to be applied under Section 1102 of the Bond Order will be applied only to the Outstanding Note.

Section 5.02. *Responsibilities of Trustee and City Under this Article.* The Trustee and the City are entitled to exercise their discretion in determining whether or not any proposed supplemental series resolution or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the City, the rights and interests of the Owner, and the rights, obligations and interests of the Trustee. The Trustee is entitled to receive, and is fully protected in relying on, the opinion of counsel approved by it, who may be Bond Counsel, as conclusive evidence that any such proposed supplemental series resolution does or does not comply with the provisions of this Appendix A, and that it is or is not proper for it, under the provisions of this Article, to accept such supplemental series resolution.

[End of Article V]

## ARTICLE VI.

### MISCELLANEOUS PROVISIONS

Section 6.01. *Headings.* Any heading preceding the text of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, are solely for convenience of reference and does not constitute a part of this Appendix A or affect its meaning, construction or effect.

Section 6.02. *Application to Commission.* The City Council hereby ratifies and confirms its request to the Commission to sell the Note at private sale and without advertisement in accordance with the provisions of Section 159-123 of the General Statutes of North Carolina.

Section 6.03. *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 Note, the Bond Order, the Series Resolution, this Appendix A and the Note Purchase Agreement for the full, punctual and complete performance of the terms, covenants, provisions and agreements of the same and also to do all acts and things required of them by the provisions of this Appendix A, including the advancement of any fees and expenses in connection with the transactions described therein with the expectation that such fees and expenses will be reimbursed to the City from Note proceeds.

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

Section 6.04. *Acceptance of Duties by Paying Agent.* Each Paying Agent (other than the Trustee) shall signify its acceptance of the duties and obligations imposed on it by the Bond Order and the Series Resolution by executing and delivering to the City and the Trustee a written acceptance thereof.

Section 6.05. *Holidays.* Except as otherwise provided herein, whenever any payment or action to be made or taken hereunder is stated to be due on a day which is not a Business Day, such payment or action will be made or taken on the next following Business Day, and such extension of time will be included in computing interest, if any, in connection with such payment or action.

Section 6.06. *Replacement of Registrar or Paying Agent.* If the Bond Registrar or Paying Agent initially appointed under this Appendix A resigns at any time or if the Finance Director reasonably determines that the Bond Registrar or Paying Agent has become incapable of performing its duties hereunder, the City may, on notice mailed to each Owner of the Note, if any, at such Owner's address last shown on the registration records, appoint a successor Registrar or Paying Agent which meets any requirement set forth in the Bond Order, including the prior approval by the Commission of a successor Registrar. No resignation or dismissal of the Bond Registrar or Paying Agent may take effect until a successor is appointed. The same institution is not required to serve as both Registrar and Paying Agent hereunder, but the City has the right to have the same institution serve as both Registrar and Paying Agent hereunder. Whenever in this Appendix A the Bond Registrar or Paying Agent is named or referred to, such provision is deemed to include any successor of the Bond Registrar or Paying Agent, respectively.

**EXHIBIT A**

NO OFFERING CIRCULAR OR MEMORANDUM, OFFICIAL STATEMENT OR OTHER DISCLOSURE DOCUMENT HAS BEEN PREPARED OR PROVIDED BY THE ISSUER IN CONNECTION WITH THE OFFERING AND SALE OF THIS NOTE. THIS NOTE MAY ONLY BE IN AN AUTHORIZED DENOMINATION AND MAY NOT BE TRANSFERRED OTHER THAN TO (A) AN AFFILIATE OF THE PURCHASER WHO IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, (B) A TRUST OR CUSTODIAL ARRANGEMENT ESTABLISHED BY THE PURCHASER OR ONE OF ITS AFFILIATES, THE OWNERS OF THE BENEFICIAL INTERESTS IN WHICH ARE LIMITED TO QUALIFIED INSTITUTIONAL BUYERS, OR (C) TO A PERSON THAT IS A QUALIFIED INSTITUTIONAL BUYER THAT IS A COMMERCIAL BANK HAVING A COMBINED CAPITAL AND SURPLUS, DETERMINED AS OF THE DATE OF ANY TRANSFER PURSUANT TO THIS SECTION, OF \$5,000,000,000 OR MORE THAT HAS EXECUTED AND DELIVERED TO THE CITY AN INVESTOR LETTER IN THE FORM OF EXHIBIT A TO THE NOTE PURCHASE AND ADVANCE AGREEMENT REFERENCED IN THE RESOLUTION AS DEFINED IN THIS NOTE. IN NO EVENT SHALL THIS NOTE BE TRANSFERRED TO ANY PERSON OR ENTITY WHO HOLDS THIS NOTE FOR THE BENEFIT OF A PERSON OR ENTITY THAT IS NOT A QUALIFIED INSTITUTIONAL BUYER OR AS PART OF A POOL OF ASSETS IN WHICH PERSONS THAT ARE NOT QUALIFIED INSTITUTIONAL BUYERS MAY INVEST, SUCH AS A MUTUAL FUND OR RETIREMENT PLAN.

**CITY OF CHARLOTTE, NORTH CAROLINA  
AIRPORT REVENUE BOND ANTICIPATION NOTE, SERIES 2014**

No. R-1

<u>INTEREST RATE</u>	<u>DATED DATE</u>	<u>MATURITY DATE</u>
Variable, as set forth herein	November 6, 2014	November, 2022

**REGISTERED OWNER: PNC BANK, NATIONAL ASSOCIATION**

**STATED PRINCIPAL AMOUNT: ONE HUNDRED MILLION DOLLARS**

The City of Charlotte, North Carolina (the "City"), a municipal corporation of the State of North Carolina (the "State"), for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the Owner named above the Stated Principal Amount set forth above or the Principal Amount (as hereinafter defined), whichever is less, on the Maturity Date set forth above (or earlier as hereinafter described). This Note is being issued under a bond order adopted by the City Council of the City (the "City Council") on November 18, 1985, which the City Council supplemented and amended on June 8, 1992 and August 23, 2004 (collectively, the "Bond Order") and a resolution related to the Note adopted by the City Council on September 22, 2014 (the "Series Resolution"). The City further promises to pay such Owner at the address as it appears on the registration books kept by U.S. Bank National Association, the Bond Registrar, the Trustee and the Paying Agent for this Note (the "Bond Registrar," the "Paying Agent" and the "Trustee"), at the close of business on the day preceding each hereinafter-described Interest Payment Date (each, a "Record Date"), interest at the Interest Rate described in the Series Resolution on the lesser of (1) the Stated Principal Amount or (2) the sum of the Advances made by the Owner pursuant to the Series Resolution and as reflected in the "Table of Advances" attached hereto or kept in the Trustee's records (the "Principal Amount"). Interest on this Note will be payable on the first Business Day of each month (each an "Interest Payment Date") from the Interest Payment Date next preceding the date of authentication (unless (1) the date of such authentication precedes the first Interest Payment Date, in which case interest with respect thereto shall be payable from

the date of issuance of this Note or (2) the date of such authentication is an Interest Payment Date to which interest on this Note has been paid in full or duly provided for in accordance with the terms of the Bond Order, in which case interest with respect thereto shall be payable from such Interest Payment Date) until the Principal Amount shall have been paid or provided for in accordance with the Bond Order.

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

Both principal and interest on this Note are payable in lawful coin or currency of the United States of America. This Note is payable at the designated corporate trust office of the Paying Agent without the need for presentation and surrender of this Note. Interest on this Note will be paid by the Paying Agent by check or draft mailed on the Interest Payment Date to the Owner as its name and address appear on the registration books kept by the Bond Registrar at the close of business on the Record Date. At the written request of the Owner, principal and interest may be payable by wire transfer at the address specified in writing by the Owner to the Paying Agent by the Record Date. CUSIP number identification, if such is assigned to this Note, with appropriate dollar amounts for the CUSIP number shall accompany all payments of principal of, premium, if any, and interest on this Note, whether by check or by wire transfer.

This Note is designated "*Airport Revenue Bond Anticipation Note, Series 2014C*" (the "*Note*") issued under the Bond Order. Unless the context indicates otherwise, all capitalized, undefined terms used herein have the meanings ascribed to them in the Bond Order, the Series Resolution or the Appendix A attached to, and incorporated in, the Series Resolution. The City intends to issue under the Bond Order its Airport Refunding Revenue Bonds, Series 2014A (the "*2014A Bonds*") and its Airport Refunding Revenue Bonds, Series 2014B (the "*2014B Bonds*," and together with the 2014A Bonds, the "*2014 Bonds*"), on or about the time the City issues its Note. Under the Bond Order, the City has previously issued several series of Bonds (the "*Existing Bonds*"). This Note, the 2014 Bonds, the Existing Bonds and any additional Bonds which may be issued under the Bond Order are parity obligations under the Bond Order.

This Note is being issued to finance all or a portion of the costs of the Projects (as defined in the Series Resolution) and to pay the costs of issuance of this Note.

This Note, together with interest thereon, is a special obligation of the City payable solely from Revenues after payment of the Current Expenses of the Airport and constitutes a valid claim of the Owner thereof only against the funds and other money held by the Trustee for the benefit of the Owner of this Note, which amounts are pledged and assigned pursuant to the Bond Order for the equal and ratable payment of this Note and the other Bonds issued under the Bond Order.

As used herein, "*Revenues*" means (a) except to the extent hereinafter excluded, all payments, proceeds, fees, charges, rents and all other income derived by or for the City for the use of and for the services and facilities furnished by or from the operation or ownership of, the Airport and all other income derived by the City from the operation or ownership of the Airport and all rights to receive the same, whether in the form of accounts receivable, contract rights or other rights, and the proceeds of such rights whether now owned or held or hereafter coming into existence, (b) amounts which the City is



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

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

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

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

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

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

The City may prepay this Note, either in whole or in part, on any Interest Payment Date at a prepayment price equal to 100% of the principal amount thereof, without premium, plus the accrued interest thereon to the Prepayment Date.

The City shall prepay the Note in whole on the Full Funding Date at a prepayment price equal to 100% of the principal amount thereof, without premium, plus the accrued interest thereon to the Prepayment Date, unless the Note is eligible for the Amortization Period under Section 3(c) of the Note Purchase and Advance Agreement, in which case the City will not be required to prepay the Note on the Full Funding Date and the Note will continue to be Outstanding and will be prepaid during the Amortization Period as set forth in Section 3(c) of the Note Purchase and Advance Agreement.

Notice of optional prepayment will be given by the Trustee not less than 30 days before the Prepayment Date (1) to the Commission by Mail or facsimile transmission, and (2) by Mail or by such other means as may be permitted by the Owner to the then-registered Owner of Note at the last address shown on the registration books kept by the Bond Registrar.

Such notice must (1) specify the Prepayment Date, the prepayment price and the place or places where amounts due on such prepayment must be payable (which must be the principal office of the Paying Agent) and if less than all of the Note is to be prepaid, the portion of Note, and (2) state that on the Prepayment Date, the Note or portion thereof to be prepaid will cease to bear interest.

Failure to provide such notice to the Commission will not affect the validity of any proceedings for such prepayment.

If money is on deposit with the Trustee to pay the prepayment price of this Note, or portion thereof, called for prepayment on a Prepayment Date, this Note or portion thereof so called for prepayment will not bear interest after such Prepayment Date and will not be considered to be Outstanding or to have any other rights under the Bond Order other than the right to receive payment.

The Trustee will record any prepayments of the Note on the Table of Partial Prepayment attached to this Note (or otherwise kept on the Trustee's official books and records).

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

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

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

This Note will be non-transferable, except as set forth on the face of this Note. The Paying Agent will have no obligation to pay any amounts due on this Note to anyone other than the Owner of the Note as shown on the registration books kept by the Bond Registrar.

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

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

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

[Signatures Begin on Following Page]

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

CITY OF CHARLOTTE, NORTH CAROLINA

By: \_\_\_\_\_  
City Manager

[SEAL]

By: \_\_\_\_\_  
City Clerk

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

\_\_\_\_\_  
T. VANCE HOLLOMAN  
Secretary of the Local Government Commission

**CERTIFICATE OF AUTHENTICATION**

Date of Authentication: \_\_\_\_\_, 2014

This is the Airport Revenue Bond Anticipation Note, Series 2014C designated herein and issued under the provisions of the within-mentioned Bond Order and Series Resolution.

**U.S. BANK NATIONAL ASSOCIATION,**  
as Trustee

By: \_\_\_\_\_  
Vice President

**FORM OF ASSIGNMENT**

**ASSIGNMENT**

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

---

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

---

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

---

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

Dated: \_\_\_\_\_

Signature guaranteed by:

---

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

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

**TRANSFER FEE MY BE REQUIRED**







EXTRACTS FROM MINUTES OF CITY COUNCIL

\* \* \*

A Regular Meeting of the City Council of the City of Charlotte, North Carolina was duly held in the Meeting Chamber at the Charlotte-Mecklenburg Government Center in Charlotte, North Carolina, the regular place of meeting, at 7:00 p.m. on September 22, 2014:

Members Present: Mayor Clodfelter, Councilmembers Austin, Autry, Barnes, Driggs, Fallon, Howard, Kinsey, Lyles, Mayfield, Phipps, Smith

Members Absent: None

\* \* \* \* \*  
\* \* \*

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

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA, REQUESTING THE LOCAL GOVERNMENT COMMISSION'S APPROVAL OF THE CITY'S STORM WATER FEE REVENUE AND REVENUE REFUNDING BONDS AND CERTAIN RELATED MATTERS.**

*WHEREAS*, the City Council (the "*City Council*") of the City of Charlotte, North Carolina (the "*City*") hereby determines that it is desirable to (1) finance the costs of additions and capital improvements to, or the acquisition, renewal or replacement of capital assets of, or purchasing and installing new equipment relating to the operation and maintenance of the storm water facilities located within the jurisdiction of the City (collectively, the "*2014 Project*") and (2) refund the City's Storm Water Fee Revenue Bonds, Series 2004 maturing on and after June 1, 2015 (the "*2004 Bonds*") in order to achieve debt service savings;

*WHEREAS*, the City Council is considering the issuance of the City's Storm Water Fee Revenue and Revenue Refunding Bonds, Series 2014 (the "*2014 Bonds*") in an aggregate principal amount not to exceed \$117,000,000 to pay the costs of the 2014 Project and to refund the 2004 Bonds;

*WHEREAS*, the City Council wants to (1) retain Parker Poe Adams & Bernstein LLP, as bond counsel; (2) retain Wells Fargo Bank, National Association and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as underwriters for the 2014 Bonds (collectively, the "*Underwriters*"); (3) approve the selection by the Underwriters of McGuireWoods LLP, as underwriters' counsel; (4) retain DEC Associates, Inc., as financial advisor; (5) retain Waters and Company, LLC, as financial consultant; and (6) retain U.S. Bank National Association, as trustee for the 2014 Bonds (collectively, the "*Financing Team*"); and

*WHEREAS*, the Finance Director of the City has filed with the Local Government Commission of North Carolina (the "*Commission*") an application for its approval of the 2014 Bonds, requesting that the

Commission approve (1) the negotiation of the sale of the 2014 Bonds to the Underwriters and (2) the City's use of the Financing Team in connection with the issuance of the 2014 Bonds;

*WHEREAS*, in connection with such application, the City Council wants the Finance Director of the City (1) to provide the Commission with such facts and information in regard to the 2014 Bonds and to the City and its financial condition as the Commission may require and (2) to take all other action necessary for the issuance of the 2014 Bonds.

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

**Section 1.** The 2014 Bonds are to be issued by the City for the purpose of providing funds (a) to finance the costs of the 2014 Project, (b) to refund the 2004 Bonds and (c) to pay the costs of issuing the 2014 Bonds. The use of the proceeds of the 2014 Bonds to finance the 2014 Project, as described, is necessary in order to meet the expanding needs of the users of the City's storm water system and to assure that the City's storm water system remains in full compliance with all state and federal requirements for the provision of storm water system services. The use of the proceeds of the 2014 Bonds to refund the 2004 Bonds, as described, is necessary in order to achieve debt service savings for the City.

**Section 2.** The Financing Team is hereby approved in connection with the City's issuance of the 2014 Bonds.

**Section 3.** The filing of the application with the Commission for its approval of the issuance of the 2014 Bonds is hereby ratified and approved. The Finance Director of the City, with advice from the City Manager, the City Attorney and bond counsel, is hereby authorized, directed and designated to provide such information to the Commission as may be required for the Commission's approval of such application.

**Section 4.** The City Council finds and determines and asks the Commission to find and determine from the City's application and supporting documentation as follows:

- (a) the issuance of the 2014 Bonds is necessary or expedient;
- (b) the maximum stated principal amount of the 2014 Bonds will be sufficient but is not excessive, when added to other moneys available for such purpose, to (1) finance the 2014 Project and (2) refinance the projects financed and refinanced with the 2004 Bonds and achieve debt service savings for the benefit of the users of the storm water system;
- (c) the City's storm water system as now constituted, and as it will be constituted after the completion of the 2014 Project, is feasible;
- (d) the City's debt management procedure and policies are excellent; and
- (e) the 2014 Bonds can be marketed at a reasonable interest cost to the City.

**Section 5.** The Mayor, the City Manager and the Finance Director are hereby authorized to do any and all other things necessary to complete the steps necessary for the issuance of the 2014 Bonds.

**Section 6.** The City Council requests that the Commission sell the 2014 Bonds through

negotiation to the Underwriters on such terms as may be agreed on but at a true interest cost not exceeding 4.50%.

*Section 7.* This Resolution is effective on the date of its adoption.

Upon motion of Councilmember Kinsey, seconded by Councilmember Autry, the foregoing order titled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA, REQUESTING THE LOCAL GOVERNMENT COMMISSION'S APPROVAL OF THE CITY'S STORM WATER FEE REVENUE AND REVENUE REFUNDING BONDS AND CERTAIN RELATED MATTERS**" was adopted by the following vote:

AYES: Councilmembers Austin, Autry, Barnes, Driggs, Fallon, Howard, Kinsey,  
Lyles, Mayfield, Phipps, Smith

NAYS: None

*PASSED, ADOPTED AND APPROVED* this 22<sup>nd</sup> day of September, 2014.



**BOND ORDER**

**AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$117,000,000 STORM WATER FEE REVENUE AND REVENUE REFUNDING BONDS OF THE CITY OF CHARLOTTE, NORTH CAROLINA; AUTHORIZING THE APPROVAL, EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; PROVIDING FOR THE SALE OF THE BONDS; SETTING FORTH THE TERMS AND CONDITIONS ON WHICH THE BONDS ARE TO BE ISSUED; AND PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE BONDS**

*WHEREAS*, the City of Charlotte, North Carolina (the "City") is authorized by the State and Local Government Revenue Bond Act, General Statutes of North Carolina, Section 159-80 et seq. (the "Act"), to issue, subject to the approval of the Local Government Commission of North Carolina, at one time or from time to time, revenue and revenue refunding bonds of the City for the purposes as specified in the Act;

*WHEREAS*, the City has determined to issue not to exceed \$117,000,000 Storm Water Fee Revenue and Revenue Refunding Bonds, Series 2014 of the City (the "2014 Bonds") (1) to finance the costs of additions and capital improvements to, or the acquisition, renewal or replacement of capital assets of, or purchasing and installing new equipment relating to the operation and maintenance of the storm water facilities located within the jurisdiction of the City (the "2014 Project"), (2) to refund the City's Storm Water Fee Revenue Bonds, Series 2004 maturing on and after June 1, 2015 (the "2004 Bonds") in order to achieve debt service savings and (3) to pay the costs of issuing the 2014 Bonds;

*WHEREAS*, the City has determined to issue the 2014 Bonds with a fixed rate of interest;

*WHEREAS*, the City will issue the 2014 Bonds under a General Trust Indenture dated as of May 15, 2000 between the City and First Union National Bank, the successor to which is U.S. Bank National Association, as trustee (the "Trustee"), and Series Indenture, Number 6 dated as of October 1, 2014 (the "Series Indenture," and together with the General Indenture, the "Indenture") between the City and the Trustee;

*WHEREAS*, the City and the Local Government Commission of North Carolina (the "Commission") have arranged for the sale of the 2014 Bonds to Wells Fargo Bank, National Association, on its own behalf and on behalf of Merrill Lynch, Pierce, Fenner & Smith Incorporated (collectively, the "Underwriters"), under the terms of a Bond Purchase Agreement to be dated on or about October 9, 2014 (the "Purchase Contract") pursuant to which the City and the Commission will sell the 2014 Bonds to the Underwriters in accordance with the terms and conditions set forth therein; and

*WHEREAS*, an application has been filed with the Secretary of the Commission requesting Commission approval of the 2014 Bonds as required by the Act;

*WHEREAS*, copies of the forms of the following documents relating to the transactions described above have been filed with the City:

1. the Series Indenture;
2. the Purchase Contract; and
3. a Preliminary Official Statement to be dated on or about October 1, 2014 (the "Preliminary Official Statement") with respect to the 2014 Bonds.

***NOW THEREFORE, BE IT ORDERED BY THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA:***

***Section 1.*** The 2014 Bonds are hereby authorized and will be issued pursuant to the Act to raise the money required, in addition to any funds which may be made available for such purpose from any other source, to finance the costs of the 2014 Project and to refund in advance of their maturities the 2004 Bonds.

***Section 2.*** The aggregate principal amount of the 2014 Bonds authorized by this order will not exceed \$117,000,000. The 2014 Bonds hereby authorized will be special obligations of the City, secured by and paid solely from the proceeds thereof or from Net Revenues (as defined in the General Indenture).

***Section 3.*** The City's issuance of the 2014 Bonds, in substantially the form to be set forth in the Series Indenture, is hereby in all respects approved and confirmed, and the provisions of the General Indenture and the Series Indenture with respect to the 2014 Bonds (including without limitation the maturity dates and rates of interest) are hereby approved and confirmed and are incorporated herein by reference. The proceeds from the sale of the 2014 Bonds will be deposited in accordance with the Series Indenture.

The principal of, premium, if any, and interest on the 2014 Bonds will not be payable from the general funds of the City, nor will the 2014 Bonds constitute a legal or equitable pledge, charge, lien or encumbrance on any of the City's property or on any of its income, receipts or revenues except the funds which are pledged under the Indenture. Neither the credit nor the taxing power of the State of North Carolina or the City is pledged for the payment of the principal of, premium, if any, or interest on the 2014 Bonds, and no holder of the 2014 Bonds has the right to compel the exercise of the taxing power by the State of North Carolina or the City or the forfeiture of any of its property in connection with any default thereon.

***Section 4.*** The form and content of the Series Indenture and the exhibits thereto are hereby in all respects approved and confirmed, and the Mayor, the City Manager, the Deputy City Manager and City Clerk of the City are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the Series Indenture for and on behalf of the City, including necessary counterparts, in substantially the form and content presented to the City, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions therein. From and after the execution and delivery of the Series Indenture, the Mayor, the City Manager, the Deputy City Manager, the Finance Director and City Clerk of the City, or their respective designees, are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Series Indenture as executed. The Trustee is hereby appointed as Registrar and Paying Agent under the Series Indenture.

***Section 5.*** The 2014 Bonds will be sold to the Underwriters pursuant to the terms of the Purchase Contract. The form and content of the Purchase Contract are in all respects approved and confirmed, and the Mayor, the City Manager, the Deputy City Manager or the Finance Director of the City is hereby authorized, empowered and directed to execute and deliver the Purchase Contract for and on behalf of the City, including necessary counterparts, in substantially the form and content presented to the City, but with such changes, modifications, additions or deletions therein as he may deem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his approval of any and all such changes, modifications, additions or deletions therein. From and after the execution and

delivery of the Purchase Contract, the Mayor, the City Manager, the Deputy City Manager and the Finance Director of the City, or their respective designees, are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Purchase Contract as executed.

**Section 6.** The form and content of the Preliminary Official Statement are in all respects authorized, approved and confirmed, and the use of the Preliminary Official Statement and the Official Statement to be dated on or about October 9, 2014 (the "*Official Statement*") by the Underwriters in connection with the sale of the 2014 Bonds is hereby in all respects authorized, approved and confirmed.

**Section 7.** The City Manager or Finance Director of the City is hereby authorized to execute a no-arbitrage certificate to comply with Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder.

**Section 8.** If any one or more of the covenants, agreements or provisions contained in this Bond Order is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or is for any reason whatsoever held invalid, then such covenants, agreements or provisions will be null and void and will be deemed separable from the remaining agreements and provisions and will in no way affect the validity of any of the other agreements and provisions of this Bond Order or of the 2014 Bonds authorized hereunder.

**Section 9.** No stipulation, obligation or agreement contained in this Bond Order or contained in the 2014 Bonds, the General Indenture, the Series Indenture, the Purchase Contract or any other instrument related to the issuance of the 2014 Bonds is a stipulation, obligation or agreement of any officer, agent or employee of the City in his or her individual capacity, and no such officer, agent or employee is personally liable on the 2014 Bonds or subject to personal liability or accountability by reason of the issuance thereof.

**Section 10.** The Mayor, the City Manager, the Deputy City Manager, the Finance Director and the City Clerk of the City, or their respective designees, are hereby authorized, empowered and directed, individually and collectively, to do any and all other acts and to execute any and all other documents which they, in their discretion, deem necessary and appropriate to consummate the transactions contemplated by this Bond Order, the General Indenture, the Series Indenture or the Purchase Contract; except that none of the above is hereby authorized or empowered to do anything or execute any document which is in contravention, in any way, of (a) the specific provisions of this Bond Order, (b) the specific provisions of the General Indenture or the Series Indenture, (c) any agreement to which the City is bound, (d) any rule or regulation of the City or (e) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of North Carolina.

**Section 11.** The Mayor, the City Manager, the Deputy City Manager, the Finance Director and the City Clerk of the City, or their respective designees, are hereby authorized and directed, individually and collectively, to prepare and furnish, when the 2014 Bonds are issued, certified copies of all the proceedings and records of the City Council relating to the 2014 Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the 2014 Bonds as such facts appear on the books and records in such party's custody and control or as otherwise known to them; and all such certified copies, certificates, affidavits and documents, including any heretofore furnished, constitute representations of the City as to the truth of all statements contained therein.

**Section 12.** All acts and doings of the Mayor, the City Manager, the Deputy City Manager, the Finance Director and the City Clerk of the City, or their respective designees, that are in conformity

with the purposes and intents of this Bond Order and in the furtherance of the issuance of the 2014 Bonds and the execution, delivery and performance of the Series Indenture and the Purchase Contract are hereby in all respects approved and confirmed.

**Section 13.** All resolutions or parts thereof of the City Council in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

**Section 14.** This Bond Order will take effect immediately on its adoption and, pursuant to Section 159-88 of the General Statutes of North Carolina, as amended, need not be published or subjected to any procedural requirements governing the adoption of ordinances or resolutions by the City Council other than the procedures set out in the Act.

Upon motion of Councilmember Kinsey, seconded by Councilmember Autry, the foregoing order titled **“BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$117,000,000 STORM WATER FEE REVENUE AND REVENUE REFUNDING BONDS OF THE CITY OF CHARLOTTE, NORTH CAROLINA; AUTHORIZING THE APPROVAL, EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; PROVIDING FOR THE SALE OF THE BONDS; SETTING FORTH THE TERMS AND CONDITIONS ON WHICH THE BONDS ARE TO BE ISSUED; AND PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE BONDS”** was adopted by the following vote:

AYES: Councilmembers Austin, Autry, Barnes, Driggs, Fallon, Howard, Kinsey, Lyles, Mayfield, Phipps  
Smith

NAYS: None

*PASSED, ADOPTED AND APPROVED* this 22<sup>nd</sup> day of September, 2014.



September 22, 2014

Resolution Book 46, Page 424E

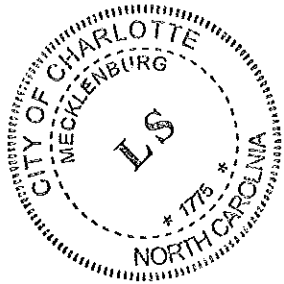
STATE OF NORTH CAROLINA            )  
   )  
 CITY OF CHARLOTTE                    )        ss:

I, Emily A. Kunze, Deputy City Clerk of the City of Charlotte, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a bond order titled “**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$117,000,000 STORM WATER FEE REVENUE AND REVENUE REFUNDING BONDS OF THE CITY OF CHARLOTTE, NORTH CAROLINA; AUTHORIZING THE APPROVAL, EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; PROVIDING FOR THE SALE OF THE BONDS; SETTING FORTH THE TERMS AND CONDITIONS ON WHICH THE BONDS ARE TO BE ISSUED; AND PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE BONDS**” adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 22<sup>nd</sup> day of September, 2014, the reference having been made in Minute Book 137, and recorded in full in Resolution Book 46, Page(s)424A-424E

***WITNESS*** my hand and the seal of the City of Charlotte, North Carolina, this the 22nd day of September, 2014.

[SEAL]

*Emily A. Kunze*  
 \_\_\_\_\_  
 Emily A. Kunze, Deputy City Clerk



**RESOLUTION FIXING DATE OF PUBLIC HEARING ON QUESTION  
OF ANNEXATION PURSUANT TO G.S. 160A-31**

**INVERNESS AREA**

WHEREAS, a petition requesting annexation of the area described herein has been received; and

WHEREAS, the City Council has by resolution directed the City Clerk to investigate the sufficiency of the petition; and

WHEREAS, certification by the City Clerk as to the sufficiency of the petition has been made;

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

Section 1. A public hearing on the question of annexation of the area described herein will be held in the Meeting Chamber of the Charlotte-Mecklenburg Government Center, 600 E. Fourth Street, Charlotte, N.C. at 7:00 p.m. on October 27, 2014.

Section 2. The area proposed for annexation is described as follows:

**LEGAL DESCRIPTION**

BEGINNING AT A POINT, said point being on the existing City Limits line and the northern right-of-way of Dixie River Road and being about 1675' from the intersection of Dixie River Road and Shopton Road; THENCE along the northern right-of way of Dixie River Road and the existing City Limits line the following ten (10) courses and distances; (1) THENCE S 82°06'20" E a distance of 50.18' to a point; (2) THENCE S 81°22'41" E a distance of 50.70' to a point; (3) THENCE S 79°02'02" E a distance of 51.44' to a point; (4) THENCE S 75°41'26" E a distance of 51.52' to a point; (5) THENCE S 73°13'14" E a distance of 51.43' to a point; (6) THENCE S 70°32'08" E a distance of 51.17' to a point; (7) THENCE S 68°44'28" E a distance of 50.50' to a point; (8) THENCE S 68°11'49" E a distance of 50.16' to a point; (9) THENCE S 68°01'10" E a distance of 49.97' to a point; (10) THENCE S 68°04'39" E a distance of 31.81' to a point; THENCE leaving the City Limits line S 84°43'43" W a distance of 33.42' to a point; THENCE S 84°43'43" W a distance of 32.17' to a point; THENCE S 77°30'09" W a distance of 53.31' to a point; THENCE S 68°28'55" E a distance of 39.83' to a point; THENCE S 68°09'48" E a distance of 76.38' to a point; THENCE S 68°40'28" E a distance of 50.31' to a point; THENCE S 69°09'28" E a distance of 50.21' to a point; THENCE S 70°01'32" E a distance of 50.49' to a point; THENCE S 69°43'56" E a distance of 49.88' to a point; THENCE S 69°07'51" E a distance of 37.05' to a point; THENCE S 20°07'08" W a distance of 631.37' to a point; THENCE S 20°07'08" W a distance of 21.47' to a point; THENCE S 68°15'58" E a distance of 108.28' to a point; THENCE S 22°06'38" W a distance of 24.88' to a point; THENCE S 69°49'53" E a distance of 69.09' to a point; THENCE with a curve turning to the right with an arc length of 199.04', with a radius of 340.01', with a chord bearing of S 53°03'40" E, with a chord length of 196.21', to a point; THENCE S 36°17'28" E a distance of 116.82' to a point; THENCE S 53°42'32" W a distance of 147.73' to a point; THENCE S 36°17'28" E a distance of 16.28' to a point; THENCE S 52°01'03" W a distance of 164.06' to a point; THENCE S 51°34'03" W a distance of 67.02' to a point; THENCE S 51°34'03" W a distance of 60.00' to a point; THENCE S 51°34'03" W a distance of 60.00' to a point; THENCE S 51°34'03" W a distance of 51.82' to a point; THENCE S 44°11'16" W a distance of 264.00' to a point; THENCE S 40°31'14" W a distance of 11.30' to a point; THENCE S 40°31'14" W a distance of 364.40' to a point; THENCE S 41°00'48" W a distance of 133.52' to a point; THENCE S 51°10'43" W a distance of 87.11' to a point; THENCE S 61°18'19" W a distance of 37.12' to a

point; THENCE S 78°05'40" W a distance of 33.19' to a point; THENCE N 80°40'19" W a distance of 28.16' to a point; THENCE S 66°24'54" W a distance of 29.09' to a point; THENCE S 37°45'25" W a distance of 30.79' to a point; THENCE S 64°25'09" W a distance of 19.92' to a point; THENCE S 88°47'13" W a distance of 54.59' to a point; THENCE S 18°00'12" E a distance of 113.31' to a point; THENCE N 58°37'36" W a distance of 30.87' to a point; THENCE N 18°25'26" W a distance of 112.99' to a point; THENCE N 89°05'48" W a distance of 240.03' to a point; THENCE N 89°55'19" W a distance of 68.32' to a point; THENCE N 78°37'17" W a distance of 270.78' to a point; THENCE N 61°08'42" W a distance of 612.26' to a point; THENCE N 63°04'32" W a distance of 26.45' to a point; THENCE N 37°51'31" W a distance of 116.34' to a point; THENCE N 02°12'54" E a distance of 184.74' to a point; THENCE N 28°22'41" W a distance of 199.19' to a point; THENCE N 11°29'59" E a distance of 134.19' to a point; THENCE N 38°02'01" W a distance of 98.50' to a point; THENCE N 26°25'59" W a distance of 125.79' to a point; THENCE S 61°20'17" W a distance of 176.90'; THENCE S 87°51'01" W a distance of 440.30' to a point; THENCE N 39°56'32" E a distance of 26.80' to a point; THENCE N 09°28'28" E a distance of 24.02' to a point; THENCE S 35°02'41" W a distance of 63.58' to a point; THENCE N 33°42'28" W a distance of 15.28' to a point; THENCE N 03°32'43" W a distance of 91.95' to a point; THENCE N 41°54'59" E a distance of 88.25' to a point; THENCE N 25°18'13" E a distance of 92.20' to a point; THENCE N 34°13'59" E a distance of 25.04' to a point; THENCE N 54°44'51" E a distance of 74.31' to a point; THENCE N 44°18'06" E a distance of 34.25' to a point; THENCE N 07°25'50" E a distance of 18.73' to a point; THENCE N 20°04'24" E a distance of 51.83' to a point; THENCE N 64°09'03" E a distance of 224.19' to a point; THENCE N 36°44'41" E a distance of 16.24' to a point; THENCE N 06°42'52" E a distance of 217.96' to a point; THENCE N 16°59'07" E a distance of 278.68' to a point; THENCE S 78°28'53" E a distance of 112.36' to a point; THENCE S 79°27'39" E a distance of 49.97' to a point; THENCE S 80°19'16" E a distance of 50.03' to a point; THENCE S 76°58'13" E a distance of 171.65' to a point; THENCE S 66°12'45" E a distance of 93.84' to a point; THENCE S 58°54'55" E a distance of 122.65' to a point; THENCE S 58°07'20" E a distance of 69.70' to a point; THENCE S 80°51'58" E a distance of 784.88' to a point; THENCE N 57°30'22" E a distance of 260.94' to a point; THENCE N 57°30'22" E a distance of 202.74' to a point; THENCE N 19°47'29" E a distance of 238.72' to a point; THENCE N 07°53'40" E a distance of 60.03' to the POINT OF BEGINNING. Having an area of 97.219 acres, more or less.

Section 3. Notice of the public hearing shall be published in the *Mecklenburg Times*, a newspaper having general circulation in the City of Charlotte, at least ten (10) days prior to the date of the public hearing.

**CERTIFICATION**

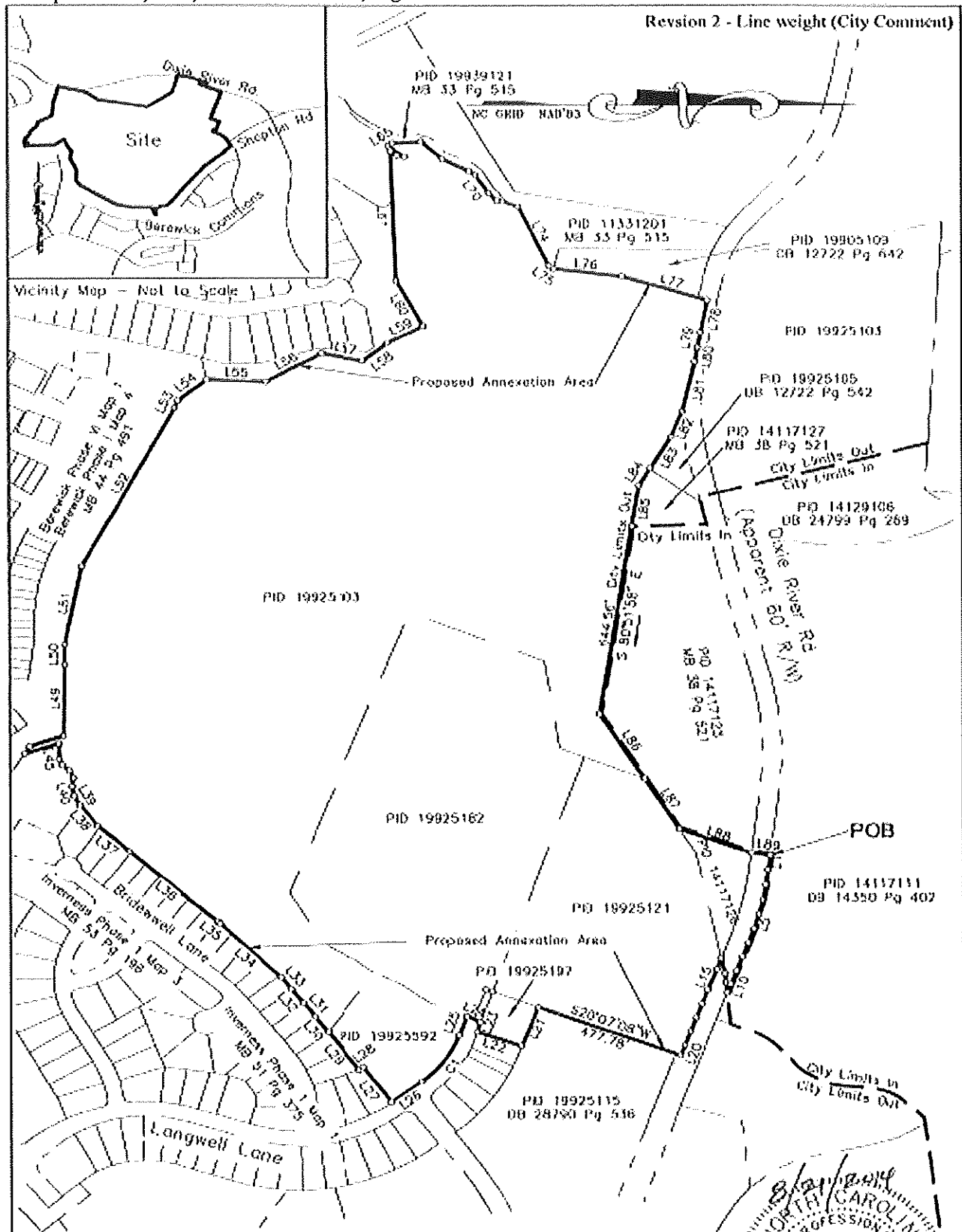
I, Emily A. Kunze, City Clerk of the City of Charlotte, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 22<sup>nd</sup> day of September 2014, the reference having been made in Minute Book 137, and recorded in full in Resolution Book 46, Page(s) 425-427.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, 22<sup>nd</sup> day of September, 2014.

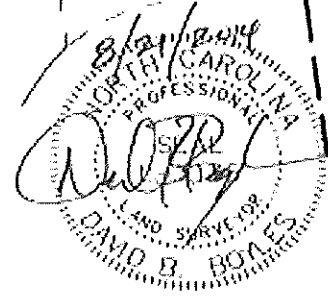


*Emily A. Kunze*  
Emily A. Kunze, Deputy City Clerk

Revision 2 - Line weight (City Comment)



**Voluntary Annexation Map**  
**97.779± Acres**  
**Charlotte, North Carolina**  
 Tax Parcel ID: 14117126, 19926103,  
 19926121, 19926182, 19926197 &  
 19926592



Phone: (704) 337-8529  
 Fax: (866) 661-1277  
 508 W. 8th St., Suite 125  
 Charlotte, NC 28202  
 License No.: C-1925

Scale: 1"=400'



Date:  
 Project Number: 4112118

Revision 2: 08-21-2014  
 Sheet 1 of 2

**A RESOLUTION AUTHORIZING THE REFUND OF PROPERTY  
TAXES**

Reference is made to the schedule of "Taxpayers and Refunds Requested" attached to the Docket for consideration of the City Council. On the basis of that schedule, which is incorporated herein, the following facts are found:

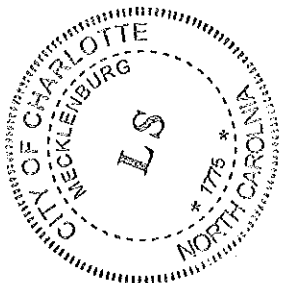
1. The City-County Tax Collector has collected property taxes from the taxpayers set out on the list attached to the Docket.
2. The City-County Tax Collector has certified that those taxpayers have made proper demand in writing for refund of the amounts set out on the schedule within the required time limits.
3. The amounts listed on the schedule were collected through either a clerical or assessor error.

NOW, THEREFORE, BE RESOLVED by the City Council of the City of Charlotte, North Carolina, in regular session assembled this 22<sup>nd</sup> day of September 2014 that those taxpayers listed on the schedule of "Taxpayers and Refunds Requested" be refunded in the amounts therein set up and that the schedule and this resolution be spread upon the minutes of this meeting.

**CERTIFICATION**

I, Emily A. Kunze, 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 22<sup>nd</sup> day of September 2014, the reference having been made in Minute Book 137, and recorded in full in Resolution Book 46, Page(s) 428-429.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, 22<sup>nd</sup> day of September, 2014.



  
Emily A. Kunze, Deputy City Clerk

**Property Tax Refund Requests**

BRIDGES, WILLIAM CARROLL	\$	591.15
FIRST UNION NATIONAL BANK OF		59,769.87
KHANHPHANE, BOUAPHETH		37.47
MARTIN, STEPHEN A		10.05
SUN TRUST MORTGAGE		1,051.29
		<u>om 61,459.83</u>

**A RESOLUTION AUTHORIZING THE REFUND OF  
CERTAIN BUSINESS PRIVILEGE LICENSES**

Reference is made to the schedule of "Business Privilege License Refunds Requested" attached to the Docket for consideration of the City Council. On the basis of that schedule, which is incorporated herein, the following facts are found:

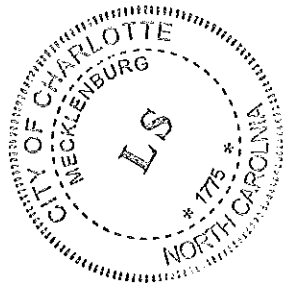
1. The City-County Tax Collector has collected certain taxes from the taxpayers set out on the list attached to the Docket.
2. The City-County Tax Collector has certified that those taxpayers have made proper demand in writing for refund of the amounts set out on the schedule within the required time limits.
3. The amounts listed on the schedule were collected through either a clerical or assessor error.

NOW, THEREFORE, BE RESOLVED by the City Council of the City of Charlotte, North Carolina, in regular session assembled this 22nd day of September 2014 that those taxpayers listed on the schedule of "Business Privilege License Refunds Requested" be refunded in the amounts therein set up and that the schedule and this resolution be spread upon the minutes of this meeting.

**CERTIFICATION**

I, Emily A. Kunze, 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 22<sup>nd</sup> day of September 2014, the reference having been made in Minute Book 137, and recorded in full in Resolution Book 46, Page(s) 430-431.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, 22<sup>nd</sup> day of September, 2014.



  
Emily A. Kunze, Deputy City Clerk

**Business Privilege License Tax Refund Requests**

GLOBAL RESTAURANT BAR & LOUNGE	\$ 76.00
MURRAY MICHAEL R	30.00
RENTALS GONE WILD LLC	150.00
SHALE INLAND LLC	50.00
TICKET PRESERVE LLC	1,371.28
VIGILANT HEALTHCARE STAFFING LLC	80.00
	<u>\$ 1,757.28</u>



**RESOLUTION APPROVING PROPERTY SALE BY UPSET BID  
1231 Boone Street**

WHEREAS, the City of Charlotte owns a single-family residential property which was acquired through foreclosure after default of Neighborhood and Business Services loans; and

WHEREAS, the property is identified as: 1231 Boone Street, Charlotte, Mecklenburg County, North Carolina (Tax ID #075-074-24); and

WHEREAS, the property was submitted to mandatory referral and determined to be surplus and appropriate for marketing and sale for residential use; and

WHEREAS, North Carolina General Statute §160A-269 permits the city to sell property by upset bid, after receipt of an offer for the property; and

WHEREAS, the property was offered for sale at appraised value, an initial offer was received and the property was advertised for upset bids, whereupon the final high offer of \$4,000 was received.

THEREFORE, THE CITY COUNCIL OF THE CITY OF CHARLOTTE  
RESOLVES THAT:

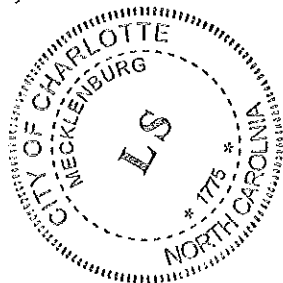
1. The final high offer above, having been received for the above-described property during the upset bid sale process, is hereby accepted and City Council approves the sales of the above-described property to the individual who submitted the final high offer to purchase it.
2. The City Manager and his designees are authorized to execute the instruments necessary to convey the property.

Adopted September 22, 2014.

**CERTIFICATION**

I, Emily A. Kunze, 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 22<sup>nd</sup> day of September 2014, the reference having been made in Minute Book 137, and recorded in full in Resolution Book 46, Page(s)432.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, 22<sup>nd</sup> day of September, 2014.



*Emily A. Kunze*  
Emily A. Kunze, Deputy City Clerk

A RESOLUTION AUTHORIZING CONDEMNATION PROCEEDINGS  
FOR THE ACQUISITION OF CERTAIN REAL PROPERTY

WHEREAS, the City Council of the City of Charlotte finds as a fact that it is necessary to acquire certain property as indicated below for the **REMOUNT SIDEWALK WEST BOULEVARD-RAILROAD PROJECT**;

WHEREAS, the City either in good faith has undertaken to negotiate for the purchase of this property but has been unable to reach an agreement with the owners for the purchase price or, after reasonable diligence, has been unable to negotiate a purchase price;

NOW, THEREFORE, BE IT RESOLVED by the City Council of The City of Charlotte that condemnation proceedings are hereby authorized to be instituted against the property indicated below, under the authority and procedures of the laws of the State of North Carolina:

PROPERTY DESCRIPTION:

Amount necessary for the **REMOUNT SIDEWALK WEST BOULEVARD-RAILROAD PROJECT** and estimated to be **1,165 square feet (.027 acre) of sidewalk and utility easement and 8,044 square feet (.185 acre) of temporary construction easement** and any additional property or interest as the City may determine to complete the Project, as it relates to Tax Parcel No.: 117-023-07, said property currently owned by **FOUNTAIN HILL APARTMENTS, LLC; HUGS BETA, LLC, Beneficiary**, or the owners' successor-in-interest.

ESTIMATED JUST COMPENSATION:

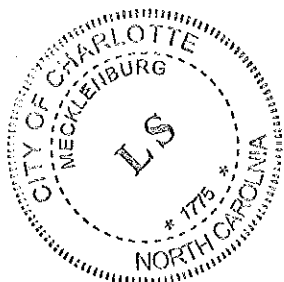
Such estimated just compensation as may be determined based upon the takings required by the final construction plans.

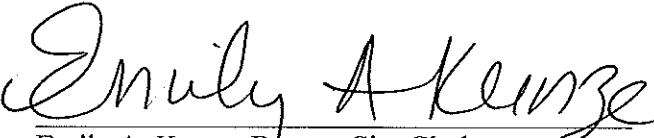
IT IS FURTHER RESOLVED that the estimated just compensation for the property is hereby authorized to be deposited in the Office of the Clerk of Superior Court, Mecklenburg County, North Carolina, together with the filing of the Complaint and Declaration of Taking.

CERTIFICATION

I, Emily A. Kunze, 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 22<sup>nd</sup> day of September 2014, the reference having been made in Minute Book 137, and recorded in full in Resolution Book 46, Page(s)433.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, 22<sup>nd</sup> day of September, 2014.



  
Emily A. Kunze, Deputy City Clerk