

RESOLUTION CLOSING A PORTION OF TOMLIN WAY COURT IN THE CITY OF CHARLOTTE,
MECKLENBURG COUNTY, NORTH CAROLINA

WHEREAS, pursuant to the provisions of Chapter 160A-299 of the General Statutes of North Carolina, the City Council has caused to be published a Resolution of Intent to close a portion of Tomlin Way Court, which calls for a public hearing on the question; and

WHEREAS, the petitioner has caused a copy of the Resolution of Intent to close a portion of Tomlin Way Court to be sent by registered or certified mail to all owners of property adjoining the said street and prominently posted a notice of the closing and public hearing in at least 2 places along said street or alley, all as required by G.S.160A-299; and

WHEREAS, the city may reserve its right, title, and interest in any utility improvement or easement within a street closed pursuant to G.S.160A-299; and

WHEREAS, a public access easement shall be granted across the entire abandonment area identified within this exhibit for the purposes of ingress, egress, and regress. This public access easement shall remain in perpetuity for the preservation of pedestrian access along with both motorized and non-motorized access as shown on the attached map marked "Exhibit A"; and

WHEREAS, an easement shall be reserved in favor of Charlotte Water, AT&T, Piedmont Natural Gas, and Duke Energy over, upon, and under the area petitioned to be abandoned for ingress, egress, and regress to access its existing facilities for the installation, maintenance, replacement, and repair of water line, water mains, sewer lines, conduit, gas lines, gas mains, and related equipment, as shown on the attached map marked "Exhibit A"; and

WHEREAS, the public hearing was held on the 24th day of April, 2017, and City Council determined that the closing of a portion of Tomlin Way Court is not contrary to the public interest, and that no individual, firm or corporation owning property in the vicinity thereof will be deprived of reasonable means of ingress and egress to his or its property.

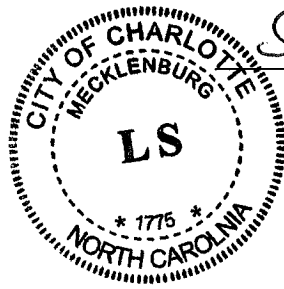
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charlotte, North Carolina at its regularly assembled meeting of April 24, 2017, that the Council hereby orders the closing of a portion of Tomlin Way Court in the City of Charlotte Mecklenburg County, North Carolina as shown in the map marked "Exhibit A", and is more particularly described by metes and bounds in the document marked "Exhibit B", all of which are attached hereto and made a part hereof.

BE IT FURTHER RESOLVED that a certified copy of this Resolution be filed in the Office of the Register of Deeds for Mecklenburg County, North Carolina.

CERTIFICATION

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 Resolution adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 24th day of April, 2017 the reference having been made in Minute Book 142 and recorded in full in Resolution Book 48, Page(s) 54-57.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, the 24th day of April, 2017.



Emily A. Kunze

Emily A. Kunze, Deputy City Clerk

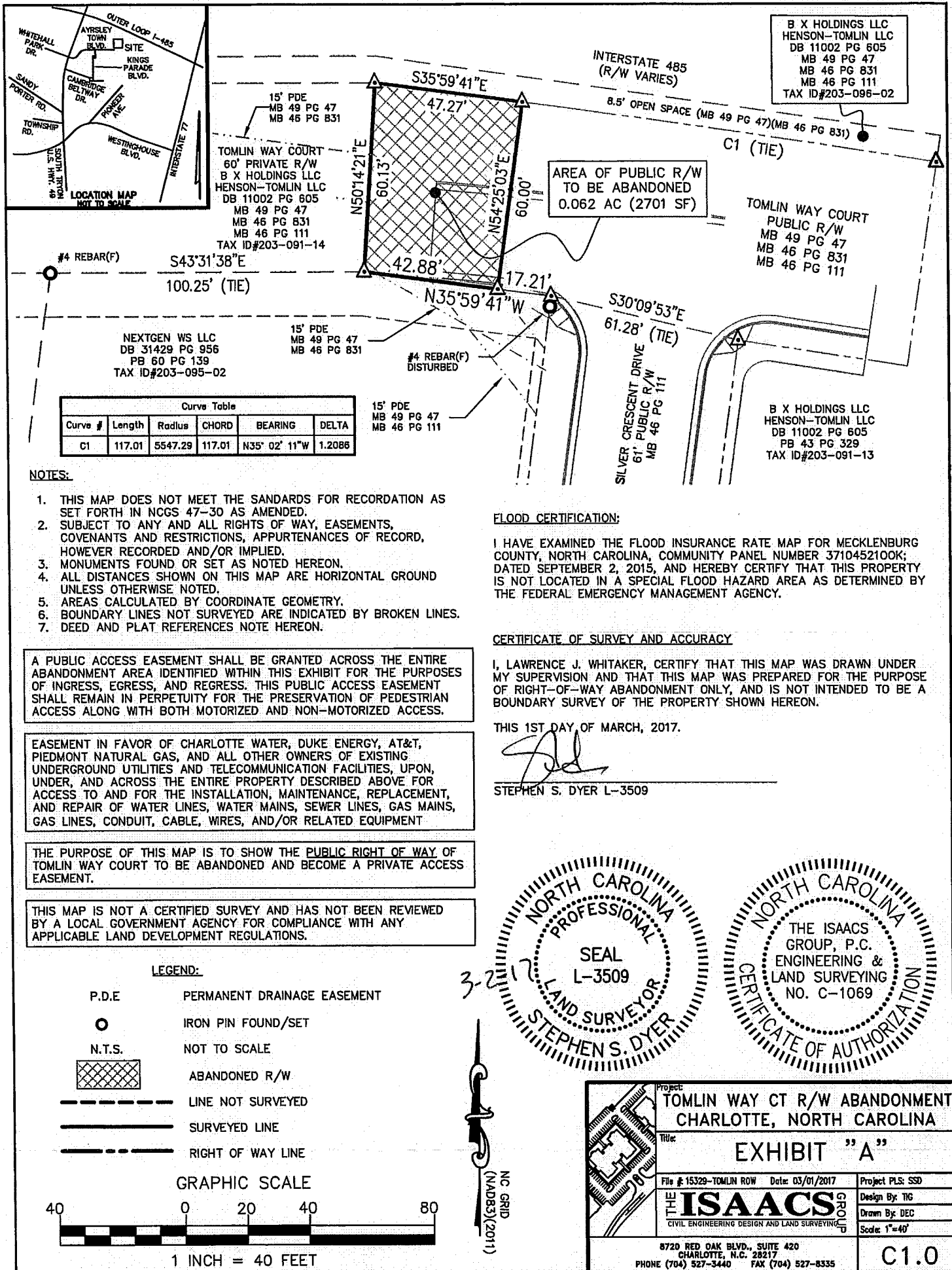


EXHIBIT "B"

PARCEL DESCRIPTION FOR THE ABANDONMENT OF
A PORTION OF THE PUBLIC RIGHT OF WAY OF TOMLIN WAY COURT

BEGINNING ON A #4 REBAR FOUND, SAID REBAR BEING LOCATED S 43° 31' 38" E 100.25 FEET FROM A #4 REBAR FOUND ALSO BEING A COMMON CORNER OF PARCEL A AND B (MB 60, PG 139); THENCE FROM SAID POINT OF BEGINNING N 50° 15' 21" E FOR 60.13 FEET TO A COMPUTED POINT IN THE NORTHERLY PRIVATE RIGHT OF WAY OF TOMLIN WAY COURT (MB 46 PG 111 & 831; MB 49 PG 47); THENCE WITH SAID RIGHT OF WAY S 35° 59' 41" E FOR 47.27 FEET TO A COMPUTED POINT IN THE NORTHERLY PUBLIC RIGHT OF WAY OF SAID TOMLIN WAY COURT (MB 46 PG 111 & 831; MB 49 PG 47); THENCE A NEW LINE S 54° 25' 03" W FOR 60.00 FEET TO A COMPUTED POINT, SAID COMPUTED POINT BEING N 35° 59' 41" W A DISTANCE OF 17.21 FEET FROM A #4 REBAR FOUND DISTURBED, SAID REBAR BEING THE NORTHEAST CORNER OF PARCEL A (MB 60 PG 139) ALSO BEING THE POINT OF INTERSECTION OF THE WESTERLY PUBLIC RIGHT OF WAY OF SILVER CRESCENT DRIVE (MB 46 PG 111 & 831; MB 49 PG 47) AND SOUTHERLY PUBLIC RIGHT OF WAY OF TOMLIN WAY COURT; THENCE WITH THE SOUTHERLY PUBLIC RIGHT OF WAY OF TOMLIN WAY COURT N 35° 59' 41" W FOR 42.88 FEET TO THE POINT AND PLACE OF BEGINNING; CONTAINING 0.062 ACRES (2,701 SQ. FT.), MORE OR LESS.

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 7:30 p.m. on April 24, 2017:

Members Present: Mayor Roberts, Councilmembers Ajmera, Austin, Driggs, Eiselt, Fallon, Kinsey Lyles, Mayfield, Mitchell, Phipps, Smith

Members Absent: None.

* * * * *
* * *

Councilmember Mayfield 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 AUTHORIZING THE ISSUANCE OF AIRPORT REVENUE BONDS OF THE CITY OF CHARLOTTE 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 “Order”);

WHEREAS, the City Council has determined and hereby further determines that it is in the City’s best interest to finance the costs of certain projects at the Airport, including (1) improvements to long-term parking lots, (2) addition to airline space in Concourse E, (3) design and construction of Phase II of an expansion of the East Terminal, (4) design and construction of Terminal rehabilitation and related projects, (5) construction of a Concourse E baggage transfer station, (6) construction of Phase I of an expansion of Concourse A, (7) implementation of Phase II of energy infrastructure improvements, (8) expansion of Long-Term 2 parking lot, (9) design and construction of a concession distribution warehouse, (10) design and construction of the expansion of the Terminal lobby, (11) design and construction of Phase I of the expansion of the West Ramp, (12) construction of a vehicle maintenance facility, (13) extension of Little Rock Road, (14) construction of the Business Valet Parking Deck II, (15)

construction and expansion of the Terminal fuel farm and (16) design and construction of a joint operations center (collectively, the "2017 Projects");

WHEREAS, the City has proceeded with financing some of the 2017 Projects on an interim basis from the proceeds of City of Charlotte, North Carolina Airport Revenue Bond Anticipation Note, Series 2016 (the "2016 BAN");

WHEREAS, the City Council has determined that it is desirable to refinance the 2016 BAN in order to achieve a long-term fixed cost of funds for the portion of the 2017 Projects financed with the 2016 BAN;

WHEREAS, the City Council has determined that it is desirable to refund in advance of their maturities the City's Airport Revenue and Refunding Revenue Bonds, Series 2007A maturing on and after July 1, 2018 (the "Refunded 2007A Bonds") in order to achieve debt service savings;

WHEREAS, the City Council hereby determines that it is desirable to use a portion of the debt service savings from the refunding of the Refunded 2007A Bonds to apply towards the Airport's post-employment benefits trust fund;

WHEREAS, the City Council has determined that it is desirable to refund in advance of their maturities the outstanding principal amounts of the City's Variable Rate Airport Revenue Bonds, Series 2007B (the "Refunded 2007B Bonds"), the City's Variable Rate Airport Refunding Revenue Bonds, Series 2008D (the "Refunded 2008D Bonds") and the City's Variable Rate Airport Revenue Bonds, Series 2011C (the "Refunded 2011C Bonds" and collectively with the Refunded 2007A Bonds, the Refunded 2007B Bonds and the Refunded 2008D Bonds, the "Refunded Bonds") in order to reduce the risks of variable rate and fix the long-term costs of such bonds;

WHEREAS, in order to obtain funds to finance the 2017 Projects and 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, three series of its airport revenue bonds, to be known as "City of Charlotte, North Carolina Airport Revenue Bonds, Series 2017A (Non-AMT)" (the "2017A Bonds"), "City of Charlotte, North Carolina Airport Revenue Bonds, Series 2017B (AMT)" (the "2017B Bonds,") and "City of Charlotte, North Carolina Airport Refunding Revenue Bonds, Series 2017C (Non-AMT)" (the "2017C Bonds," and together with the 2017A Bonds and the 2017B Bonds, the "2017 Bonds") in an aggregate principal amount not to exceed \$390,000,000, 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, PNC Capital Markets LLC and J.P. Morgan Securities LLC (the "Underwriters") for the sale of the 2017 Bonds authorized hereunder (the "Bond Purchase Agreement");

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 (the "Preliminary Official Statement") with respect to the 2017 Bonds; and

WHEREAS, the City Council held a public hearing on April 10, 2017, after notice being duly given (the "TEFRA Notice") regarding the issuance of the 2017 Bonds and a future Bond Anticipation

Note (the "2017 Note") to finance certain projects at the Airport, including the 2017 Projects, and now desires to approve the issuance of the 2017 Bonds and the financing of the projects listed in the TEFRA Notice, including the 2017 Projects (the "TEFRA Projects"), with the proceeds thereof 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 Order, this Resolution authorizing the issuance of the 2017 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 2017 Bonds are to be issued by the City for the purpose of providing funds, together with other available funds of the City, (1) to refinance the 2016 BAN and further finance the 2017 Projects, (2) to refund in advance of their maturities the Refunded Bonds, (3) to fund any necessary debt service reserves for the 2017 Bonds, (4) to pay capitalized interest on the 2017 Bonds and (5) to pay the costs of issuing the 2017 Bonds all as set out fully in the documents attached to the City's application to the Commission and as described in the Appendix.

Section 3. The City shall issue not to exceed \$390,000,000 in total aggregate principal amount of its 2017 Bonds. The City's Chief Financial Officer, with advice from bond counsel, is authorized to determine the aggregate principal amount of the 2017A Bonds, the 2017B Bonds and the 2017C Bonds, respectively, to be issued so long as the combined amount is not in excess of the amount set forth in the preceding sentence.

Section 4. The refunding of the 2007A Bonds will be completed only if it produces at least 5.00% net present value savings. The City's Chief Financial Officer is authorized and directed to determine if it is in the City's best interest to refund the Refunded Bonds to meet the objectives set forth in this Resolution. The City's Chief Financial Officer is hereby authorized and directed to transfer up to \$1,924,086 of such savings to the Airport Employee Benefit Trust in order to fully fund the Airport's most recent post-employment benefit liability (which is based on the FY15 valuation).

Section 5. The City Council requests that the Commission sell the 2017 Bonds through negotiation to the Underwriters pursuant to the terms of the Bond Purchase Agreement but at a true interest cost not exceeding 6.00%.

Section 6. The 2017 Bonds are to be dated as of their date of issuance and pay interest and have such other terms as set forth in the Appendix.

Section 7. The 2017 Bonds are payable in annual installments on July 1 in each year, as set forth in the Chief Financial Officer's certificate under Section 2.03 of the Appendix.

Section 8. The City covenants to take such action as may be required in the opinion of Bond Counsel to cause the 2017 Bonds and all actions of the City with respect to the proceeds thereof to comply with the Code. The City's Chief Financial Officer, or his designee, is hereby authorized to execute a certificate in order to comply with Section 148 of the Code and the applicable Income Tax Regulations thereunder.

Section 9. The form and content of the Bond Purchase Agreement are in all respects approved and confirmed, and the Mayor, the City Manager, the Chief Financial Officer and the Finance

Director, 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, the Chief Financial Officer, the Finance Director and the Aviation Director, 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 10. The form and content of the Preliminary Official Statement are in all respects authorized, approved and confirmed. The Mayor, the City Manager, the Chief Financial Officer and the Finance Director, individually or collectively, are authorized to deliver the final Official Statement with respect to the 2017 Bonds, in substantially the form of the Preliminary Official Statement and with the pricing information for the 2017 Bonds included, on behalf of the City. The use of the Preliminary Official Statement and the final Official Statement by the Underwriters in connection with the sale of the 2017 Bonds is hereby in all respects authorized, approved and confirmed.

Section 11. No stipulation, obligation or agreement herein contained or contained in the 2017 Bonds, this Resolution, the Bond Purchase Agreement or any other instrument related to the issuance of the 2017 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 2017 Bonds or subject to personal liability or accountability by reason of the issuance thereof.

Section 12. The Mayor, the City Manager, the Chief Financial Officer, the Finance Director, the City Treasurer, the City Debt Manager, the City Attorney, the Aviation Director, the City Clerk and any Deputy City Clerk, and their respective designees, individually or collectively (the "*Authorized Officers*"), 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 this Resolution and the other documents presented to this meeting and to execute and administer such transactions; 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 13. Notwithstanding Section 203 of the Order, the 2017 Bonds, and any other Bonds issued pursuant to the 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 2017 Bonds or such other Bond issued pursuant to the Order.

Section 14. 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 2017 Bonds and the 2017 Note in an aggregate principal amount not to exceed the amount listed in the TEFRA Notice and (b) the financing of the TEFRA Projects.

Section 15. From the adoption of this Resolution until the date of the first issuance of 2017 Bonds hereunder, the City Manager and the Chief Financial Officer, individually or collectively, are hereby authorized, empowered and directed to make any changes, modifications, additions or deletions to the Appendix as shall to them seem necessary, desirable or appropriate that in their opinion may be

necessary to implement the intent of this Resolution. Such changes, modifications, additions or deletions to the Appendix shall be set forth in a certificate executed by the City Manager or the Chief Financial Officer on the date of issuance of the 2017 Bonds hereunder.

Section 16. 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 2017 Bonds and the execution, delivery and performance of the Bond Purchase Agreement are in all respects approved and confirmed.

Section 17. 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 2017 Bonds authorized hereunder.

Section 18. This Resolution is adopted with the intent that the laws of the State govern its construction.

Section 19. 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 20. This Resolution is effective on its adoption.

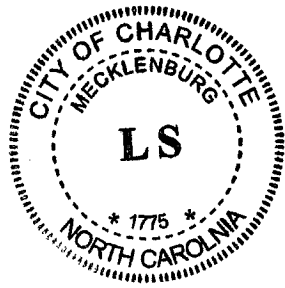
STATE OF NORTH CAROLINA)

CITY OF CHARLOTTE)

) ss:

I, Emily A. Kunze, the Deputy City Clerk of the City of Charlotte, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled “**A RESOLUTION AUTHORIZING THE ISSUANCE OF AIRPORT REVENUE BONDS OF THE CITY OF CHARLOTTE AND VARIOUS AGREEMENTS AND ACTIONS IN CONNECTION WITH SUCH TRANSACTIONS**” adopted by the City Council of the City of Charlotte, North Carolina, at a meeting held on the 24th day of April, 2017, the reference having been made in Minute Book 142, and recorded in full in Resolution Book 48, Page(s) 58-121.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 24th day of April, 2017.



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 BONDS, SERIES 2017A (NON-AMT)

and

AIRPORT REVENUE BONDS, SERIES 2017B (AMT)

and

AIRPORT REFUNDING REVENUE BONDS, SERIES 2017C (NON-AMT)

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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 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 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.

“*Common Reserve Bonds*” means, collectively, the 2014 Bonds, the 2017 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 the 2014 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 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 of the 2014 Series Resolution.

“*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 officer of the City appointed in accordance with Section 159-24 of the General Statutes of North Carolina, or any successor statute, or the official succeeding to the Finance Director’s principal functions.

“*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 each January 1 and July 1 thereafter, beginning with respect to the 2017A Bonds and the 2017B Bonds on January 1, 2018 and beginning with respect to the 2017C Bonds on July 1, 2017.

"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.

"Order" means the Bond Order adopted on November 18, 1985 by the City Council of the City authorizing and securing airport revenue bonds of the City, which the City Council amended on June 8, 1992 and August 23, 2004, as may be further supplemented and amended in accordance with its terms.

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

"Purchase Contract" means the Purchase Contract among the LGC, the City and the Purchasers, providing for the initial purchase of the 2017 Bonds.

"Purchasers" means, collectively, Merrill Lynch, Pierce, Fenner & Smith Incorporated, PNC Capital Markets LLC and J.P. Morgan Securities LLC and any other banking firm or underwriter that may be named in accordance with the Purchase Contract.

"Qualified Reserve Fund Substitute" means (1) an irrevocable letter of credit, naming the Trustee as beneficiary, issued by any domestic or foreign bank, or any branch or agency thereof, whose long-term debt obligations are rated by at least one national rating agency in the "A" rating category or higher, or the equivalent, (2) a surety bond issued by a financial institution whose long-term rating is in the "A" rating category or higher, or equivalent, by at least one national rating agency or (3) a policy of reserve fund insurance issued by an insurance company whose claims-paying ability is rated by at least one national rating agency in the "A" rating category or higher, or the equivalent. In each case, ratings set forth above shall be determined at the time of issuance of such Qualified Reserve Fund Substitute and without regard to ratings subcategories.

"Qualified Reserve Fund Substitute Provider" means the provider of a Qualified Reserve Fund Substitute.

"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 2017 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 2007A Bonds maturing on and after July 1, 2018 and all of the Outstanding 2007B Bonds, 2008D Bonds and 2011C Bonds.

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

“*Reserve Requirement*” means, 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 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 April 24, 2017, the appendices attached thereto, and any amendments or supplements thereto.

“*Series 2017A Subaccount of the Revenue Bond Interest Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2017A Subaccount of the Revenue Bond Principal Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2017A Subaccount of the Revenue Bond Redemption Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2017A Subaccount of the Revenue Bond Sinking Fund Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2017B Subaccount of the Revenue Bond Interest Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2017B Subaccount of the Revenue Bond Principal Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2017B Subaccount of the Revenue Bond Redemption Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2017B Subaccount of the Revenue Bond Sinking Fund Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2017C Subaccount of the Revenue Bond Interest Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2017C Subaccount of the Revenue Bond Principal Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2017C Subaccount of the Revenue Bond Redemption Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2017C 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 2017 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 2017A Bonds, 2017B Bonds or the 2017C 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 2017 Bonds, the next succeeding Sinking Fund Requirements for such 2017A Bonds, 2017B Bonds or 2017C Bonds will be reduced in such amount aggregating the amount of such excess.

“*S&P*” means S&P Global Ratings, 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.

“*2007A Bonds*” means the City’s Airport Revenue and Refunding Revenue Bonds, Series 2007A.

“*2007B Bonds*” means the City’s Variable Rate Airport Revenue Bonds, Series 2007B.

“*2008D Bonds*” means the City’s Variable Rate Airport Refunding Revenue Bonds, Series 2008D.

“*2011C Bonds*” means the City’s Variable Rate Airport Revenue Bonds, Series 2010C.

“*2014 Bonds*” means the City of Charlotte, North Carolina Airport Refunding Revenue Bonds, Series 2014A and the the City of Charlotte, North Carolina Airport Refunding Revenue Bonds, Series 2014B.

“*2014 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, under which the 2014 Bonds were issued.

“*2016 BAN*” means the City’s Airport Revenue Bond Anticipation Note, Series 2016.

“*2017 Bonds*” means, collectively, the 2017A Bonds, the 2017B Bonds and the 2017C Bonds.

“*2017A Bonds*” means the City of Charlotte, North Carolina Airport Revenue Bonds, Series 2017A (Non-AMT) issued pursuant to the Order and this Appendix A.

“*2017B Bonds*” means the City of Charlotte, North Carolina Airport Revenue Bonds, Series 2017B (AMT), issued pursuant to the Order and this Appendix A.

“*2017C Bonds*” means the City of Charlotte, North Carolina Airport Refunding Revenue Bonds, Series 2017C (Non-AMT) issued pursuant to the Order and this Appendix A.

“*2017 Projects*” has the meaning set forth in the Series Resolution.

(b) *Construction.* This Appendix A, except where the context by clear implication herein otherwise requires, is subject to and to be construed in the same manner as provided by Section 102 of the 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 2017 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 2017 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 completion of the 2017 Projects and the refunding of the 2016 BAN and the Refunded Bonds, toward the sale and delivery of the 2017 Bonds for those purposes, 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 2017 BONDS

Section 2.01. **Authorization of Financing and Authorization of 2017 Bonds.** The refinancing of the 2016 BAN and the further financing of the 2017 Projects and the refunding of the Refunded Bonds are hereby authorized. For the purpose of providing funds for the refinancing of the 2016 BAN and the further financing of the 2017 Projects, the refunding of the Refunded Bonds and paying the costs of issuing the 2017 Bonds and such other purposes as set forth in the Series Resolution, there is hereby authorized and shall be issued, under and pursuant to the Constitution and the laws of the State, including the Act, the Order and the Series Resolution and this Appendix A, the 2017 Bonds of the City in the amounts and subject to the conditions herein provided. No 2017 Bonds may be issued under the provisions of this Appendix A and the Order except in accordance with this Article. The total aggregate principal amount of 2017 Bonds that may be issued is hereby expressly limited to \$390,000,000 except as provided in Sections 204 and 210 of the Order. The Finance Director will determine in his certificate delivered under Section 2.03(4)(A) of this Appendix A the aggregate principal amount of the 2017A Bonds, the 2017B Bonds and the 2017C Bonds, respectively, to be issued so long as the combined amount is not in excess of the amount set forth in the preceding sentence.

Section 2.02. **Issuance of 2017 Bonds.**

(a) The 2017A Bonds will be designated "*City of Charlotte, North Carolina Airport Revenue Bonds, Series 2017A (Non-AMT)*." The 2017A Bonds will be issuable as fully registered bonds in any Authorized Denomination. The 2017A Bonds will be numbered from RA-1 upwards. The 2017A 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 2017B Bonds will be designated "*City of Charlotte, North Carolina Airport Revenue Bonds, Series 2017B (AMT)*." The 2017B Bonds will be issuable as fully registered bonds in any Authorized Denomination. The 2017B Bonds will be numbered from RB-1 upwards. The 2017B 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.

(b) The 2017C Bonds will be designated "*City of Charlotte, North Carolina Airport Refunding Revenue Bonds, Series 2017C (Non-AMT)*." The 2017C Bonds will be issuable as fully registered bonds in any Authorized Denomination. The 2017C Bonds will be numbered from RC-1 upwards. The 2017C Bonds will be substantially in the form set forth in Exhibit C, with such appropriate variations, omissions and insertions as are permitted or required by this Appendix A.

Section 2.03. ***Delivery of 2017 Bonds.*** Before the delivery by the Trustee of any of the 2017 Bonds, the items required under Section 717 of the Order must be filed with the Trustee. The 2017 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 2017 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 LGC, of the resolution of the LGC approving the issuance of and awarding the 2017 Bonds;
3. a copy, certified by the City Clerk, of the Order;
4. a certificate or certificates of the Finance Director collectively setting forth the following:
 - (A) the aggregate principal amount of the 2017A Bonds, the 2017B Bonds and the 2017C Bonds to be issued, not in excess of the maximum amount previously established in Section 2.01;
 - (B) the interest rates for the 2017A Bonds, the 2017B Bonds and the 2017C Bonds;
 - (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 2017 Bonds, the City Contribution and other funds on hand with the Trustee for the purposes authorized under the Series Resolution;
 - (E) the designation of the principal amount of each maturity of each of the 2017A Bonds, 2017B Bonds and the 2017C Bonds and the Sinking Fund Requirements, if any, for the 2017A Bonds, the 2017B Bonds and the 2017C Bonds; and
 - (F) the optional redemption provisions for the 2017 Bonds, including the designation of the dates and the premium, under Section 3.02;
5. a certificate of the City Manager or Finance Director setting forth any changes, modifications, additions or deletions to this Appendix A permitted by Section 19 of the Series Resolution; provided, however, no certificate is required if there are no such changes; and
6. evidence of compliance by the City with the provisions of Section 717 of the Order.

When the documents mentioned in this Section have been filed with the Trustee and when the 2017 Bonds have been executed and authenticated as required by this Series Resolution, the Trustee shall deliver the 2017 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 2017 Bonds. The Trustee is entitled to rely on the resolutions and certificates mentioned in this Section as to all matters stated therein.

Section 2.04. *Details of 2017 Bonds; Payment.*

(a) The 2017 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 2017 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 2017 Bond shall bear interest from its date until its principal sum has been paid, but if such 2017 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 Order, such 2017A Bond or 2017B Bond shall then cease to bear interest as of the maturity date or Redemption Date. The 2017 Bonds will be dated as of their date of issuance, except that 2017 Bonds issued in exchange for or on the registration of transfer of 2017 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 June 15, 2017, 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 2017A Bonds, 2017 Bonds or 2017C 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 2017A Bonds, 2017 Bonds or 2017C Bonds is in default, 2017A Bonds, 2017 Bonds or 2017C Bonds executed and delivered in exchange for or on registration of transfer of 2017A Bonds, 2017 Bonds or 2017C Bonds will be dated as of the date to which interest on the 2017A Bonds, 2017 Bonds or 2017C Bonds, respectively, has been paid in full. If no interest has been paid on the 2017A Bonds, 2017 Bonds or 2017C Bonds, 2017A Bonds, 2017 Bonds or 2017C Bonds executed and delivered in exchange for or on the registration of transfer of 2017A Bonds, 2017 Bonds or 2017C Bonds will be dated as of their date of issuance.

(c) The 2017 Bonds will be initially delivered by means of a book-entry system with no physical distribution of definitive 2017 Bonds made to the public. One definitive 2017 Bond for each maturity (and interest rate if there are split coupons) 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 2017 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 2017A Bonds, the 2017 Bonds or the 2017C Bonds. Beneficial ownership interests in the 2017 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 2017 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 2017 Bonds. Transfers of ownership interests in the 2017 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 2017 Bonds, the Trustee shall treat Cede & Co. as the only owner of the 2017 Bonds for all purposes under the Order and this Appendix A, including receipt of all principal and premium, if any, and interest on the 2017 Bonds, receipt of notices, voting and requesting or directing the Trustee to take or not to take, or consenting to, certain actions under the Order or this Appendix A.

Payments of principal, interest and premium, if any, with respect to the 2017 Bonds, so long as DTC is the only Owner of the 2017 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 2017 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 2017 Bonds 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 2017 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 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 2017 Bonds; or (E) any consent given or other action taken by DTC or its nominee, Cede & Co., as Owner.

(d) The 2017 Bonds are payable at the designated corporate trust office of the Paying Agent on presentation and surrender. Interest on the 2017 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 2017 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 2017 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 2017 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 2017 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 2017 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 2017 Bonds or other funds under its control be used, directly or indirectly, to acquire any asset or obligation, the acquisition of which would cause the 2017 Bonds to be "*arbitrage bonds*" for purposes of Section 148 of the Code.

[End of Article II]

ARTICLE III.

REDEMPTION OF THE 2017 BONDS

Section 3.01. *Privilege of Redemption and Redemption Prices.* The 2017 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 Order.

Section 3.02. *Optional Redemption of the 2017 Bonds.* The optional redemption provisions for the 2017 Bonds will be set forth in the Finance Director's certificate referred to in Section 2.03(4) above; provided, however, the 2017 Bonds will not be subject to optional redemption later than any date beginning on July 1, 2027 and at a premium (calculated on the par amount on the 2017 Bonds called for redemption) not to exceed 2.00%.

Section 3.03. *Extraordinary Optional Redemption of 2017 Bonds.* The 2017 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 applicable subaccount of the Revenue Bond Redemption Account as provided in the Order.

Section 3.04. *Sinking Fund Redemption.* The 2017 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 2017A Bonds, 2017 Bonds or 2017C Bonds, respectively, being redeemed, without premium, plus accrued interest to the date of redemption.

Section 3.05. *Notice of Redemption.* Notice of redemption with respect to a Series of 2017 Bonds will be given by the Trustee not less than 30 days nor more than 60 days before the Redemption Date (1) to the LGC 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 such 2017 Bonds, by Mail to the then-registered Owners of such 2017 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 2017 Bonds of a Series 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 such 2017 Bonds are to be redeemed, the numbers of such 2017 Bonds and the portions of such 2017 Bonds to be redeemed, and (2) state that on the redemption date, such 2017 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 such 2017 Bonds called for redemption, which money is or will be available for redemption of such 2017 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 LGC or the MSRB 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 such 2017 Bonds called for redemption including premium, if any, thereon on a redemption date, such 2017 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 Order other than the right to receive payment. No payment of principal will be made by the Paying Agent on any 2017 Bonds or portions thereof called for redemption until such 2017 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 Order with respect to any mutilated, lost, stolen or destroyed 2017 Bonds.

Section 3.06. ***Selection of 2017 Bonds To Be Redeemed.*** Notwithstanding Section 302 of the Order, in the case of any partial redemption of 2017 Bonds, the City will select the series of the 2017 Bonds and the maturity or maturities of the 2017 Bonds within a series to be redeemed and DTC will select the 2017 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 2017 Bonds to be redeemed by lot in such manner as the Bond Registrar in its discretion may deem proper.

If a 2017 Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2017 Bonds may be redeemed, but only in a principal amount such that the unredeemed portion of such 2017 Bond is equal to an Authorized Denomination. For any 2017 Bond in a denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2017 Bond as representing a single 2017 Bond in the minimum Authorized Denomination plus that number of 2017 Bonds that is obtained by dividing the remaining principal amount of such 2017 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 2017 Bond is to be called for redemption, then, on written notice of intention to redeem such Authorized Denominations of principal amount of such 2017 Bond, the Owner of such 2017 Bond, on surrender of such 2017 Bond to the Paying Agent for payment of the principal amount of such 2017 Bond, will be entitled to receive new 2017 Bond of the applicable series in the aggregate principal amount of the unredeemed balance of the principal amount of such 2017 Bond.

If the Owner of any 2017 Bond of a denomination greater than the amount being redeemed fails to present such 2017 Bond to the Paying Agent for payment and exchange as aforesaid, such 2017 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 2017 Bonds Outstanding.

[End of Article III]

ARTICLE IV.

REVENUES, ACCOUNTS AND FUNDS

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

- (a) Series 2017A Subaccount of the Revenue Bond Interest Account;
- (b) Series 2017A Subaccount of the Revenue Bond Principal Account;
- (c) Series 2017A Subaccount of the Revenue Bond Redemption Account;
- (d) Series 2017A Subaccount of the Revenue Bond Sinking Fund Account
- (e) Series 2017A Construction Account of the Construction Fund;
- (f) Series 2017B Subaccount of the Revenue Bond Interest Account;
- (g) Series 2017B Subaccount of the Revenue Bond Principal Account;
- (h) Series 2017B Subaccount of the Revenue Bond Redemption Account;
- (i) Series 2017B Subaccount of the Revenue Bond Sinking Fund Account
- (j) Series 2017B Construction Account of the Construction Fund;
- (k) Series 2017C Subaccount of the Revenue Bond Interest Account;
- (l) Series 2017C Subaccount of the Revenue Bond Principal Account;
- (m) Series 2017C Subaccount of the Revenue Bond Redemption Account;
- (n) Series 2017C Subaccount of the Revenue Bond Sinking Fund Account
- (o) Series 2017C Cost of Issuance Account of the Construction Fund;

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

Section 4.02. ***Revenues Received by the City.*** On or before the 25th day of each month beginning July 1, 2017, the City shall, subject to the provisions of the 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 the 2017A Bonds and the 2017B Bonds on December 25, 2017 and with respect to the 2017C Bonds on June 25, 2017, 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 2017 Bonds, on June 25, 2018, 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, 1/12th 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 2017A Subaccount of the Revenue Bond Sinking Fund Account.*** Money held in the Series 2017A Subaccount of the Revenue Bond Sinking Fund Account will be applied during each Fiscal Year to the purchase or retirement of 2017A Bonds then Outstanding as follows:

(a) The Trustee shall, at the request of the City, endeavor to purchase and cancel 2017A Bonds or portions thereof subject to redemption by operation of the Series 2017A 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 2017A Bond shall not exceed par plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such 2017A Bonds to the date of settlement therefore from the Series 2017A Subaccount of the Revenue Bond Interest Account and the purchase price from the Series 2017A Subaccount of the Revenue Bond Sinking Fund Account, but no such purchase shall be made by the Trustee from money in the Series 2017A Subaccount of the Revenue Bond Sinking Fund Account within the period of 45 days immediately preceding any July 1 on which such 2017A Bonds are subject to redemption, except from money other than the money set aside in the Series 2017A Subaccount of the Revenue Bond Sinking Fund Account for the redemption of 2017A Bonds. The aggregate purchase price of 2017A Bonds during each Fiscal Year shall not exceed the amount to be deposited in the Series 2017A Subaccount of the Revenue Bond Sinking Fund Account on account of the Sinking Fund Requirement for the 2017A Bonds for such Fiscal Year. If in any Fiscal Year the sum of the amount on deposit in the Series 2017A Subaccount of the Revenue Bond Sinking Fund Account for the payment of any 2017A Bonds and the principal amount of the 2017A 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 2017A

Bonds for such Fiscal Year, the Trustee shall endeavor to purchase Outstanding 2017A Bonds with such excess money;

(b) The Trustee shall call for redemption on July 1 in each Fiscal Year 2017A Bonds in a principal amount equal to the aggregate Sinking Fund Requirement for the 2017A Bonds for such Fiscal Year, less the principal amount of any such 2017A 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 2017A Subaccount of the Revenue Bond Sinking Fund Account the amount required to pay the Redemption Price of the 2017A Bonds so called for redemption. The amount of interest on the 2017A Bonds so called for redemption shall be paid from the Series 2017A Subaccount of the Revenue Bond Interest Account. If such date is the stated maturity date of any such 2017A Bonds, the Trustee shall not call such 2017A Bonds for redemption but, on such maturity, shall withdraw the amount required for paying the principal of such 2017A Bonds when due and payable.

If at any date there is money in the Series 2017A Subaccount of the Revenue Bond Sinking Fund Account and no 2017A Bonds are then Outstanding or if on any payment date money remains therein after the mandatory redemption of 2017A 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 Order and (b) deliver all remaining amounts to the City.

If the balance in the Series 2017A Subaccount of the Revenue Bond Sinking Fund Account on the 25th day of the month next preceding a payment date on which 2017A 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 2017A Subaccount of the Revenue Bond Sinking Fund Account the Trustee should purchase or receive from the City and cancel 2017A 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 2017A 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 2017A 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 2017A Bonds by purchase or redemption under the provisions of this Section, the Trustee shall file with the City a statement identifying such 2017A Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such 2017A Bonds, and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such 2017A 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 2017A Revenue Bond Redemption Account.* The Trustee shall apply money in the Series 2017A Revenue Bond Redemption Subaccount to the purchase or redemption of 2017A 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 2017A Bonds or portions thereof, regardless of whether such 2017A 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 2017A Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Owner of such 2017A Bond under the provisions of this Appendix A if such 2017A Bond or such portion thereof should be called for redemption on such date from the money in the Series 2017A Subaccount of the Revenue Bond Redemption Account. The Trustee shall pay the interest accrued on such 2017A Bonds or portions thereof to the date of settlement from the Series 2017A Subaccount of the Revenue Bond Interest Account and the purchase price from the Series 2017A Subaccount of the Revenue Bond Redemption Account, but no such purchase shall be made by the Trustee from money in the Series 2017A Subaccount of the Revenue Bond Redemption Account within the period of 45 days immediately preceding any Interest Payment Date on which such 2017A Bonds or portions thereof are to be redeemed, except from money other than the money set aside in the Series 2017A 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 2017A Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Series 2017A Subaccount of the Revenue Bond Redemption Account as nearly as may be. The Trustee shall pay the accrued interest on the 2017A Bonds or portions thereof to be redeemed to the date of redemption from the Series 2017A Subaccount of the Revenue Bond Interest Account and the Redemption Price of such 2017A Bonds or portions thereof from the Series 2017A Subaccount of the Revenue Bond Redemption Account. The Trustee shall withdraw from the Series 2017A Subaccount of the Revenue Bond Redemption Account and set aside the respective amounts required to pay the Redemption Price of the 2017A Bonds or portions thereof so called for redemption.

(c) Money in the Series 2017A Subaccount of the Revenue Bond Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of 2017A Bonds then Outstanding in accordance with the Sinking Fund Requirement.

On the retirement of any 2017A Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the City a statement identifying such 2017A Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such 2017A Bonds and the amount paid as interest thereon. The expense incurred by the Trustee in connection with the purchase or redemption of any such 2017A 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 2017B Subaccount of the Revenue Bond Sinking Fund Account.* Money held in the Series 2017B Subaccount of the Revenue Bond Sinking Fund Account will be applied during each Fiscal Year to the purchase or retirement of 2017B Bonds then Outstanding as follows:

(a) The Trustee shall, at the request of the City, endeavor to purchase and cancel 2017B Bonds or portions thereof subject to redemption by operation of the Series 2017B 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 2017B Bond shall not exceed par plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such 2017B Bonds to the date of settlement therefore

from the Series 2017B Subaccount of the Revenue Bond Interest Account and the purchase price from the Series 2017B Subaccount of the Revenue Bond Sinking Fund Account, but no such purchase shall be made by the Trustee from money in the Series 2017B Subaccount of the Revenue Bond Sinking Fund Account within the period of 45 days immediately preceding any July 1 on which such 2017B Bonds are subject to redemption, except from money other than the money set aside in the Series 2017B Subaccount of the Revenue Bond Sinking Fund Account for the redemption of 2017B Bonds. The aggregate purchase price of 2017B Bonds during each Fiscal Year shall not exceed the amount to be deposited in the Series 2017B Subaccount of the Revenue Bond Sinking Fund Account on account of the Sinking Fund Requirement for the 2017B Bonds for such Fiscal Year. If in any Fiscal Year the sum of the amount on deposit in the Series 2017B Subaccount of the Revenue Bond Sinking Fund Account for the payment of any 2017B Bonds and the principal amount of the 2017B 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 2017B Bonds for such Fiscal Year, the Trustee shall endeavor to purchase Outstanding 2017B Bonds with such excess money;

(b) The Trustee shall call for redemption on July 1 in each Fiscal Year 2017B Bonds in a principal amount equal to the aggregate Sinking Fund Requirement for the 2017B Bonds for such Fiscal Year, less the principal amount of any such 2017B 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 2017B Subaccount of the Revenue Bond Sinking Fund Account the amount required to pay the Redemption Price of the 2017B Bonds so called for redemption. The amount of interest on the 2017B Bonds so called for redemption shall be paid from the Series 2017B Subaccount of the Revenue Bond Interest Account. If such date is the stated maturity date of any such 2017B Bonds, the Trustee shall not call such 2017B Bonds for redemption but, on such maturity, shall withdraw the amount required for paying the principal of such 2017B Bonds when due and payable.

If at any date there is money in the Series 2017B Subaccount of the Revenue Bond Sinking Fund Account and no 2017B Bonds are then Outstanding or if on any payment date money remains therein after the mandatory redemption of 2017B 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 Order and (b) deliver all remaining amounts to the City.

If the balance in the Series 2017B Subaccount of the Revenue Bond Sinking Fund Account on the 25th day of the month next preceding a payment date on which 2017B 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 2017B Subaccount of the Revenue Bond Sinking Fund Account the Trustee should purchase or receive from the City and cancel 2017B 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 2017B 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 2017B 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 2017B Bonds by purchase or redemption under the provisions of this Section, the Trustee shall file with the City a statement identifying such 2017B Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such 2017B Bonds, and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such 2017B 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 2017B Revenue Bond Redemption Account.***
The Trustee shall apply money in the Series 2017B Revenue Bond Redemption Subaccount to the purchase or redemption of 2017B 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 2017B Bonds or portions thereof, regardless of whether such 2017B 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 2017B Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Owner of such 2017B Bond under the provisions of this Appendix A if such 2017B Bond or such portion thereof should be called for redemption on such date from the money in the Series 2017B Subaccount of the Revenue Bond Redemption Account. The Trustee shall pay the interest accrued on such 2017B Bonds or portions thereof to the date of settlement from the Series 2017B Subaccount of the Revenue Bond Interest Account and the purchase price from the Series 2017B Subaccount of the Revenue Bond Redemption Account, but no such purchase shall be made by the Trustee from money in the Series 2017B Subaccount of the Revenue Bond Redemption Account within the period of 45 days immediately preceding any Interest Payment Date on which such 2017B Bonds or portions thereof are to be redeemed, except from money other than the money set aside in the Series 2017B 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 2017B Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Series 2017B 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 2017B Subaccount of the Revenue Bond Interest Account and the Redemption Price of such 2017B Bonds or portions thereof from the Series 2017B Subaccount of the Revenue Bond Redemption Account. The Trustee shall withdraw from the Series 2017B Subaccount of the Revenue Bond Redemption Account and set aside the respective amounts required to pay the Redemption Price of the 2017B Bonds or portions thereof so called for redemption.

(c) Money in the Series 2017B Subaccount of the Revenue Bond Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of 2017B Bonds then Outstanding in accordance with the Sinking Fund Requirement.

On the retirement of any 2017B Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the City a statement identifying such 2017B Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such

2017B Bonds and the amount paid as interest thereon. The expense incurred by the Trustee in connection with the purchase or redemption of any such 2017B 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 Series 2017C Subaccount of the Revenue Bond Sinking Fund Account.* Money held in the Series 2017C Subaccount of the Revenue Bond Sinking Fund Account will be applied during each Fiscal Year to the purchase or retirement of 2017C Bonds then Outstanding as follows:

(a) The Trustee shall, at the request of the City, endeavor to purchase and cancel 2017C Bonds or portions thereof subject to redemption by operation of the Series 2017C 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 2017C Bond shall not exceed par plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such 2017C Bonds to the date of settlement therefore from the Series 2017C Subaccount of the Revenue Bond Interest Account and the purchase price from the Series 2017C Subaccount of the Revenue Bond Sinking Fund Account, but no such purchase shall be made by the Trustee from money in the Series 2017C Subaccount of the Revenue Bond Sinking Fund Account within the period of 45 days immediately preceding any July 1 on which such 2017C Bonds are subject to redemption, except from money other than the money set aside in the Series 2017C Subaccount of the Revenue Bond Sinking Fund Account for the redemption of 2017C Bonds. The aggregate purchase price of 2017C Bonds during each Fiscal Year shall not exceed the amount to be deposited in the Series 2017C Subaccount of the Revenue Bond Sinking Fund Account on account of the Sinking Fund Requirement for the 2017C Bonds for such Fiscal Year. If in any Fiscal Year the sum of the amount on deposit in the Series 2017C Subaccount of the Revenue Bond Sinking Fund Account for the payment of any 2017C Bonds and the principal amount of the 2017C 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 2017C Bonds for such Fiscal Year, the Trustee shall endeavor to purchase Outstanding 2017C Bonds with such excess money;

(b) The Trustee shall call for redemption on July 1 in each Fiscal Year 2017C Bonds in a principal amount equal to the aggregate Sinking Fund Requirement for the 2017C Bonds for such Fiscal Year, less the principal amount of any such 2017C 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 2017C Subaccount of the Revenue Bond Sinking Fund Account the amount required to pay the Redemption Price of the 2017C Bonds so called for redemption. The amount of interest on the 2017C Bonds so called for redemption shall be paid from the Series 2017C Subaccount of the Revenue Bond Interest Account. If such date is the stated maturity date of any such 2017C Bonds, the Trustee shall not call such 2017C Bonds for redemption but, on such maturity, shall withdraw the amount required for paying the principal of such 2017C Bonds when due and payable.

If at any date there is money in the Series 2017C Subaccount of the Revenue Bond Sinking Fund Account and no 2017C Bonds are then Outstanding or if on any payment date money remains therein after the mandatory redemption of 2017C 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 Order and (b) deliver all remaining amounts to the City.

If the balance in the Series 2017C Subaccount of the Revenue Bond Sinking Fund Account on the 25th day of the month next preceding a payment date on which 2017C 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 2017C Subaccount of the Revenue Bond Sinking Fund Account the Trustee should purchase or receive from the City and cancel 2017C 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 2017C 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 2017C 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 2017C Bonds by purchase or redemption under the provisions of this Section, the Trustee shall file with the City a statement identifying such 2017C Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such 2017C Bonds, and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such 2017C Bonds shall be paid by the City from the Operating Fund or from any other available money.

Section 4.08. ***Application of Money in the Series 2017C Revenue Bond Redemption Account.***
The Trustee shall apply money in the Series 2017C Revenue Bond Redemption Subaccount to the purchase or redemption of 2017C 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 2017C Bonds or portions thereof, regardless of whether such 2017C 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 2017C Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Owner of such 2017C Bond under the provisions of this Appendix A if such 2017C Bond or such portion thereof should be called for redemption on such date from the money in the Series 2017C Subaccount of the Revenue Bond Redemption Account. The Trustee shall pay the interest accrued on such 2017C Bonds or portions thereof to the date of settlement from the Series 2017C Subaccount of the Revenue Bond Interest Account and the purchase price from the Series 2017C Subaccount of the Revenue Bond Redemption Account, but no such purchase shall be made by the Trustee from money in the Series 2017C Subaccount of the Revenue Bond Redemption Account within the period of 45 days immediately preceding any Interest Payment Date on which such 2017C Bonds or portions thereof are to be redeemed, except from money other than the money set aside in the Series 2017C 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 2017C Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Series

2017C Subaccount of the Revenue Bond Redemption Account as nearly as may be. The Trustee shall pay the accrued interest on the 2017C Bonds or portions thereof to be redeemed to the date of redemption from the Series 2017C Subaccount of the Revenue Bond Interest Account and the Redemption Price of such 2017C Bonds or portions thereof from the Series 2017C Subaccount of the Revenue Bond Redemption Account. The Trustee shall withdraw from the Series 2017C Subaccount of the Revenue Bond Redemption Account and set aside the respective amounts required to pay the Redemption Price of the 2017C Bonds or portions thereof so called for redemption.

(c) Money in the Series 2017C Subaccount of the Revenue Bond Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of 2017C Bonds then Outstanding in accordance with the Sinking Fund Requirement.

On the retirement of any 2017C Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the City a statement identifying such 2017C Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such 2017C Bonds and the amount paid as interest thereon. The expense incurred by the Trustee in connection with the purchase or redemption of any such 2017C Bonds shall be paid by the City from the Operating Fund or from any other available money.

Section 4.09. *Application of Money in the Accounts of the Construction Fund.* On the filing from time to time with the Trustee of a requisition signed by an authorized representative of the City in the applicable form attached hereto as Exhibit C, accompanied by a voucher or other appropriate documentation as may be required by the Trustee, the Trustee will make or cause to be made a disbursement (1) from the Series 2017A Construction Account of the Construction Fund or from the Series 2017B Construction Account of the Construction Fund, as indicated on the requisition, for the payment of the Costs of the 2017 Projects, including the Costs of issuing the 2017A Bonds and the 2017B Bonds and (2) from the Series 2017C Cost of Issuance Account, as indicated on the requisition, for the payment of the Costs of issuing the 2017C Bonds.

On the completion of the 2017 Projects to be financed with the proceeds of the 2017A Bonds, the City will deliver a certificate to the Trustee stating the fact and date of such completion and stating that all of the Costs of the 2017 Projects anticipated to be paid by the City from the proceeds of the 2017A Bonds have been paid. On the receipt by the Trustee of such certificate, unless the Trustee receives written direction from the City otherwise, the Trustee will deposit the remaining balance in the Series 2017A Construction Account of the Construction Fund to the Series 2017A Subaccount of the Revenue Bond Interest Account to be applied to the next payment due with respect to the 2017A Bonds.

On the completion of the 2017 Projects to be financed with the proceeds of the 2017B Bonds, the City will deliver a certificate to the Trustee stating the fact and date of such completion and stating that all of the Costs of the 2017 Projects anticipated to be paid by the City from the proceeds of the 2017B Bonds have been paid. On the receipt by the Trustee of such certificate, unless the Trustee receives written direction from the City otherwise, the Trustee will deposit the remaining balance in the Series 2017B Construction Account of the Construction Fund to the Series 2017B Subaccount of the Revenue Bond Interest Account to be applied to the next payment due with respect to the 2017B Bonds.

Unless otherwise so instructed in writing by the City, the Trustee will transfer any balance remaining in the Series 2017C Cost of Issuance Account on December 25, 2017 to the Series 2017C Subaccount of the Revenue Bond Interest Account to be applied to the next payment due with respect to the 2017C Bonds.

Section 4.10. *Application of Money in Common Reserve Subaccount of the Revenue Bond Reserve Account.*

(a) This Series Resolution is hereby designated a Common Reserve Series Resolution and the 2017 Bonds are hereby designated as being secured by the Common Reserve Subaccount of the Revenue Bond Reserve Account in accordance with and meeting the standards of the 2014 Series Resolution. There will be deposited in the Common Reserve Subaccount of the Revenue Bond Reserve Account an amount as certified by the Finance Director under Section 2.03(4). 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 2017 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 other 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 Reserve Fund Substitute 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 Reserve Fund Substitute, 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 Reserve Fund Substitute Provider of a demand for payment (a "*Demand for Payment*"), duly executed by the Paying Agent certifying that payment due under the 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 Reserve Fund Substitute Provider, the Qualified Reserve Fund Substitute 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 Reserve Fund Substitute.

(ii) The Trustee, or Paying Agent, if appropriate, shall, after submitting to the Qualified Reserve Fund Substitute Provider the Demand for Payment as provided in (i) above, make available to the Qualified Reserve Fund Substitute 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 Reserve Fund Substitute, 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 for Payment.

(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 Reserve Fund Substitute 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 Reserve Fund Substitute are to be deposited from next available Revenues.

Section 4.11. ***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. Except as otherwise permitted under the Order, 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 applicable series of 2017 Bonds.

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 2017A Construction Account of the Construction Fund, the Series 2017B Construction Account of the Construction Fund and the Series 2017C Cost of Issuance 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 2017A Construction Account of the Construction Fund, the Series 2017B Construction Account of the Construction Fund and the Series 2017C Cost of Issuance Account of the Construction Fund shall be credited to or charged against that respective account.

Section 4.12. ***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 2017 Bond issued under this Appendix A at the places, on the dates and in the manner provided herein and in the 2017 Bonds, and any premium required for the retirement of the 2017 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 2017 Bonds authorized hereby and to pledge the Net Revenues in the manner and to the extent herein and in the Order set forth; that all action on its part for the issuance of the 2017 Bonds initially issued hereunder has been duly and effectively taken; and that such 2017 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 2017 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 Order, and neither the credit nor the taxing power of the City are pledged for the payment of the 2017 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 2017 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). The Trustee shall transfer amounts from accounts related to the Refunded Bonds 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 2017A Bonds, the 2017B Bonds or the 2017C Bonds in bearer form, or
- (f) to make modifications in the provisions for the issuance of any of the 2017A Bonds, the 2017B Bonds or the 2017C Bonds under a book-entry system, or

(g) to obtain a rating on any of the 2017A Bonds, the 2017B Bonds or the 2017C Bonds from a national rating service.

Notwithstanding anything in the Order or the Series Resolution to the contrary, (1) any initial purchaser, underwriter or remarketing agent holding any 2017 Bonds or another Series of the Bonds issued after the issuance of the 2017 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 series resolution as required or permitted by this Article, including any amendment or supplemental series 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 series 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 2017 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 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 2017 Bond or (b) a reduction in the principal amount of any 2017 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 Order or the Series Resolution, or (d) a preference or priority of any 2017 Bond over any other 2017 Bond, or (e) a reduction in the aggregate principal amount of 2017 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 6.01.

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 LGC 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 2017 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 2017 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 6.01, 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. **2017 Bonds Affected.** For purposes of this Appendix A, 2017 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 2017 Bonds. The Trustee may in its discretion determine whether any 2017 Bonds would be affected by any supplemental series resolution and any such determination is conclusive on the Owners of all 2017 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 2017 Bonds.** 2017 Bonds owned or held by or for the account of the City shall not be deemed Outstanding 2017 Bonds for the purpose of any consent or other action or any calculation of Outstanding 2017 Bonds provided for in this Article, and City as Owner of such 2017 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 2017 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 the LGC.** The City Council hereby ratifies and confirms its request to the LGC to sell the 2017 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 2017 Bonds and Interest Rate.** The Finance Director is hereby authorized and directed to approve the items required and provide the certificate set forth under Section 2.03(4).

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 2017 Bonds, the 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 2017 Bond proceeds.

(b) The Mayor, the City Manager, the Deputy City Manager, the Chief Financial Officer, the Finance Director, the City Treasurer, the City Debt Manager, the Aviation Director, 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 Order, the Series Resolution, this Appendix A and the Purchase Contract, including the on-going administration thereof.

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 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 2017 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 2017 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 Order, including the prior approval by the LGC 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 2017 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 Order or the Series Resolution; or (2) any redemption of Outstanding 2017 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, 2017, 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, 2017, the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year for the type of information included in the tables under the captions "**THE AIRPORT – AIRLINES SERVING THE AIRPORT**," "**AIR SERVICE AREA**," and "**HISTORICAL ENPLANED PASSENGERS**" in the Official Statement for the 2017 Bonds, 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 2017 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 2017 Bonds or other material events affecting the tax status of the 2017 Bonds;
- (g) modification of the rights of the Beneficial Owners of the 2017 Bonds, if material;
- (h) call of any of the 2017 Bonds, other than mandatory sinking fund redemptions, if material, and tender offers;
- (i) defeasance of any of the 2017 Bonds;
- (j) release, substitution or sale of any property securing repayment of the 2017 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 2017 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 Order and will not result in acceleration of the payment of the 2017 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 2017 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 2017 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 2017 Bonds.

Section 8.10. ***E-Verify; Iran Divestment Act Certification.*** By accepting its responsibilities under this Series Resolution, the Trustee and Paying Agent certify to the following:

The Trustee and Paying Agent understands that "E-Verify" is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Section 64-25(5) of the General Statutes of North Carolina, as amended. The Trustee and Paying Agent uses E-Verify to verify the work authorization of its employees in accordance with Section 64-26(a) of the General Statutes of North Carolina, as amended. The Trustee and Paying Agent will require that any subcontractor that it uses in connection with the transactions contemplated by this Series Resolution certify to such subcontractor's compliance with E-Verify. As of the date of this Series Resolution, the Trustee is not listed on the Final Divestment List created by the North Carolina State Treasurer pursuant to North Carolina General Statutes §143C-6A-4.

EXHIBIT A

FORM OF 2017A BOND

**CITY OF CHARLOTTE, NORTH CAROLINA
AIRPORT REVENUE BONDS,
SERIES 2017A (Non-AMT)**

No. RA-1

\$

| <u>INTEREST RATE</u> | <u>DATED DATE</u> | <u>MATURITY DATE</u> | <u>CUSIP</u> |
|----------------------|-------------------|----------------------|--------------|
| % | | 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 2017A Bonds (the "Bond Registrar," the "Paying Agent" and the "Trustee"), at the close of business on the 15th day of the month preceding each hereinafter-described Interest Payment Date (each, a "Regular Record Date"), interest on such Principal Amount at the Interest Rate set forth above from the Interest Payment Date next preceding the date of authentication (unless (i) the date of authentication precedes the first Interest Payment Date in which case this 2017A Bond will bear interest from its date of issuance, or (ii) the date of authentication is an Interest Payment Date, in which case this 2017A 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, 2018 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 2017A BONDS ARE SPECIAL OBLIGATIONS OF THE CITY. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE 2017A 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 2017A BONDS, AND NO OWNER OF THIS 2017A 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 2017A Bonds will be initially delivered by means of a book-entry system with no physical distribution of definitive 2017A Bonds made to the public. One definitive 2017A 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 2017A 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 2017A Bond will be payable to DTC or its nominee as registered owner of the 2017A 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 2017A 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 2017A Bonds 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 2017A 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 2017A Bonds; or (e) any consent given or other action taken by DTC, or its nominee.

This Bond is one of an issue of Bonds designated "*Airport Revenue Bonds, Series 2017A (Non-AMT)*" (the "*2017A 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 "*Order*") and a resolution adopted by the City Council on April 24, 2017 (the "*Series Resolution*"). Unless the context indicates otherwise, all capitalized, undefined terms used herein have the meanings ascribed to them in the Order, the Series Resolution or the Appendix A attached to, and incorporated in, the Series Resolution. The City intends to issue its Airport Revenue Bonds, Series 2017B (AMT) (the "*2017B Bonds*") and its Airport Refunding Revenue Bonds, Series 2017C (Non-AMT) (the "*2017C Bonds*" and collectively with the 2017A Bonds and the 2017C Bonds, the "*2017 Bonds*") and its Airport Revenue Bond Anticipation Note, Series 2017D (the "*2017D Note*"), on or about the time the City issues its 2017A Bonds, under the Order. Under the Order, the City has previously issued several series of Bonds (the "*Existing Bonds*"). The 2017 Bonds, the 2017D Note, the Existing Bonds and any additional Bonds which may be issued under the Order are parity obligations under the Order.

The 2017 Bonds are being issued to pay a portion of the costs (a) to finance and refinance the costs of certain projects at the Airport, including (1) improvements to long-term parking lots, (2) addition to airline space in Concourse E, (3) design and construction of Phase II of an expansion of the East Terminal, (4) design and construction of Terminal rehabilitation and related projects, (5) construction of a Concourse E baggage transfer station, (6) construction of Phase I of an expansion of Concourse A, (7) implementation of Phase II of energy infrastructure improvements, (8) expansion of Long-Term 2 parking lot, (9) design and construction of a concession distribution warehouse, (10) design and construction of the expansion of the Terminal lobby, (11) design and construction of Phase I of the expansion of the West Ramp, (12) construction of a vehicle maintenance facility, (13) extension of Little Rock Road, (14) construction of the Business Valet Parking Deck II, (15) construction and expansion of the Terminal fuel farm and (16) design and construction of a joint operations center, (b) refund certain prior Bonds as described in the Series Resolution, (c) to pay capitalized interest on the 2017A Bonds and (d) to pay the costs of issuance of the 2017 Bonds.

The 2017A 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 2017A Bonds, which amounts are pledged and assigned pursuant to the Order for the equal and ratable payment of the 2017A Bonds and will be used for no other purpose than to pay the principal of, premium, if any, and interest on the 2017A Bonds, except as may be otherwise expressly authorized in the Order and the Appendix A.

“Revenues,” “Net Revenues” and “Current Expenses” are defined in the Order. Pursuant to the Order the City has, for the benefit of the Owners of the 2017A Bonds, assigned Net Revenues and certain other rights to the Trustee in trust. Reference is made to the 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 2017A Bonds. Copies of the 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 2017A Bond, the Owner hereof signifies assent to all of the provisions of the aforementioned documents.

This Bond is issued and the 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 2017A 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 2017A Bond. The Bond Registrar may require the payment by any Owner requesting registration of transfer or exchange of 2017A 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 2017A 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 2017A Bonds maturing on or after July 1, 20[] may be redeemed before their maturities, at the option of the City, from any funds that may be available for such purpose, either in whole or in part on any date beginning on or after [_____], at the redemption price, equal to the principal amount of 2017A Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, [plus premium of _____].

The 2017A 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 2017A Subaccount of the Revenue Bond Redemption Account, as provided in the Order.

The 2017A 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 2017A Bonds being redeemed, without premium, plus accrued interest to the date of redemption.

The 2017A 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 2017A Bonds to be redeemed plus accrued interest thereon to the redemption date and without premium:

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

* Maturity

The 2017A 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 2017A 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 LGC 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 2017A Bonds, by Mail to the then-registered Owners of 2017A 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 2017A 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 2017A Bonds are to be redeemed, the numbers of the 2017A Bonds and the portions of 2017A Bonds to be redeemed, and (2) state that on the redemption date, the 2017A 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 2017A Bonds called for redemption, which money is or will be available for redemption of the 2017A 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 LGC or the MSRB 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 2017A Bonds called for redemption including premium, if any, thereon on a Redemption Date, 2017A 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 Order other than the right to receive payment. No payment of principal will be made by the Paying Agent on any 2017A

Bonds or portions thereof called for redemption until such 2017A Bonds or portions thereof have been delivered for payment or cancellation or the Paying Agent has received the items required by the Order with respect to any mutilated, lost, stolen or destroyed 2017A Bonds.

In the case of any partial redemption of 2017A Bonds, the City will select the 2017A Bonds and the maturity or maturities of the 2017A Bonds to be redeemed and DTC will select the 2017A 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 2017A Bonds to be redeemed by lot in such manner as the Bond Registrar in its discretion may deem proper.

If a 2017A Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2017A Bond may be redeemed, but only in a principal amount such that the unredeemed portion of such 2017A Bond is equal to an Authorized Denomination. For any 2017A Bond in a denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2017A Bond as representing a single 2017A Bond in the minimum Authorized Denomination plus that number of 2017A Bonds that is obtained by dividing the remaining principal amount of such 2017A 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 2017A Bond is to be called for redemption, then, on written notice of intention to redeem such Authorized Denominations of principal amount of such 2017A Bond, the Owner of such 2017A Bond, on surrender of such 2017A Bond to the Paying Agent for payment of the principal amount of such 2017A Bond, will be entitled to receive new 2017A Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2017A Bond. New 2017A Bonds representing the unredeemed balance of the principal amount of such 2017A Bonds will be issued to the Owner thereof.

If the Owner of any 2017A Bond of a denomination greater than the amount being redeemed fails to present such 2017A Bond to the Paying Agent for payment and exchange as aforesaid, such 2017A 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 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 Order. The Order also contains provisions permitting the City and the Trustee to enter into amendments to the 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 2017A Bonds, the 2017 Bonds and the 2017C 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 2017A Bonds then Outstanding for certain purposes which do not affect adversely the interest of the Owners of the 2017A Bonds.

Any consent or request by the Owner of this 2017A Bond is conclusive and binding on such Owner and on all future Owners of this 2017A Bond and of any 2017A Bond issued on the transfer of this 2017A Bond whether or not notation of such consent or request is made on this 2017A Bond.

This 2017A 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 2017A Bond and the adoption of the 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 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 2017A 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.

GREG C. GASKINS
Secretary of the Local Government Commission

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

_____, 2017

This 2017A Bond is one of the Airport Revenue and Refunding Revenue Bonds, Series 2017A (Non-AMT) designated herein issued under the provisions of the within-mentioned Order and Series Resolution.

U.S. BANK NATIONAL ASSOCIATION, as Bond
Registrar

By: _____
Vice President

ASSIGNMENT

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

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

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

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

Dated: _____

Signature guaranteed by:

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

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

TRANSFER FEE MAY BE REQUIRED

EXHIBIT B

FORM OF 2017B BOND

**CITY OF CHARLOTTE, NORTH CAROLINA
AIRPORT REFUNDING REVENUE BONDS,
SERIES 2017B (AMT)**

No. RB-1

§

| | | | |
|----------------------|-------------------|----------------------|--------------|
| <u>INTEREST RATE</u> | <u>DATED DATE</u> | <u>MATURITY DATE</u> | <u>CUSIP</u> |
| % | | 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 2017B Bonds (the "Bond Registrar," the "Paying Agent" and the "Trustee"), at the close of business on the 15th day of the month preceding each hereinafter-described Interest Payment Date (each, a "Regular Record Date"), interest on such Principal Amount at the Interest Rate set forth above from the Interest Payment Date next preceding the date of authentication (unless (i) the date of authentication precedes the first Interest Payment Date in which case this 2017B Bond will bear interest from its date of issuance, or (ii) the date of authentication is an Interest Payment Date, in which case this 2017B 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, 2018 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 2017B BONDS ARE SPECIAL OBLIGATIONS OF THE CITY. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE 2017B 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 2017B BONDS, AND NO OWNER OF THIS 2017B 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 2017B Bonds will be initially delivered by means of a book-entry system with no physical distribution of definitive 2017B Bonds made to the public. One definitive 2017B 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 2017B 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 2017B Bond will be payable to DTC or its nominee as registered owner of the 2017B 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 2017B 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 2017B Bonds 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 2017B 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 2017B Bonds; or (e) any consent given or other action taken by DTC, or its nominee.

This Bond is one of an issue of Bonds designated "*Airport Revenue Bonds, Series 2017B (Non-AMT)*" (the "*2017B 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 "*Order*") and a resolution adopted by the City Council on April 24, 2017 (the "*Series Resolution*"). Unless the context indicates otherwise, all capitalized, undefined terms used herein have the meanings ascribed to them in the Order, the Series Resolution or the Appendix A attached to, and incorporated in, the Series Resolution. The City intends to issue its Airport Revenue Bonds, Series 2017A (AMT) (the "*2017A Bonds*") and its Airport Refunding Revenue Bonds, Series 2017C (Non-AMT) (the "*2017C Bonds*") and collectively with the 2017A Bonds and the 2017B Bonds, the "*2017 Bonds*") and its Airport Revenue Bond Anticipation Note, Series 2017D (the "*2017D Note*"), on or about the time the City issues its 2017A Bonds, under the Order. Under the Order, the City has previously issued several series of Bonds (the "*Existing Bonds*"). The 2017 Bonds, the 2017D Note, the Existing Bonds and any additional Bonds which may be issued under the Order are parity obligations under the Order.

The 2017 Bonds are being issued to pay a portion of the costs (a) to finance and refinance the costs of certain projects at the Airport, including (1) improvements to long-term parking lots, (2) addition to airline space in Concourse E, (3) design and construction of Phase II of an expansion of the East Terminal, (4) design and construction of Terminal rehabilitation and related projects, (5) construction of a Concourse E baggage transfer station, (6) construction of Phase I of an expansion of Concourse A, (7) implementation of Phase II of energy infrastructure improvements, (8) expansion of Long-Term 2 parking lot, (9) design and construction of a concession distribution warehouse, (10) design and construction of the expansion of the Terminal lobby, (11) design and construction of Phase I of the expansion of the West Ramp, (12) construction of a vehicle maintenance facility, (13) extension of Little Rock Road, (14) construction of the Business Valet Parking Deck II, (15) construction and expansion of the Terminal fuel farm and (16) design and construction of a joint operations center, (b) refund certain prior Bonds as described in the Series Resolution, (c) to pay capitalized interest on the 2017B Bonds and (d) to pay the costs of issuance of the 2017 Bonds.

The 2017B 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 2017B Bonds, which amounts are pledged and assigned pursuant to the Order for the equal and ratable payment of the 2017B Bonds and will be used for no other purpose than to pay the principal of, premium, if any, and interest on the 2017B Bonds, except as may be otherwise expressly authorized in the Order and the Appendix A.

“Revenues,” “Net Revenues” and “Current Expenses” are defined in the Order. Pursuant to the Order the City has, for the benefit of the Owners of the 2017B Bonds, assigned Net Revenues and certain other rights to the Trustee in trust. Reference is made to the 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 2017B Bonds. Copies of the 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 2017B Bond, the Owner hereof signifies assent to all of the provisions of the aforementioned documents.

This Bond is issued and the 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 2017B 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 2017B Bond. The Bond Registrar may require the payment by any Owner requesting registration of transfer or exchange of 2017B 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 2017B 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 2017B Bonds maturing on or after July 1, 20[] may be redeemed before their maturities, at the option of the City, from any funds that may be available for such purpose, either in whole or in part on any date beginning on or after [_____], at the redemption price, equal to the principal amount of 2017B Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, [plus premium of _____].

The 2017B 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 2017B Subaccount of the Revenue Bond Redemption Account, as provided in the Order.

The 2017B 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 2017B Bonds being redeemed, without premium, plus accrued interest to the date of redemption.

The 2017B 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 2017B Bonds to be redeemed plus accrued interest thereon to the redemption date and without premium:

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

* Maturity

The 2017B 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 2017B 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 LGC 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 2017B Bonds, by Mail to the then-registered Owners of 2017B 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 2017B 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 2017B Bonds are to be redeemed, the numbers of the 2017B Bonds and the portions of 2017B Bonds to be redeemed, and (2) state that on the redemption date, the 2017B 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 2017B Bonds called for redemption, which money is or will be available for redemption of the 2017B 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 LGC or the MSRB 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 2017B Bonds called for redemption including premium, if any, thereon on a Redemption Date, 2017B 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 Order other than the right to receive payment. No payment of principal will be made by the Paying Agent on any 2017B

Bonds or portions thereof called for redemption until such 2017B Bonds or portions thereof have been delivered for payment or cancellation or the Paying Agent has received the items required by the Order with respect to any mutilated, lost, stolen or destroyed 2017B Bonds.

In the case of any partial redemption of 2017B Bonds, the City will select the 2017B Bonds and the maturity or maturities of the 2017B Bonds to be redeemed and DTC will select the 2017B 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 2017B Bonds to be redeemed by lot in such manner as the Bond Registrar in its discretion may deem proper.

If a 2017B Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2017B Bond may be redeemed, but only in a principal amount such that the unredeemed portion of such 2017B Bond is equal to an Authorized Denomination. For any 2017B Bond in a denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2017B Bond as representing a single 2017B Bond in the minimum Authorized Denomination plus that number of 2017B Bonds that is obtained by dividing the remaining principal amount of such 2017B 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 2017B Bond is to be called for redemption, then, on written notice of intention to redeem such Authorized Denominations of principal amount of such 2017B Bond, the Owner of such 2017B Bond, on surrender of such 2017B Bond to the Paying Agent for payment of the principal amount of such 2017B Bond, will be entitled to receive new 2017B Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2017B Bond. New 2017B Bonds representing the unredeemed balance of the principal amount of such 2017B Bonds will be issued to the Owner thereof.

If the Owner of any 2017B Bond of a denomination greater than the amount being redeemed fails to present such 2017B Bond to the Paying Agent for payment and exchange as aforesaid, such 2017B 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 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 Order. The Order also contains provisions permitting the City and the Trustee to enter into amendments to the 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 2017B Bonds and the 2017B 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 2017B Bonds then Outstanding for certain purposes which do not affect adversely the interest of the Owners of the 2017B Bonds.

Any consent or request by the Owner of this 2017B Bond is conclusive and binding on such Owner and on all future Owners of this 2017B Bond and of any 2017B Bond issued on the transfer of this 2017B Bond whether or not notation of such consent or request is made on this 2017B Bond.

This 2017B 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 2017B Bond and the adoption of the 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 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 2017B 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.

GREG C. GASKINS
Secretary of the Local Government Commission

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

_____, 2017

This 2017B Bond is one of the Airport Revenue Bonds, Series 2017B designated herein issued under the provisions of the within-mentioned Order and Series Resolution.

U.S. BANK NATIONAL ASSOCIATION, as Bond Registrar

By: _____
Vice President

ASSIGNMENT

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

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

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

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

Dated: _____

Signature guaranteed by:

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

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

TRANSFER FEE MAY BE REQUIRED

EXHIBIT C

FORM OF 2017C BOND

**CITY OF CHARLOTTE, NORTH CAROLINA
AIRPORT REFUNDING REVENUE BONDS,
SERIES 2017C (Non-AMT)**

No. RC-1

§

| | | | |
|----------------------|-------------------|----------------------|--------------|
| <u>INTEREST RATE</u> | <u>DATED DATE</u> | <u>MATURITY DATE</u> | <u>CUSIP</u> |
| % | | 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 2017C Bonds (the "Bond Registrar," the "Paying Agent" and the "Trustee"), at the close of business on the 15th day of the month preceding each hereinafter-described Interest Payment Date (each, a "Regular Record Date"), interest on such Principal Amount at the Interest Rate set forth above from the Interest Payment Date next preceding the date of authentication (unless (i) the date of authentication precedes the first Interest Payment Date in which case this 2017C Bond will bear interest from its date of issuance, or (ii) the date of authentication is an Interest Payment Date, in which case this 2017C 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 July 1, 2017 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 2017C BONDS ARE SPECIAL OBLIGATIONS OF THE CITY. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE 2017C 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 2017C BONDS, AND NO OWNER OF THIS 2017C 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 2017C Bonds will be initially delivered by means of a book-entry system with no physical distribution of definitive 2017C Bonds made to the public. One definitive 2017C 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 2017C 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 2017C Bond will be payable to DTC or its nominee as registered owner of the 2017C 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 2017C 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 2017C Bonds 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 2017C 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 2017C 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 2017C (Non-AMT)*" (the "*2017C 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 "*Order*") and a resolution adopted by the City Council on April 24, 2017 (the "*Series Resolution*"). Unless the context indicates otherwise, all capitalized, undefined terms used herein have the meanings ascribed to them in the Order, the Series Resolution or the Appendix A attached to, and incorporated in, the Series Resolution. The City intends to issue its Airport Revenue Bonds, Series 2017A (Non-AMT) (the "*2017A Bonds*") and its Airport Revenue Bonds, Series 2017B (AMT) (the "*2017B Bonds*" and collectively with the 2017A Bonds and the 2017C Bonds, the "*2017 Bonds*") and its Airport Revenue Bond Anticipation Note, Series 2017D (the "*2017D Note*"), on or about the time the City issues its 2017C Bonds, under the Order. Under the Order, the City has previously issued several series of Bonds (the "*Existing Bonds*"). The 2017 Bonds, the 2017D Note, the Existing Bonds and any additional Bonds which may be issued under the Order are parity obligations under the Order.

The 2017 Bonds are being issued to pay a portion of the costs (a) to finance and refinance the costs of certain projects at the Airport, including (1) improvements to long-term parking lots, (2) addition to airline space in Concourse E, (3) design and construction of Phase II of an expansion of the East Terminal, (4) design and construction of Terminal rehabilitation and related projects, (5) construction of a Concourse E baggage transfer station, (6) construction of Phase I of an expansion of Concourse A, (7) implementation of Phase II of energy infrastructure improvements, (8) expansion of Long-Term 2 parking lot, (9) design and construction of a concession distribution warehouse, (10) design and construction of the expansion of the Terminal lobby, (11) design and construction of Phase I of the expansion of the West Ramp, (12) construction of a vehicle maintenance facility, (13) extension of Little Rock Road, (14) construction of the Business Valet Parking Deck II, (15) construction and expansion of the Terminal fuel farm and (16) design and construction of a joint operations center, (b) refund certain prior Bonds as described in the Series Resolution, (c) to pay capitalized interest on the 2017C Bonds and (d) to pay the costs of issuance of the 2017 Bonds.

The 2017C 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 2017C Bonds, which amounts are pledged and assigned pursuant to the Order for the equal and ratable payment of the 2017C Bonds and will be used for no other purpose than to pay the principal of, premium, if any, and interest on the 2017C Bonds, except as may be otherwise expressly authorized in the Order and the Appendix A.

“Revenues,” “Net Revenues” and “Current Expenses” are defined in the Order. Pursuant to the Order the City has, for the benefit of the Owners of the 2017C Bonds, assigned Net Revenues and certain other rights to the Trustee in trust. Reference is made to the 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 2017C Bonds. Copies of the 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 2017C Bond, the Owner hereof signifies assent to all of the provisions of the aforementioned documents.

This Bond is issued and the 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 2017C 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 2017C Bond. The Bond Registrar may require the payment by any Owner requesting registration of transfer or exchange of 2017C 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 2017C 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 2017C Bonds maturing on or after July 1, 20[] may be redeemed before their maturities, at the option of the City, from any funds that may be available for such purpose, either in whole or in part on any date beginning on or after [_____], at the redemption price, equal to the principal amount of 2017C Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, [plus premium of _____].

The 2017C 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 2017C Subaccount of the Revenue Bond Redemption Account, as provided in the Order.

The 2017C 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 2017C Bonds being redeemed, without premium, plus accrued interest to the date of redemption.

The 2017C 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 2017C Bonds to be redeemed plus accrued interest thereon to the redemption date and without premium:

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

* Maturity

The 2017C 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 2017C 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 LGC 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 2017C Bonds, by Mail to the then-registered Owners of 2017C 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 2017C 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 2017C Bonds are to be redeemed, the numbers of the 2017C Bonds and the portions of 2017C Bonds to be redeemed, and (2) state that on the redemption date, the 2017C 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 2017C Bonds called for redemption, which money is or will be available for redemption of the 2017C 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 LGC or the MSRB 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 2017C Bonds called for redemption including premium, if any, thereon on a Redemption Date, 2017C 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 Order other than the right to receive payment. No payment of principal will be made by the Paying Agent on any 2017C Bonds or portions thereof called for redemption until such 2017C Bonds or portions thereof have been

delivered for payment or cancellation or the Paying Agent has received the items required by the Order with respect to any mutilated, lost, stolen or destroyed 2017C Bonds.

In the case of any partial redemption of 2017C Bonds, the City will select the 2017C Bonds and the maturity or maturities of the 2017C Bonds to be redeemed and DTC will select the 2017C 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 2017C Bonds to be redeemed by lot in such manner as the Bond Registrar in its discretion may deem proper.

If a 2017C Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2017C Bond may be redeemed, but only in a principal amount such that the unredeemed portion of such 2017C Bond is equal to an Authorized Denomination. For any 2017C Bond in a denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2017C Bond as representing a single 2017C Bond in the minimum Authorized Denomination plus that number of 2017C Bonds that is obtained by dividing the remaining principal amount of such 2017C 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 2017C Bond is to be called for redemption, then, on written notice of intention to redeem such Authorized Denominations of principal amount of such 2017C Bond, the Owner of such 2017C Bond, on surrender of such 2017C Bond to the Paying Agent for payment of the principal amount of such 2017C Bond, will be entitled to receive new 2017C Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2017C Bond. New 2017C Bonds representing the unredeemed balance of the principal amount of such 2017C Bonds will be issued to the Owner thereof.

If the Owner of any 2017C Bond of a denomination greater than the amount being redeemed fails to present such 2017C Bond to the Paying Agent for payment and exchange as aforesaid, such 2017C 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 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 Order. The Order also contains provisions permitting the City and the Trustee to enter into amendments to the 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 2017C Bonds, the 2017 Bonds and the 2017C 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 2017C Bonds then Outstanding for certain purposes which do not affect adversely the interest of the Owners of the 2017C Bonds.

Any consent or request by the Owner of this 2017C Bond is conclusive and binding on such Owner and on all future Owners of this 2017C Bond and of any 2017C Bond issued on the transfer of this 2017C Bond whether or not notation of such consent or request is made on this 2017C Bond.

This 2017C 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 2017C Bond and the adoption of the 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 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 2017C 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.

GREG C. GASKINS
Secretary of the Local Government Commission

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

_____, 2017

This 2017C Bond is one of the Airport Revenue and Refunding Revenue Bonds, Series 2017C (Non-AMT) designated herein issued under the provisions of the within-mentioned Order and Series Resolution.

U.S. BANK NATIONAL ASSOCIATION, as Bond Registrar

By: _____
Vice President

ASSIGNMENT

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

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

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

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

Dated: _____

Signature guaranteed by:

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

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

TRANSFER FEE MAY BE REQUIRED

EXHIBIT D
FORM OF REQUISITION

U.S. Bank National Association
214 North Tryon Street, 27th Floor
Charlotte, North Carolina 28202
Attention: Corporate Trust Services

Re: Disbursement from the Series 2017A Construction Account of the Construction Fund (the "*Construction Account*") relating the City of Charlotte, North Carolina Airport Revenue Bonds, Series 2017A

Dear _____ :

Pursuant to Section 4.07 of the Series Resolution adopted on April 24, 2017 by the City Council of the City of Charlotte, North Carolina (the "City"), the City hereby requests you to disburse from the Construction Account as follows:

1. The amount to be disbursed is \$_____.
2. The name and address of the person, firm or corporation to whom the disbursement should be made is as follows:

3. The purpose of the disbursement is to _____.
4. The disbursement herein requested is for work actually performed, for service actually rendered or for materials, supplies or equipment actually delivered, installed or fabricated.

DATED this ___ day of _____, _____.

CITY OF CHARLOTTE, NORTH CAROLINA

By: _____
City Representative

FORM OF REQUISITION

U.S. Bank National Association
214 North Tryon Street, 27th Floor
Charlotte, North Carolina 28202
Attention: Corporate Trust Services

Re: Disbursement from the Series 2017B Construction Account of the Construction Fund (the "Construction Account") relating the City of Charlotte, North Carolina Airport Revenue Bonds, Series 2017B

Dear :

Pursuant to Section 4.07 of the Series Resolution adopted on April 24, 2017 by the City Council of the City of Charlotte, North Carolina (the "City"), the City hereby requests you to disburse from the Construction Account as follows:

1. The amount to be disbursed is \$_____.
2. The name and address of the person, firm or corporation to whom the disbursement should be made is as follows:

3. The purpose of the disbursement is to _____.
4. The disbursement herein requested is for work actually performed, for service actually rendered or for materials, supplies or equipment actually delivered, installed or fabricated.

DATED this ___ day of _____, _____.

CITY OF CHARLOTTE, NORTH CAROLINA

By: _____
City Representative

FORM OF REQUISITION

U.S. Bank National Association
214 North Tryon Street, 27th Floor
Charlotte, North Carolina 28202
Attention: Corporate Trust Services

Re: Disbursement from the Series 2017C Cost of Issuance Account of the Construction Fund (the "*Construction Account*") relating the City of Charlotte, North Carolina Airport Refunding Revenue Bonds, Series 2017C

Dear _____ :

Pursuant to Section 4.07 of the Series Resolution adopted on April 24, 2017 by the City Council of the City of Charlotte, North Carolina (the "City"), the City hereby requests you to disburse from the Construction Account as follows:

1. The amount to be disbursed is \$_____.
2. The name and address of the person, firm or corporation to whom the disbursement should be made is as follows:

3. The purpose of the disbursement is to _____.
4. The disbursement herein requested is for work actually performed or for service actually rendered.

DATED this ___ day of _____, _____.

CITY OF CHARLOTTE, NORTH CAROLINA

By: _____
City Representative

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 7:30 p.m. on April 24, 2017:

Members Present: Mayor Roberts, Councilmembers Ajmera, Austin, Driggs, Eiselt, Fallon, Kinsey Lyles, Mayfield, Mitchell, Phipps, Smith

Members Absent: None

* * * * *

* * *

Councilmember Mayfield 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 AUTHORIZING THE ISSUANCE OF AIRPORT REVENUE BOND ANTICIPATION NOTE OF THE CITY OF CHARLOTTE 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 April 24, 2017 adopted a bond order (the "*Amended and Restated Order*"), which amends and restates the bond order adopted by the City Council on November 18, 1985 (the "*Existing Order*"), authorizing and securing airport revenue bonds of the City, which Amended and Restated Order will take effect on the consent of at least 51% of the outstanding Airport Revenue Bondholders;

WHEREAS, the City Council has determined and hereby further determines that it is in the City's best interest to finance the costs of certain projects at the Airport, including (1) improvements to long-term parking lots, (2) addition to airline space in Concourse E, (3) design and construction of Phase II of an expansion of the East Terminal, (4) design and construction of Terminal rehabilitation and related projects, (5) construction of a Concourse E baggage transfer station, (6) construction of Phase I of an expansion of Concourse A, (7) implementation of Phase II of energy infrastructure improvements, (8) expansion of Long-Term 2 parking lot, (9) design and construction of a concession distribution warehouse, (10) design and construction of the expansion of the Terminal lobby, (11) design and construction of Phase I of the expansion of the West Ramp, (12) construction of a vehicle maintenance

facility, (13) extension of Little Rock Road, (14) construction of the Business Valet Parking Deck II, (15) construction and expansion of the Terminal fuel farm and (16) design and construction of a joint operations center (collectively, the "2017 Projects");

WHEREAS, the City has proceeded with financing some of the 2017 Projects on an interim basis from the proceeds of City of Charlotte, North Carolina Airport Revenue Bond Anticipation Note, Series 2016 (the "2016 BAN");

WHEREAS, the City will refinance a portion of the 2016 BAN and continue to finance a portion of the 2017 Projects from the proceeds of Airport Revenue Bonds issued in several series (the "2017 Bonds") and the City has determined to also issue another airport revenue bond anticipation note to be known as "City of Charlotte, North Carolina Airport Revenue Bond Anticipation Note, Series 2017D" (the "2017D Note") in an aggregate principal amount not to exceed \$175,000,000 in order to (1) refinance a portion of the 2016 BAN Note, (2) further finance the 2017 Projects and (3) to pay the costs of issuance of the 2017D Note;

WHEREAS, the 2017D Note may be issued under the terms of the Existing Order or, if the requisite consents have been received for the effectiveness of the Amended and Restated Order, then the 2017D Note will be issued under the Amended and Restated Order (as applicable, referred to herein as the "Order");

WHEREAS, Bank of America, N.A. (the "Purchaser") has agreed to purchase the 2017D Note under the terms of the Order, this Resolution and a Note Purchase and Advance Agreement among the City, the Local Government Commission of North Carolina (the "Commission") and the Purchaser (the "Note Purchase Agreement");

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 held a public hearing on April 10, 2017, after notice being duly given (the "TEFRA Notice"), regarding the issuance of the 2017 Bonds (as defined in the TEFRA Notice) and the 2017D Note to finance certain projects at the Airport, including the 2017 Projects, and now desires to approve the issuance of the 2017D Note and the financing of the projects listed in the TEFRA Notice, including the 2017 Projects (the "TEFRA Projects"), with the proceeds thereof 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 Order, this Resolution authorizing the issuance of the 2017D 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 2017D Note is to be issued by the City for the purpose of providing funds, together with other available funds of the City, (1) to refinance a portion of the 2016 Note, (2) to further finance the 2017 Projects and (3) to pay the costs of issuing the 2017D Note all as set out fully in the documents attached to the City's application to the Commission.

Section 3. The City shall issue not to exceed \$175,000,000 in total aggregate principal amount of its 2017D Note.

Section 4. The City Council has requested that the Commission sell the 2017D Note through negotiation to the Purchaser on such terms as may be agreed on but at an initial interest rate not exceeding 3.50%.

Section 5. The 2017D Note is to be dated as of its date of issuance and the principal of and interest on the 2017D Note will be payable as set forth in the Appendix.

Section 6. The City covenants to take such action as may be required in the opinion of Bond Counsel to cause the 2017D Note and all actions of the City with respect to the proceeds thereof to comply with the Code. The Chief Financial Officer of the City, or his designee, 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 7. The Commission is hereby requested to sell the 2017D 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 Chief Financial Officer 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, the Chief Financial Officer, the Finance Director and the Aviation Director, 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 8. No stipulation, obligation or agreement herein contained or contained in the 2017D Note, this Resolution, the Note Purchase Agreement or any other instrument related to the issuance of the 2017D 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 2017D Note or subject to personal liability or accountability by reason of the issuance thereof.

Section 9. The Mayor, the City Manager, the Chief Financial Officer, the Finance Director, the City Treasurer, the City Debt Manager, the City Attorney, the Aviation Director, the City Clerk and any Deputy City Clerk, and their respective designees, individually or collectively (the "*Authorized Officers*"), 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 10. Notwithstanding Section 203 of the Order, the 2017D Note, and any other Bonds issued pursuant to the 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 2017D Note or such other Bond issued pursuant to the Order.

Section 11. 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 2017 Bonds and the 2017D Note in an aggregate principal amount not to exceed the amount listed in the TEFRA Notice and (b) the financing of the TEFRA Projects.

Section 12. From the adoption of this Resolution until the date of the first issuance of 2017D Note hereunder, the City Manager and the Chief Financial Officer, individually or collectively, are hereby authorized, empowered and directed to make any changes, modifications, additions or deletions to the Appendix as shall to them seem necessary, desirable or appropriate that in their opinion may be necessary to implement the intent of this Resolution. Such changes, modifications, additions or deletions to the Appendix shall be set forth in a certificate executed by the City Manager or the Chief Financial Officer on the date of issuance of the 2017D Note hereunder.

Section 13. 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 2017D Note and the execution, delivery and performance of the Note Purchase Agreement are in all respects approved and confirmed.

Section 14. 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 2017D Note authorized hereunder.

Section 15. This Resolution is adopted with the intent that the laws of the State govern its construction.

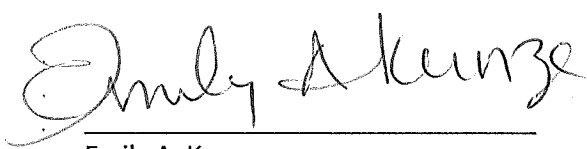
Section 16. All resolutions or parts thereof of the City Council in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 17. This Resolution is effective on its adoption.

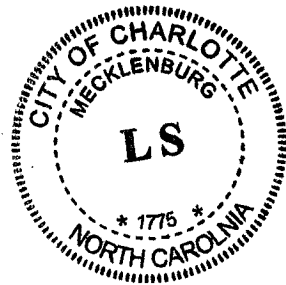
STATE OF NORTH CAROLINA)
)
CITY OF CHARLOTTE) ss:

I, Emily A. Kunze, the Deputy City Clerk of the City of Charlotte, North Carolina, **DO HEREBY CERTIFY** that the foregoing is a true and exact copy of a resolution entitled "A RESOLUTION AUTHORIZING THE ISSUANCE OF AIRPORT REVENUE BOND ANTICIPATION NOTE OF THE CITY OF CHARLOTTE AND VARIOUS AGREEMENTS AND ACTIONS IN CONNECTION WITH SUCH TRANSACTIONS" adopted by the City Council of the City of Charlotte, North Carolina, at a meeting held on the 24th day of April, 2017, the reference having been made in Minute Book 142, and recorded in full in Resolution Book 48, Page(s) 122-151.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 24th day of April, 2017.



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 2017D

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EXHIBIT A FORM OF NOTE
EXHIBIT B FORM OF REQUISITION

ARTICLE I.

DEFINITIONS

Section 1.01. *Meaning of Words and Terms.*

(a) *Definitions.* All words and phrases defined in Article I of the 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 4.05.

“*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 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 officer of the City appointed in accordance with Section 159-24 of the General Statutes of North Carolina, or any successor statute, or the official succeeding to the Finance Director’s principal functions.

“*Full Funding Date*” means August 1, 2020, unless extended in writing by the Owner of the Note.

“*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 \$175,000,000 City of Charlotte, North Carolina Airport Revenue Bond Anticipation Note, Series 2017D issued pursuant to the Order and this Appendix A.

“*Note Purchase Agreement*” means the Note Purchase and Advance Agreement among the City, the Purchaser and the Commission related to the 2017D Note.

“*Order*” means the bond order adopted by the City Council of the City on November 18, 1985, as amended and restated by the bond order adopted on April 24, 2017 by the City Council of the City, authorizing and securing airport revenue bonds of the City, as may be further supplemented and amended in accordance with its terms.

“*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 Order or this Appendix A.

“*Prepayment Date*” means the date on which the Note or any portion thereof has been called for prepayment or is to be prepaid pursuant to 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 2017 Projects.

“*Purchaser*” means Bank of America, N.A., 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 April 24, 2017 with respect to the Note, the appendices attached thereto, and any amendments or supplements thereto.

“*Series 2017D Construction Account of the Construction Fund*” means the subaccount created and so designated by Section 4.01.

“*Series 2017D Subaccount of the Revenue Bond Interest Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2017D Subaccount of the Revenue Bond Principal Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2017D Subaccount of the Revenue Bond Redemption Account*” means the subaccount created and so designated by Section 4.01.

“*Series 2017D Subaccount of the Revenue Bond Sinking Fund Account*” means the subaccount created and so designated by Section 4.01.

“*Stated Principal Amount*” means \$175,000,000.

“2016 Note” means the up to \$230,000,000 City of Charlotte, North Carolina Airport Revenue Bond Anticipation Note, Series 2016 issued pursuant to the Order and the 2016 Series Resolution.

“2016 Series Resolution” means the Series Resolution adopted by the City Council on May 9, 2016 under which the 2016 Note was issued.

“2017 Projects” has the meaning set forth in the Series Resolution.

(b) *Construction.* This Appendix A, except where the context by clear implication herein otherwise requires, is subject to and to be construed in the same manner as provided by Section 102 of the 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 2017 Projects, prepaying a portion of the 2016 Note, the sale and delivery of the Note for that purpose, and 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 2017 Projects and the prepayment of a portion of the 2016 Note is hereby authorized. For the purpose of providing funds for the financing of the 2017 Projects, prepaying a portion of the 2016 Note 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 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 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 Order.

Section 2.02. *Issuance of the Note.* The Note will be designated “*City of Charlotte, North Carolina Airport Revenue Bond Anticipation Note, Series 2017D.*” The Note will be issuable as fully registered note in any Authorized Denomination. The Note will be numbered R-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 A.

Section 2.03. *Delivery of the Note.* Before the delivery by the Trustee of the Note, the items required under Section 716 of the 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 Order;
4. evidence of compliance by the City with the provisions of Section 716 of the Order;
5. 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 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 (5) of this Section have been filed with the Trustee and when the Note has been executed and authenticated as required by this Series Resolution, the Trustee shall deliver the Note as set forth 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 Advance under the Note, all as further set forth in the Note Purchase Agreement.. The Trustee is entitled to rely on the resolutions and certificates mentioned in paragraphs (1) through (5) 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 August 1, 2023 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 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 A, 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 prepayable, 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 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. If the City provides to the Purchaser and the Trustee written notice by noon on the Full Funding Date of its intent to repay the Note pursuant to the terms of Section 3(c) of the Note Purchase Agreement, accompanied by a certificate signed by the Finance Director to the effect that the City is, as of the Full Funding Date, in compliance with all conditions set forth in Section 3(c) of the Note Purchase Agreement, then the Note shall be deemed eligible for the Amortization Period under Section 3(c) of the Note Purchase Agreement.

Section 3.04. *Notice of Prepayment.* The City will provide written notice to the Trustee of the optional prepayment of the Note not less than 15 days (or such lesser number of days as the Trustee may accept), and notice of such prepayment under Section 3.02 will be given by the Trustee not less than 5 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 electronic 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 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 2017D 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 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 Order:

- (a) Series 2017D Subaccount of the Revenue Bond Interest Account;.
- (b) Series 2017D Subaccount of the Revenue Bond Principal Account;
- (c) Series 2017D Subaccount of the Revenue Bond Redemption Account;
- (d) Series 2017D Subaccount of the Revenue Bond Sinking Fund Account; and
- (e) Series 2017D Construction Account of the Construction Fund.

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

Section 4.02. ***Revenues Received by the City.*** On or before the 25th day of each month after the Note is issued (or such other date set forth below), the City shall, subject to the provisions of the 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 Series 2017D Subaccount of the Revenue Bond Interest Account an amount necessary, after taking into account money transferred from the PFC Revenue Account or otherwise deposited therein by the City, to have funds on hand on the 25th day of each month to pay the next maturing installment of interest on the principal amount of the Note then Outstanding; and

(b) beginning on the 25th day of the month before the maturity of the Note, into the Series 2017D Subaccount of the Revenue Bond Principal Account an amount, after taking into account money transferred from the PFC Revenue Account or otherwise deposited therein by the City, to have funds on hand to pay in full the principal amount of the Note then Outstanding at maturity; and

(c) if the Note is eligible to be paid during the Amortization Period, then during the Amortization Period, into the Series 2017D Subaccount of the Revenue Bond Sinking Fund Account, an amount in substantially equal monthly installments necessary, after taking into account money transferred from the PFC Revenue Account or otherwise deposited therein by the City, to prepay the portion of the Note required to be called by mandatory prepayment on the next payment date therefor as required pursuant to Section 3.03 of this Appendix A.

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 2017D Subaccount of the Revenue Bond Sinking Fund Account.* On each mandatory prepayment date during the Amortization Period as required under Section 3.03, the Trustee shall withdraw from the Series 2017D Subaccount of the Revenue Bond Sinking Fund Account the amount required to pay the principal portion of the prepayment price of the portion of the Note so called for prepayment. The amount of interest on the Note so called for prepayment shall be paid from the Series 2017D Subaccount of the Revenue Bond Interest Account.

If at any date there is money in the Series 2017D Subaccount of the Revenue Bond Sinking Fund Account and no portion of the Note is then Outstanding, the Trustee shall withdraw such money and deliver all remaining amounts to the City.

If, in any Fiscal Year, the City shall prepay a portion of the Note in excess of the aggregate principal amount of the Note required to be prepaid under Section 3.03 during such Fiscal Year, then the Trustee shall file with the City not later than the 20th day before the next August 1 a statement identifying the amount of such excess. The City shall thereafter cause a certificate of the Finance Director to be filed with the Trustee and the Purchaser 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 payments due under Section 3.03 with respect to Note are to be reduced and the amount by which such payments are to be reduced.

The expenses incurred in connection with any prepayment of the Note 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 2017D Revenue Bond Redemption Account.* From the money in the Series 2017D Revenue Bond Redemption Subaccount, the Trustee shall, on a date permitted by this Appendix A, prepay the Note or such portion thereof as will exhaust the money then held in the Series 2017D Subaccount of the Revenue Bond Redemption Account as nearly as may be. The Trustee shall pay the accrued interest on the Note or such portion thereof to be prepaid to the date of prepayment from the Series 2017D Subaccount of the Revenue Bond Interest Account and the principal portion of the prepayment price of the Note or such portion thereof from the Series 2017D Subaccount of the Revenue Bond Redemption Account. The Trustee shall withdraw from the Series 2017D Subaccount of the Revenue Bond Redemption Account and set aside the respective amounts required to pay the principal portion of the prepayment price of the Note or such portion thereof so called for prepayment.

On the prepayment of the Note or a portion thereof pursuant to the provisions of this Section, the Trustee shall file with the City a statement setting forth the date of prepayment, the amount of the prepayment price of the Note or such portion called for prepayment, and the amount paid as interest

thereon. The expense incurred by the Trustee in connection with the purchase or prepayment of any such Note shall be paid by the City from the Operating Fund or from any other available money.

Section 4.05. *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 (as reflected in a written notice delivered by the Purchaser to the City and the Trustee) 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 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 4.06. *Application of Note Proceeds.*

(a) On the date the Note is issued, the Purchaser will provide an Advance, in an amount determined by the City to be the amount necessary to prepay all or a portion of the 2016 Note, to the Trustee which the Trustee will deposit in the Series 2016 Revenue Bond Redemption Subaccount established under the 2016 Series Resolution. Without the need for further requisition, the Trustee is hereby directed to use such amount, together with other funds made available for such purpose, to prepay the 2016 Note on the date the Note is issued.

(b) The Proceeds from each subsequent Advance will be deposited by the Purchaser with the Trustee, and the Trustee shall deposit such amounts in the Series 2017D Construction Account of the Construction Fund.

On the filing from time to time with the Trustee of a requisition signed by an authorized representative of the City in the form attached hereto as Exhibit B, accompanied by a voucher or other appropriate documentation as may be required by the Trustee, the Trustee will make or cause to be made a disbursement from the Series 2017D Construction Account of the Construction Fund for the payment of the Costs of the 2017 Projects.

On the completion of the 2017 Projects to be financed with the proceeds of the 2017D Note, the City will deliver a certificate to the Trustee stating the fact and date of such completion and stating that all of the Costs of the 2017 Projects anticipated to be paid by the City from the proceeds of the 2017D Note have been paid. On the receipt by the Trustee of such certificate, unless the Trustee receives written direction from the City otherwise, the Trustee will deposit the remaining balance in the Series 2017D Construction Account of the Construction Fund to the Series 2017D Subaccount of the Revenue Bond Interest Account to be applied to the next payment due with respect to the 2017D Note.

Section 4.07. *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 2017D 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 2017D Construction Account of the Construction Fund shall be credited to or charged against that account.

Section 4.08. ***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 the Note 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 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 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 Order, but if the modification or amendment affects only the Note, the percentage to be applied under Section 1102 of the Order will be applied only to the Outstanding Note.

Notwithstanding anything in the Order or the Series Resolution to the contrary, (1) any initial purchaser, underwriter or remarketing agent holding the Note or a Series of the Bonds issued after the issuance of the Note may, regardless of its intent to sell or distribute the Note or such Bonds in the future, consent as the Owner of the Note or such Bonds to any amendment or supplemental series resolution as required or permitted by this Article, including any amendment or supplemental series 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 series resolution.

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 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 Finance Director, the City Treasurer, the City Debt Manager, the Aviation Director, 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 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 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 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 6.07. ***E-Verify; Iran Divestment Act Certification.*** By accepting its responsibilities under this Series Resolution, the Trustee and Paying Agent certify to the following:

The Trustee and Paying Agent understands that "E-Verify" is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Section 64-25(5) of the General Statutes of North Carolina, as amended. The Trustee and Paying Agent uses E-Verify to verify the work authorization of its employees in accordance with Section 64-26(a) of the General Statutes of North Carolina, as amended. The Trustee and Paying Agent will require that any subcontractor that it uses in connection with the transactions contemplated by this Series Resolution certify to such subcontractor's compliance with E-Verify. As of the date of this Series Resolution, the Trustee is not listed on the Final Divestment List created by the North Carolina State Treasurer pursuant to North Carolina General Statutes §143C-6A-4.

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 2017D**

No. R-1 \$175,000,000

| <u>INTEREST RATE</u> | <u>DATED DATE</u> | <u>MATURITY DATE</u> |
|-------------------------------|-------------------|----------------------|
| Variable, as set forth herein | [June], 2017 | [August], 2023 |

REGISTERED OWNER: BANK OF AMERICA, N.A.

STATED PRINCIPAL AMOUNT: ONE HUNDRED SEVENTY FIVE 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 April 24, 2017 (the "Order"), which amends and restates the bond order adopted by the City Council on November 18, 1985, and a resolution related to the Note adopted by the City Council on April 24, 2017 (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 (which may be electronic 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 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 Order.

THIS NOTE IS A SPECIAL OBLIGATION 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 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 OF 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 2017D*" (the "*Note*") issued under the Order. Unless the context indicates otherwise, all capitalized, undefined terms used herein have the meanings ascribed to them in the Order, the Series Resolution or the Appendix A attached to, and incorporated in, the Series Resolution. Under the Order, the City has previously issued several series of Bonds (the "*Existing Bonds*"). This Note, the Existing Bonds and any additional Bonds which may be issued under the Order are parity obligations under the Order.

This Note is being issued to finance all or a portion of the costs of the 2017 Projects (as defined in the Series Resolution), to prepay a portion of the 2016 Note (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 Order for the equal and ratable payment of this Note and the other Bonds issued under the Order.

"*Revenues*," "*Net Revenues*" and "*Current Expenses*" are defined in the Order. Pursuant to the Order the City has, for the benefit of the Owner of the Note, assigned Net Revenues and certain other rights to the Trustee in trust. Reference is made to the 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 and this Note. Copies of the 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 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 5 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 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, which may be electronic).

The 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 Order. The Order also contains provisions permitting the City and the Trustee to enter into amendments to the 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 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 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.

GREG C. GASKINS
Secretary of the Local Government Commission

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____, 2017

This is the Airport Revenue Bond Anticipation Note, Series 2017D designated herein and issued under the provisions of the within-mentioned 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.

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

TABLE OF ADVANCES

Upon receipt of any Advance described in Section 4.02 of the Series Resolution, the Trustee shall make the appropriate notation on the table below (or otherwise keep on the Trustee’s official books and records, which may be electronic):

| <u>Date</u> | <u>Installment Amount Paid</u> | <u>Total Principal Payments</u> | <u>Signature of Trustee</u> |
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TABLE OF PARTIAL PREPAYMENTS

Upon all partial prepayments (whether optional, mandatory or otherwise) the above Note may be surrendered to the Trustee for the appropriate notation by it on the table below (or otherwise keep on the Trustee's official books and records, which may be electronic). The Trustee's records relating to the outstanding principal amount of the Bond shall in all cases prevail:

| <u>Date</u> | <u>Amount Prepaid</u> | <u>Remaining Unpaid Principal Amount</u> | <u>Signature of Trustee</u> |
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EXHIBIT B
FORM OF REQUISITION

U.S. Bank National Association
214 North Tryon Street, 27th Floor
Charlotte, North Carolina 28202
Attention: Corporate Trust Services

Re: Disbursement from the Series 2017D Construction Account of the Construction Fund (the "*Construction Account*") relating the City of Charlotte, North Carolina Airport Revenue Bond Anticipation Note, Series 2017D

Dear _____ :

Pursuant to Section 4.06 of the Series Resolution adopted on April 24, 2017 by the City Council of the City of Charlotte, North Carolina (the "City"), the City hereby requests you to disburse from the Construction Account as follows:

1. The amount to be disbursed is \$ _____.
2. The name and address of the person, firm or corporation to whom the disbursement should be made is as follows:

3. The purpose of the disbursement is to _____.
4. The disbursement herein requested is for work actually performed, for service actually rendered or for materials, supplies or equipment actually delivered, installed or fabricated.

DATED this ___ day of _____, _____.

CITY OF CHARLOTTE, NORTH CAROLINA

By: _____
City Representative

CITY OF CHARLOTTE, NORTH CAROLINA

BOND ORDER

Adopted April 24, 2017

amending and restating the Bond Order adopted November 18, 1985

Authorizing and Securing

CITY OF CHARLOTTE, NORTH CAROLINA AIRPORT REVENUE BONDS

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APPENDIX A DESCRIPTION OF INCLUDED COST CENTERS

ARTICLE I

DEFINITIONS

Section 101. Meaning of Words and Terms. In addition to words or terms elsewhere defined in this Order the following words and terms as used in this Order shall have the following meanings, unless some other meaning is plainly intended:

“Accountant” means an independent certified public accountant or firm of certified public accountants of favorable repute for skill and experience in performing the duties for which it is employed by the City under this Order.

“Accreted Amount” means with respect to Capital Appreciation Bonds of any Series, the amount set forth in a Series Resolution as the amount representing the initial public offering price, plus the accumulated and compounded interest on such Bonds.

“Act” means The State and Local Government Revenue Bond Act (Article 5 of Chapter 159 of the General Statutes of North Carolina), as the same may be amended from time to time.

“Additional Facilities” means

- (a) any airport facilities, including all land, buildings, structures, equipment and appurtenances constituting a part thereof,
- (b) all enlargements of and improvements and additions to any existing or future buildings and structures, and
- (c) all renewals and replacements of any of the foregoing,

which airport facilities, enlargements, improvements, additions, renewals and replacements are part of the Included Cost Centers and financed as a whole or in part through the issuance of Bonds.

“Additional Facilities Account” means the account in the Construction Fund created and so designated by a Series Resolution as provided in Section 401.

“Airport” means the public airport known as the Charlotte/Douglas International Airport, together with such additions thereto as may be made from time to time.

“Airport Consultant” means any firm or corporation of favorable repute for skill and experience in performing the duties for which it is employed by the City under this Order.

“Airport Discretionary Fund” means the fund created and designated Charlotte/Douglas International Airport Discretionary Fund by Section 501.

“Airport Manager” means the Aviation Director of the Airport, or the officer succeeding to his principal functions, or such other individual who from time to time is designated in writing by the City to perform the duties of the Airport Manager.

“Annual Budget” means the budget adopted or in effect for each Fiscal Year as provided in Section 705.

“*Balloon Long-Term Bonds*” means Long-Term Bonds that are designated by the Finance Director as Balloon Long-Term Bonds and (a) 50% or more of the principal payments of which are due in a single year or (b) 50% or more of the principal of which may, at the option of the holder thereof, be redeemed at one time, and in either event which portion of the principal is not required by the documents pursuant to which such Bonds are issued to be amortized by redemption prior to such date.

“*Bond*” or “*Bonds*” means bonds, including bond anticipation notes, authorized under and secured by this Order.

“*Bond Fund*” means the fund created and designated the Charlotte/Douglas International Airport Bond Fund by Section 501.

“*Bond Registrar*” means, with respect to any Series of Bonds, the Bond Registrar at the time serving as such under the Series Resolution relating to such Series, whether the original or a successor Bond Registrar; provided, however, if no Bond Registrar is otherwise appointed, the Trustee will serve as the Bond Registrar.

“*Business Day*” means a day on which the Trustee, the Bond Registrar and the Depository are open for the purpose of conducting their commercial banking business.

“*Capital Appreciation Bonds*” means Bonds the interest on which is compounded and accumulated at the rates and on the dates set forth in a Series Resolution and is payable upon redemption or on the maturity date of such Bonds. Nothing in this Order shall prohibit the City from designating, in the appropriate Series Resolution, any such Bonds by a name other than Capital Appreciation Bonds.

“*CFC Revenues*” means the contract facility charge to be collected by each operator of a rental car business at the Airport pursuant to a concession agreement and remitted or at the direction of the City, including any contingent or additional rentals paid by such operators pursuant to a concession agreement.

“*City*” means the City of Charlotte, North Carolina, a municipal corporation and a body politic and corporate in the State.

“*City Attorney*” means the City Attorney for the City.

“*City Clerk*” means the City Clerk for the City, the person performing the duties of the City Clerk or the official succeeding to the City Clerk’s principal functions.

“*City Council*” means the City Council of the City or any successor body succeeding to the City Council’s principal functions.

“*Completion Bonds*” means any Long-Term Bonds incurred for the purpose of financing the completion of facilities for the acquisition, construction or equipping of which Long-Term Bonds have theretofore been incurred in accordance with the provisions hereof, to the extent necessary to provide a completed facility of the type and scope contemplated at the time that such Long-Term Bonds theretofore incurred were originally incurred, and, to the extent the same shall be applicable, in accordance with the general plans and specifications for such facility as originally prepared with only such changes as have been made in conformance with the documents pursuant to which such Long-Term Bonds theretofore incurred were originally incurred.

“*Construction Fund*” means the fund created and designated the Charlotte/Douglas International Airport Construction Fund by Section 401.

“*Cost*,” means, without intending thereby to limit or restrict any proper definition of such word under the Act, all items of cost set forth in Section 403.

“*Coverage Factor*” means, for any Fiscal Year, an amount equal to 25% of the sum of the amounts required to be deposited from Net Revenues for such Fiscal Year to certain Accounts and subaccounts pursuant to Section 503(b) and 503(c).

“*Credit Support Payment Amounts*” means letter of credit fees, liquidity fees, fees related to a Qualified Reserve Fund Substitute, municipal bond insurance premiums and other similar credit support amounts due other than principal, premium or interest required to be paid by the City in connection with any Series of Bonds.

“*Current Expenses*” means the City’s current expenses for the operation, maintenance and repair of the Included Cost Centers as determined in accordance with generally accepted accounting principles, but Current Expenses shall not include (1) any allowance for depreciation, (2) any deposits to any Fund or Account created under this Order and payments of principal, premium, if any, and interest from such Funds and Accounts and (3) any expenses paid from a source other than Revenues. When generally accepted accounting principles provide that amounts be treated as current expenses but (1) the timing of the required payment of the expense or a portion thereof, while known, is more than one year in the future or (2) the actual timing of the required payment of the expense is not readily determinable (such as post-employment benefits calculated actuarially), the City may include as a Current Expense the amount required to be paid for in the current period rather than the entirety of amounts required to be expensed.

“*Current Interest Bonds*” means Bonds the interest on which is payable on the Interest Payment Dates provided therefor in a Series Resolution.

“*Default*” means any Event of Default and any event that, after notice or lapse of time or both, would become an Event of Default.

“*Defaulted Interest*” means Defaulted Interest as defined in Section 202.

“*Depositary*” means any bank or trust company duly authorized by law to engage in the banking business and selected by the City as a depositary of money under this Order.

“*Eminent Domain*” means the eminent domain or condemnation power by which all or any part of the Included Cost Centers may be taken for another public use or any agreement that is reached in lieu of proceedings to exercise such power.

“*Event of Default*” means each of those events of default set forth in Section 802.

“*Excluded Cost Centers*” means all areas or parts of the Airport that are not in the Included Cost Centers.

“*FAA*,” means the Federal Aviation Administration or any successor organization or entity succeeding to the Federal Aviation Administration’s principal functions.

“*Finance Director*” means the finance officer of the City appointed in accordance with Section 159-24 of the General Statutes of North Carolina, or any successor statute, or the official succeeding to the Finance Director’s principal functions.

"Fiscal Year" means the period commencing on the first day of July, in any year and ending on the last day of June of the following year, unless the Trustee is notified in writing by the City of a change in such period, in which case the Fiscal Year shall be the 12-month period set forth in such notice.

"Government Obligations" means (a) direct obligations of, or obligations the payment of the principal of and the interest on which is guaranteed by, the United States of America, and (b) obligations of state or local government municipal bond issuers, provision for the payment of the principal of and interest on which shall have been made by deposit with a trustee or escrow agent of Government Obligations described in (a) above, the maturing principal of and interest on which, when due and payable, shall provide sufficient money to pay the principal of, premium, if any, and interest on such obligations of state or local government municipal bond issuers.

"Hedge Agreement" means an interest rate swap, cap, collar, floor, forward, option, put, call or other similar hedging agreement, however denominated, related to a Series of Bonds.

"Hedge Termination Payment" shall mean an amount payable by the City or a Qualified Hedge Provider, in accordance with a Qualified Hedge, to compensate the other party to the Qualified Hedge for any losses and costs that such other party may incur as a result of an event of default or the early termination of the obligations, in whole or in part, of the parties under such Qualified Hedge.

"Included Cost Centers" means the Airfield and the Terminal Complex, as further described in Appendix A and as may be amended as provided in this Order.

"Insurance and Condemnation Award Fund" means the fund created and designated the Charlotte/Douglas International Airport Insurance and Condemnation Award Fund by Section 501.

"Insurance Consultant" means a person or a firm of persons having a favorable reputation in the State for skill and experience in dealing with the insurance requirements of enterprises similar to the Airport and in performing the duties to be imposed upon it by this Order, including the City's risk manager.

"Interest Payment Date" means, with respect to any Series of Bonds, the interest payment dates provided for in the Series Resolution relating to such Series.

"Investment Obligations" means investments permitted to be made by the City on behalf of the Airport by laws of the State.

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

"Long-Term Bonds" means all Bonds, including (a) Short-Term Bonds if a commitment by a financial lender exists to provide financing to retire such Short-Term Bonds and such commitment provides for the repayment of principal on terms which would, if such commitment were implemented, constitute a repayment period longer than one year, and (b) the current portion of Long-Term Bonds, for money borrowed for an original term, or renewable at the option of the borrower for a period from the date originally incurred, longer than one year.

"Long-Term Debt Service Requirement" means, for any period of twelve consecutive calendar months for which such determination is made, the aggregate of the payments to be made in respect of principal and interest on Outstanding Long-Term Bonds during such period, also taking into account (a) with respect to Balloon Long-Term Bonds the amount of principal which would be payable in such period

if such principal were amortized from the date of incurrence thereof over a period of thirty (30) years (or such other time period as certified by the Finance Director over which the City intends to refinance such Balloon Indebtedness) on a level debt service basis at an interest rate equal to the rate borne by such Bonds on the date calculated, except that if the date of calculation is within twelve months of the actual maturity of such Bonds, the full amount of principal payable at maturity shall be included in such calculation, (b) with respect to Variable Rate Bonds that are Long-Term Bonds and Balloon Indebtedness, the interest rate shall be assumed to be *The Bond Buyer* 25 Revenue Bond Index, or its successor or replacement index, for the last week of the month preceding the date of calculation as published by *The Bond Buyer*, or if *The Bond Buyer* 25 Revenue Bond Index is no longer published, another similar index selected by the City; provided, however, if the City has entered into a Qualified Hedge Agreement related to the Variable Rate Bonds under which it will receive payments calculated on a notional amount equal to all or a portion of the aggregate principal amount of the Variable Rate Bonds and will make payments calculated on the same notional amount, the interest used to make the calculation will be the amount to be paid by the City, and the amount to be received will be deducted, and (c) with respect to Capital Appreciation Bonds, included as a principal amount, the Accreted Amount maturing or scheduled for redemption in such Fiscal Year.

“*Mayor*” means the Mayor of the City, the person performing the duties of the Mayor or the official succeeding to the Mayor’s principal functions.

“*Net Proceeds*” means the gross proceeds derived from insurance or as an award arising from Eminent Domain with respect to the Included Cost Centers, less payment of attorneys’ fees and expenses properly incurred in the collection of gross proceeds.

“*Net Revenues*” for any period means the excess, if any, of Revenues over Current Expenses for such period.

“*Operating Fund*” means the fund created and designated the Charlotte/Douglas International Airport Operating Fund by Section 501.

“*Order*” means this Order, and any supplements and amendments hereto permitted hereby.

“*Outstanding*” when used with reference to Bonds means, as of a particular date, all Bonds theretofore authorized under and secured by this Order except:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Bonds for the payment of which money, Government Obligations, or a combination of both, in an amount sufficient to pay on the date when such Bonds are to be paid or redeemed the Redemption Price of and the interest accruing to such date on the Bonds to be paid or redeemed have been deposited with the Trustee in trust for the Owners of such Bonds; Government Obligations shall be deemed to be sufficient to pay or redeem Bonds on a specified date if the principal of and the interest on such Government Obligations, when due, will be sufficient to pay on such date the Redemption Price of, and the interest accruing on, such Bonds to such date; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Order.

“*Owner*” means a person in whose name a Bond is registered in the registration books provided for in Section 205.

“*Permitted Encumbrances*” means, with respect to the Included Cost Centers:

(a) liens for taxes or other governmental charges or levies not delinquent or that are being contested in good faith by the City;

(b) covenants, defects, irregularities, encumbrances, easements, including easements for roads and public utilities and similar easements, rights of way, mineral conveyances, mineral reservations, and clouds on title, which are consistent with operations of airports similar to the Airport and which do not materially impair the use of the property affected thereby for its intended purposes;

(c) mechanics’, workers’, repairmen’s, architects’, engineers’, surveyors’, or carriers’ liens or other similar liens with respect to the Included Cost Centers provided that the same shall be discharged in the ordinary course of business and without undue delay or the validity of the same shall be contested in good faith with any pending execution thereof appropriately stayed; and

(d) leases, easements, development agreements and other similar interests in property surrounding the Airport owned by the Airport and not used for airport operations.

“*PFC*” or “*PFCs*” means passenger facility fees authorized under 49 U.S.C. §40117, or any predecessor or successor law, and approved by the FAA from time to time, or such other similar charge or fee imposed by the City on passengers enplaned at the Airport.

“*PFC Eligible Bonds*” means those Bonds, issued under this Order, (1) the proceeds of which are used for PFC Eligible Projects and (2) the payment of principal of, premium, if any, and interest on which may be made from PFC Revenues.

“*PFC Eligible Projects*” means those improvements or projects at the Airport designated by the City which have been or are anticipated to be approved by the FAA to be paid from PFCs.

“*PFC Revenues*” means revenues collected by the Airlines and remitted to the City from the imposition of PFCs.

“*PFC Revenue Account*” means the account created and designated as the Charlotte/Douglas International Airport PFC Revenue Account by Section 501 of this Bond Order.

“*Pledged PFC Revenues*” means PFC Revenues that are pledged to specific Series of Bonds in a Series Resolution or a Supplemental Order as permitted under Section 518.

“*Principal*” or “*principal*” means (i) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest) except as used in connection with the authorization and issuance of Bonds and with the order of priority of payments of Bonds after an event of default, in which case “principal” means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest) but when used in connection with determining whether the Owners of the requisite principal amount of Bonds then Outstanding have given any request, demand, authorization, direction, notice, consent or waiver,

“principal amount” means the Accreted Amount and (ii) with respect to any Current Interest Bond, the principal amount of such Bond payable at maturity or sinking fund redemption.

“*Proceeds Account*” means the account in the Construction Fund to be created and so designated by Section 405.

“*Qualified Hedge Provider*” means any entity who senior unsecured long term obligations, financial programs rating, counterparty rating, or claims paying ability, or whose payment obligations under the related Hedge Agreement are absolutely and unconditionally guaranteed by an entity whose senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are rated either (i) by at least one national rating agency in the “A” rating category or higher, or the equivalent, but, in no event lower than any unenhanced long-term rating on the related Series of Bonds at the time of execution of the Hedge Agreement or (ii) in any such lower rating categories in which each rating agency then rating the Bonds indicates in writing to the City will not, by itself result in a reduction or withdrawal of its long-term rating on the related Series of Bonds that is or would be in effect prior to entering into the Hedge Agreement. An entity’s status as a “Qualified Hedge Provider” is determined only at the time the City enters into a Hedge Agreement with such entity and cannot be re-determined with respect to that Hedge Agreement.

“*Qualified Reserve Fund Substitute*” means (1) an irrevocable letter of credit, naming the Trustee as beneficiary, issued by any domestic or foreign bank, or any branch or agency thereof, whose long-term debt obligations are rated by at least one national rating agency in the “A” rating category or higher, or the equivalent, (2) a surety bond issued by a financial institution whose long-term rating is in the “A” rating category or higher, or equivalent, by at least one national rating agency or (3) a policy of reserve fund insurance issued by an insurance company whose claims-paying ability is rated by at least one national rating agency in the “A” rating category or higher, or the equivalent. In each case, ratings set forth above shall be determined at the time of issuance of such Qualified Reserve Fund Substitute and without regard to ratings subcategories.

“*Rebate Account*” means the account in the Revenue Fund designated by Section 501.

“*Redemption Price*” means the principal amount of a Bond called for redemption plus the applicable premium, if any, payable upon redemption thereof in the manner provided by this Order.

“*Regularly Scheduled Hedge Payments*” shall mean the regularly scheduled payments under the terms of a Hedge which are due absent any termination, default or dispute in connection with such Hedge.

“*Regular Record Date*” means, with respect to any series of Bonds, the regular record date, if any, provided for in the Series Resolution relating to such Series.

“*Released Revenues*” means Revenues released from the grant of security for the Bonds under Section 516.

“*Reserve Requirement*” means, with respect to any Series of Bonds, the amount required to be placed or maintained in a separate subaccount within the Revenue Bond Reserve Account with respect to such Series.

“*Revenue Bond Capitalized Interest Account*” means the account in the Bond Fund created and so designated by Section 501.

“*Revenue Bond Interest Account*” means the account in the Bond Fund created and so designated by Section 501.

“*Revenue Bond Principal Account*” means the account in the Bond Fund created and so designated by Section 501.

“*Revenue Bond Redemption Account*” means the account in the Bond Fund created and so designated by Section 501.

“*Revenue Bond Reserve Account*” means the account in the Bond Fund created and so designated by Section 501.

“*Revenue Bond Sinking Fund Account*” means the account in the Bond Fund created and so designated by Section 501.

“*Revenue Fund*” means the fund created and designated the Charlotte/Douglas International Airport Revenue Fund by Section 501.

“*Revenues*” means, with respect to the Included Cost Centers,

(a) except to the extent hereinafter excluded, the operating revenues derived by the City from the operation or ownership of the Included Cost Centers as determined in accordance with generally accepted accounting principles,

(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 to the Revenue Fund,

(c) amounts transferred from any fund or account established under this Order or a Series Resolution to the Revenue Fund, and

(d) any proceeds of business interruption insurance.

Revenues specifically exclude:

- (1) CFC Revenues, unless pledged in a Supplemental Order,
- (2) PFC Revenues, except to the extent designated as Pledged PFC Revenues;
- (3) income and revenues of Special Purpose Facilities pledged to the financing of Special Purpose Facilities in accordance with Section 715;
- (4) Released Revenues; and
- (5) any revenues derived from the Excluded Cost Centers.

“*Serial Bonds*” means the Bonds of any Series that are designated as such in the Series Resolution for such Series.

“*Series*”, whenever used herein with respect to Bonds, means all of the Bonds designated as being of the same series.

“*Series Resolution*” means the resolution of the City, as may be supplemented or amended, providing for the issuance of any particular Series of Bonds that is required to be adopted prior to the issuance of any Series.

“*Short-Term Bonds*” means all Bonds, other than the current portion of Long-Term Bonds incurred or assumed by the City, for payments of principal and interest with respect to money borrowed for an original term, or renewable at the option of the borrower for a period from the date originally incurred, of one year or less.

“*Special Purpose Facilities*” means any land, building, structure or other facilities, including equipment, acquired or constructed, which are financed by the issuance of obligations which are issued in compliance with the provisions of Section 715 and not issued under or secured by the provisions of this Order.

“*Special Record Date*” for the payment of any Defaulted Interest on Bonds means a date fixed by the Trustee pursuant to Section 202.

“*State*” means the State of North Carolina.

“*Subordinate Indebtedness*” means debt, the payment of the principal and interest on which is secured by a lien on Net Revenues that is subordinate to the lien on Net Revenues securing the payment of the principal of and interest on the Bonds.

“*Supplemental Order*” means an order adopted by the City Council that is supplemental hereto in accordance with Article XI.

“*Term Bonds*” means the Bonds of any Series, other than Serial Bonds, stated to be payable by their terms on one or more dates.

“*Total Operating Revenues*” means, as to any period of time, total operating revenues with respect to the Included Cost Centers, as determined in accordance with generally accepted accounting principles for airports consistently applied.

“*Trustee*” means the Trustee at the time serving as such under this Order, whether original or successor.

“*Variable Rate Bonds*” means any portion of Bonds the interest rate on which is not established at the time of incurrence at a fixed or constant rate.

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

(b) When used in connection with the amounts on deposit in or to be deposited in any Fund or Account created hereunder, the word “money” shall include Investment Obligations.

(c) All references herein to particular articles or sections are references to articles or sections of this Order unless some other reference is indicated.

(d) All references to the City or any action of the City are references to the City as owner and operator of the Airport and shall not be deemed to refer to the City in any other proprietary or governmental capacity unless the context otherwise requires.

ARTICLE II

DETAILS OF BONDS

Section 201. Limitation on Issuance of Bonds. No Bonds may be issued under this Order except in accordance with the provisions of this Article. The principal of, the interest on and the redemption premium, if any, on all Bonds issued under the provisions of this Bond Order shall be payable solely from the moneys and assets pledged by this Order and the respective Series Resolutions for their payment. All covenants, agreements and provisions of this Order shall be for the benefit and security of all present and future Owners without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided or as provided in any Series Resolution, of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or otherwise.

Section 202. Details of Bonds. The Bonds authorized hereunder may be issued in one or more Series that may be delivered from time to time. The City shall by Series Resolution authorize such Series and shall specify, to the extent appropriate, the following: the authorized principal amount of such Series, the Additional Facilities to be financed from the Bonds or the Bonds or other indebtedness to be refunded or refinanced with the proceeds thereof; the date and terms of maturity or maturities of the Bonds of such Series, or the dates of payment of the Bonds on the demand of the Owner; the interest rate or rates of the Bonds of such Series, which may include variable, adjustable, convertible or other rates, original issue discount, Capital Appreciation Bonds, municipal multipliers or other deferred interest arrangements and zero interest rate bonds, provided that the interest cost of such Series shall never exceed for such Series the maximum interest rate, if any, permitted by law in effect at the time such Series is issued; the denominations, numbering, lettering and series designation of such Series of Bonds, the paying agents and place or places of payment of such Bonds, the Redemption Prices for such Series of Bonds and any terms of redemption not inconsistent with the provisions of this Order which may include mandatory redemption at the election of the Owner thereof to the extent authorized by law; the amount and date of each mandatory redemption requirement, if any, for such Series of Bonds; the use to be made of proceeds of such Series of Bonds, including deposits required to be made into any construction fund, the Revenue Bond Interest Account and the Revenue Bond Reserve Account; and any other terms or provisions applicable to the Series of Bonds, not inconsistent with the provisions of this Order or the Act. All of the foregoing may be added by Series Resolutions adopted at any time or from time to time prior to the issuance of such Series of Bonds.

Each Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (a) authenticated upon an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) authenticated prior to the first Interest Payment Date, in which event it shall bear interest from its date or such later date as is specified in the Series Resolution providing for its issuance; however, that if at the time of authentication of any Bond interest is in default, such Bond shall bear interest from the date to which interest has been paid.

Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. The payment of interest on each Bond shall be made (a) by the Bond Registrar on each Interest Payment Date to the person appearing on the registration books of the Bond Registrar as the registered owner thereof by check or draft mailed to the registered owner at his address as it appears on such registration books, or (b) by such additional or alternative means as is provided in any Series Resolution for the issuance of such Bond. Payment of the principal of all Bonds shall be made upon the presentation and surrender of such Bonds at the corporate trust office of the Bond Registrar as the same become due and payable (whether at maturity or by redemption, acceleration, or otherwise) or as otherwise provided in any Series Resolution.

Any interest on any Bond of any Series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Owner on the relevant Regular Record Date solely by virtue of such Owner having been such Owner; and such Defaulted Interest may be paid by the City, at its election in each case, as provided in Subsection A or B below:

A. The City may elect to make payment of any Defaulted Interest on the Bonds or any Series to the persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The City shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the City shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Subsection provided. Thereupon the Trustee shall fix a special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, such expense to be paid by the City, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Owner at his address as it appears in the registration books maintained under Section 205 not less than 10 days prior to such Special Record Date and, to the extent available, post such notice on the Electronic Municipal Market Access (EMMA) system or any successor system. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date and shall no longer be payable pursuant to the following Subsection B.

B. The City may make payment of any Defaulted Interest on the Bonds of any Series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the City to the Trustee of the proposed payment pursuant to this Subsection, such payment shall be deemed practicable by the Trustee.

"*Predecessor Bonds*" of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond, and, for purposes of this definition, any Bond authenticated and delivered under Section 210 in lieu of a lost, destroyed or stolen Bond shall be deemed to evidence the same debt as the lost, destroyed or stolen Bond.

Subject to the foregoing provisions of this Section, each Bond delivered under this Order upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date, that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

Section 203. Execution and Form of Bonds. The Bonds shall be signed by, or bear the facsimile signatures of, the Mayor, the City Manager or the Finance Director and the City Clerk or any Deputy City Clerk, and, if required by law, the official seal of the City shall be impressed, or a facsimile thereof imprinted, on the Bonds. In case any officer whose signature or a facsimile of whose signature

appears on any Bonds ceases, to be such officer before the delivery of such Bonds, such signature or such facsimile nevertheless shall be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond are the proper officers to execute such Bond although at the date of such Bond such persons may not have been such officers.

The definitive Bonds are issuable as permitted or required by the respective Series Resolution providing for the issuance of Bonds of any Series. All Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the applicable rules and regulations of any governmental authority or any securities exchange on which the Bonds may be listed or to any requirement of law with respect thereto.

Section 204. *Exchange of Bonds.* Bonds, upon surrender thereof at the corporate trust office of the Bond Registrar, together with an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the other thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity, of any denomination or denominations authorized by the Series Resolution pursuant to which such Bonds were issued, bearing interest at the same rate and in the same form as the Bonds surrendered for exchange.

The City shall make provision for the exchange of Bonds at the corporate trust office of the Bond Registrar.

Section 205. *Negotiability and Registration of Transfer of Bonds.* The Bond Registrar shall keep books for the registration and the registration of transfer of the Series of Bonds as to which it is Bond Registrar as provided in this Order. Said registration books shall be available at all reasonable times for inspection by the City and any Owner and may be copied by either of the foregoing and their agents or representatives.

The Bond Registrar evidences acceptance of the duties, responsibilities and obligations of the Bond Registrar under this Order and the applicable Series Resolution by the execution of the Certificate of Authentication on the related Series of Bonds.

The transfer of any Bond may be registered only upon the books kept for the registration of transfer of Bonds upon presentation thereof to the Bond Registrar together with an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. No transfer of any Bond shall alter the ownership of such Bond for purposes of this Order unless such transfer is registered with the Bond Registrar. Upon any such registration of transfer, the City shall, if necessary, execute and the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by the Series Resolution pursuant to which such Bond was issued.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the City shall, if necessary, execute and the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Bond Order. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be, cancelled by the Bond Registrar. No service charge shall be made for any registration, transfer, or exchange of Bonds, but the City and the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds. Unless otherwise required by Series Resolution, neither the City nor the Bond Registrar shall be required (a) to issue, transfer or exchange Bonds during a period beginning at the opening of business fifteen (15) days

before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (b) to transfer or exchange any Bond so selected for redemption in whole or in part.

Section 206. Ownership of Bonds. The person in whose name any Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of and premium, premium, if any, and interest on, any such Bond shall be made only to or upon the order of the Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 207. Authentication of Bonds. Only such Bonds as have endorsed thereon a certificate of authentication substantially in the form set forth in the Series Resolution pursuant to which such Bonds were issued, duly executed as provided in the Series Resolution, shall be entitled to any benefit or security under this Order. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication on the Bond has been duly executed and dated as provided in the Series Resolution, and such certificate upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Order. The certificate of authentication on any Bond shall be deemed to have been duly executed and dated if signed by an authorized officer of the party authorized under the Series Resolution but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds or any Series thereof that may be issued hereunder at any one time.

Section 208. Terms and Conditions for Issuance of Bonds. Before any Bonds shall be issued hereunder, the City Council shall adopt or execute, as the case may be, a Series Resolution authorizing the issuance of such Bonds, fixing the amount and the details thereof, and describing in brief and general terms the purpose for issuing such Bonds. The Bonds of each Series shall be designated "City of Charlotte, North Carolina Airport Revenue Bonds, Series ____", with any variation as the City may determine appropriate, shall be stated to mature, subject to the right of prior redemption as therein set forth, on the date or dates specified therein, in such year or years not later than as permitted by law, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered and shall have such redemption provisions (subject to the provisions of Article III), all as provided in the Series Resolution. Except as to any differences in the maturities thereof or in the rate or rates of interest or the provisions for redemption or the provisions regarding the respective accounts and subaccounts within the Revenue Bond Reserve Account, Revenue Bond Interest Account, Revenue Bond Principal Account, Revenue Bond Sinking Fund Account, Revenue Bond Redemption Account and PFC Revenue Account, all such Bonds shall be on a parity with and shall be entitled to the same benefit and security of this Order, including, in particular, the pledge of Net Revenues.

The Bonds shall be executed substantially in the form and in the manner hereinabove set forth and shall be deposited with the appropriate officer for authentication, but before the Bonds shall be authenticated and delivered to the State Treasurer for redelivery to the purchasers thereof, there will be filed with the Trustee the following:

- (a) a copy, certified by the City Clerk, of this Bond Order;
- (b) a copy, certified by the City Clerk, of the Series Resolution adopted by the City Council or a copy of the executed Series Resolution by the authorized officers of the City, as the case may be, for the Bonds;
- (c) a copy, certified by the Secretary or any Deputy Secretary of the Local Government Commission, of the resolution of the Local Government Commission approving the

issuance of and awarding the Bonds, if such Bonds are required by law to be approved by the Local Government Commission;

(d) a copy, certified by the City Clerk, of the resolution of the City Council (which resolution may be incorporated in the Series Resolution for the Bonds), approving the award of the Bonds by the Local Government Commission, if required by law, and directing the authentication and delivery of the Bonds to or upon the order of the purchasers therein named upon payment of the purchase price plus the accrued interest thereon;

(e) evidence of compliance with the provisions of Section 716; and

(f) such other documents as are required to be delivered to the Trustee pursuant to the Series Resolution.

When the documents mentioned in paragraphs (a) to (f), inclusive, of this Section shall have been filed with the Trustee and when the Bonds shall have been executed and authenticated as required by this Bond Order, the Trustee shall deliver the Bonds at one time to the State Treasurer for redelivery to or upon the order of the purchasers named in the resolution mentioned in paragraph (c) of this Section, but only upon payment to the Trustee of the purchase price of the Bonds and the accrued interest, if any, thereon. The Trustee shall be entitled to rely upon the resolutions mentioned in paragraphs (b), (c) and (d) of this Section as to all matters stated therein.

The proceeds (including accrued interest) of the Bonds shall be applied by the Trustee as provided in the Series Resolution simultaneously with the delivery of the Bonds.

Section 209. Temporary Bonds. Until the definitive Bonds of any Series are ready for delivery, there may be executed, and upon direction of the Finance Director, the Bond Registrar shall deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, except as to identifying numbers, printed, engraved, lithographed or typewritten temporary Bonds in denominations permitted by the applicable Series Resolution for the definitive Bonds, substantially of the tenor hereinabove set forth, with such appropriate omissions, insertions and variations as may be required. The City shall cause the definitive Bonds to be prepared and to be executed and delivered to the Bond Registrar, and the Bond Registrar, upon presentation to it of any temporary Bond, shall cancel the same or cause the same to be cancelled and shall deliver, in exchange therefor, at the place designated by the Owner, without expense to the Owner, a definitive Bond or Bonds of the same Series and in the same aggregate principal amount, maturing on the same date and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall be entitled to the same benefit of this Order as the definitive Bonds to be issued and authenticated hereunder, including the privilege of registration if so provided. Until definitive Bonds are ready for exchange, interest on temporary Bonds shall be paid when due and notation of such payment shall be endorsed thereon.

Section 210. Mutilated, Destroyed, Lost, or Stolen Bonds. The City shall cause to be executed, and the Bond Registrar shall deliver a new Bond of like date, number and tenor in exchange and substitution for and upon the cancellation of any mutilated Bond, or in lieu of and in substitution for any destroyed, lost or stolen Bond, and the Owner shall pay the reasonable expenses and charges of the City in connection therewith. Prior to the delivery of a substitute Bond the Owner of any Bond which was destroyed, lost or stolen, shall file with the Bond Registrar evidence satisfactory to it of the destruction, loss or theft of such Bond and of the Owner's ownership thereof and shall furnish to City and to the Bond Registrar such security or indemnity as may be required by them to save each of them harmless from all risks, however remote.

Every Bond issued pursuant to the provisions of this Section 210 in exchange or substitution for any Bond which is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation of the City, whether or not the destroyed, lost or stolen Bonds are found at any time or are enforceable by anyone, and shall be entitled to all the benefits and security hereof equally and proportionately with any and all other Bonds of the same Series duly issued under this Order.

Section 211. *Book-Entry System.* A Series Resolution may provide that a Series of Bonds may be held in a book-entry system by a securities depository in which case the rules and procedures of the securities depository shall supercede the provisions of this Order with respect to the process of substitution, exchange, payment, redemption, tender and the like for the Series of Bonds.

ARTICLE III

REDEMPTION

Section 301. *Redemption Generally.* The Bonds of any Series issued under this Order may be made subject to redemption, at such time and prices, as may be provided by the Series Resolution authorizing the issuance of such Bonds.

Section 302. *Selection of Bonds or Portions thereof to be Redeemed.* The Trustee shall select the Bonds or portions thereof to be redeemed in accordance with the terms and provisions of this Order and the Series Resolution relating to such Bonds.

If less than all of the Bonds of any one maturity of a series shall be called for redemption, the particular Bonds to be redeemed from such Series shall be selected in such manner as shall be provided in the Series Resolution.

Section 303. *Redemption Notice.* The requirements for notice of redemption shall be set forth in the Series Resolution for each Series of Bonds.

Section 304. *Effect of Calling for Redemption.* On or before the date upon which Bonds are to be redeemed, the City shall deposit with the Trustee money or Government Obligations, or a combination of both, that will be sufficient to pay on the redemption date the Redemption Price of, and interest accruing on, the Bonds to be redeemed to such redemption date.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called, for redemption shall be due and payable at the Redemption Price provided therefor, plus accrued interest to such date. If money or non-callable Government Obligations (that have maturity dates or redemption dates which, at the option of the holder of such Government Obligations, shall not be later than the date or dates on which moneys will be required to effect such redemption), or a combination of both, sufficient to pay the Redemption Price of the Bonds or portions thereof to be redeemed plus accrued interest thereon to the date of redemption are held by the Trustee in trust for the Owners of Bonds to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefits or security under this Order or to be deemed Outstanding; and the Owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the Redemption Price thereof, plus accrued interest to the date of redemption, Bonds and portions of Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption at the earliest redemption date have been given to the Trustee in form satisfactory to it shall not thereafter be deemed to be Outstanding under this Order and shall cease to be entitled to the security of or any rights under this Order, and the Owners shall have no rights in respect of the same other than to receive payment of the Redemption Price thereof and accrued interest thereon, to be given notice of redemption in the manner provided in Section 303, and to the extent hereinafter provided, to receive Bonds for any unredeemed portions of Bonds if money or non-callable Government Obligations (that have maturity dates or redemption dates which, at the option of the holder of such Government Obligations, shall not be later than the date or dates on which moneys will be required to effect such redemption), or a combination of both, sufficient to pay the Redemption Price of such Bonds or portions thereof, together with accrued interest thereon to the date upon which such Bonds are to be paid or redeemed, are held in separate accounts by the Trustee in trust for the Owners of such Bonds.

Section 305. *Redemption of Portion of Bonds.* If less than all of an Outstanding Bond is selected for redemption, the Owner thereof or his attorney or legal representative shall present and

surrender such Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption, and the redemption premium, if any, on such principal amount, and the City shall, if necessary, execute and the Bond Registrar shall authenticate and deliver to or upon the order of such Owner or his attorney or legal representative, without charge, for the unredeemed portion of the principal amount of the Bond so surrendered, a new Bond of the same Series and maturity, bearing interest at the same rate and of any denomination or denominations authorized by this Order.

Section 306. Cancellation. Bonds presented and surrendered in accordance with the provisions of this Article shall be cancelled upon the surrender thereof.

ARTICLE IV

CONSTRUCTION FUND

Section 401. *Construction Fund.* A special fund is hereby established with the Trustee and designated the "Charlotte/Douglas International Airport Construction Fund." Unless otherwise prohibited from doing so, any money received by the Trustee or the City from any source for construction of Additional Facilities shall be deposited upon the delivery of such Bonds in a separate subaccount in the Additional Facilities Account to be created by the Series Resolution providing for the issuance of the Bonds financing such Additional Facilities. The City and the Trustee may create other accounts and subaccounts in the Construction Fund as they determine necessary or convenient for the proper administration of any Series of Bonds.

The money in the Construction Fund shall be held by the Trustee in trust and pending application to the payment of the Cost of the Additional Facilities, or transfer as provided herein or in the Series Resolution, shall, to the extent permitted by law, be subject to a lien and charge in favor of the Owners of Bonds issued with respect to such Additional Facilities and Outstanding under this Order and shall be held for the security of such Owners.

Section 402. *Payments from Construction Fund.* Payment of the Cost of Additional Facilities shall be made from the applicable subaccount within the Additional Facilities Account. All payments from the Construction Fund shall be subject to the provisions and restrictions set forth in this Article, and the City shall not cause or agree to permit to be paid from the Construction Fund any sums except in accordance with such provisions and restrictions.

Section 403. *Cost of Additional Facilities.* For the purpose of this Order, the Cost of the Additional Facilities, as the case may be, shall include such costs as are eligible costs within the purview of the Act, and, without intending to limit or restrict any proper definition of such Cost, shall include the following:

(a) obligations incurred for labor, materials, services provided by contractors, builders and materialmen in connection with the construction, acquisition, and equipping of the Additional Facilities, machinery and equipment, for the restoration of property damaged or destroyed in connection with such construction and acquisition, for the demolition, removal or relocation of any structures and for the clearing of lands;

(b) interest accruing upon any Bonds prior to the commencement of and during construction or for any additional period as may be authorized by law and provided in the Series Resolution authorizing the issuance of such Bonds;

(c) the cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding to acquire by condemnation, such land, structures and improvements, property rights, rights-of-way, franchises, easements and other interests in lands as may be deemed necessary or convenient in connection with such construction or operation of the Airport;

(d) expenses of administration properly chargeable to such construction or acquisition, legal, architectural and engineering expenses and fees, cost of audits and of preparing and issuing the Bonds, fees and expenses of consultants, financing charges, premiums of insurance in connection with construction, bond insurance premiums, the cost of funding any debt service reserve fund requirements, and all other items of expense not elsewhere in this

Section specified, that are incident to the financing, construction or acquisition of the Additional Facilities and the placing of the same in operation; and

(e) any obligation or expense incurred by the City for any of the foregoing purposes prior to the date of delivery of the Bonds, including reimbursement to air carriers or other persons for advances made to the City, and also including the cost of materials, supplies or equipment furnished by the City in connection with the construction of any Additional Facilities and paid for by the City out of funds other than money in the Construction Fund.

Section 404. *Requisitions from Construction Fund.* Payments from the Construction Fund shall be made in accordance with the provisions of each Series Resolution for a particular Series of Bonds. All requisitions received by the Trustee as conditions of payment from the Construction Fund may be relied on by the Trustee.

Section 405. *Proceeds Account.* If and when Net Proceeds are received and designated for use in the repair or replacement of the Airport, the Trustee shall create a new account in the Construction Fund to be designated the Proceeds Account into which Net Proceeds shall be deposited. Payment of the Cost of repairing or replacing the Airport shall be made from the Proceeds Account. All the provisions of this Article that relate to the Construction Fund shall apply to all Accounts within such fund, including the Proceeds Account.

ARTICLE V

REVENUES AND FUNDS

Section 501. Establishment of Funds. In addition to the Construction Fund, there are hereby established the following funds;

- (a) Charlotte/Douglas International Airport Revenue Fund;
- (b) Charlotte/Douglas International Airport Operating Fund;
- (c) Charlotte/Douglas International Airport Bond Fund, in which there are established six special Accounts to be known as the Revenue Bond Capitalized Interest Account, the Revenue Bond Interest Account, the Revenue Bond Principal Account, the Revenue Bond Redemption Account, the Revenue Bond Reserve Account and the Revenue Bond Sinking Fund Account;
- (d) Charlotte/Douglas International Airport Discretionary Fund;
- (e) Charlotte/Douglas International Airport Insurance and Condemnation Award Fund; and
- (f) Charlotte/Douglas International Airport PFC Revenue Account.

The Bond Fund and the Accounts and subaccounts therein shall be established with and held by the Trustee. The Revenue Fund, the Operating Fund, the Insurance and Condemnation Award Fund and the Airport Discretionary Fund and the Accounts therein shall be established with and held by a Depository selected by the City. The PFC Revenue Account shall be established with and held by the Trustee; provided, however, the City may elect to have the PFC Revenue Account held by a Depository selected by the City by giving written notice to the Trustee and the Trustee shall take all actions necessary to facilitate the transfer of the PFC Revenue Account to such Depository.

If required by a Series Resolution, there will be established a special Account in the Revenue Fund for a Series of Bonds known as the Rebate Account and money in the Rebate Account shall be applied as provided in the Series Resolution. The Rebate Account and any subaccounts therein shall be established with and held by the Trustee.

With the exception of the money in the Airport Discretionary Fund and the Rebate Account which shall be held free and clear of any lien or encumbrance created by this Order, the money in all of the Funds, Accounts and subaccounts established pursuant to this Article V shall be held in trust and applied as hereinafter provided and, pending such application, the money in the Bond Fund and the Accounts and subaccounts therein shall be subject to a lien and charge in favor of the Owners of the respective Series of Bonds issued and Outstanding under this Order and for the further security of such Owners, except as otherwise provided herein or in any Series Resolution.

Each Series Resolution shall provide for the creation of a separate subaccount, as applicable, within the Rebate Account, the Revenue Bond Capitalized Interest Account, the Revenue Bond Interest Account, the Revenue Bond Principal Account, the Revenue Bond Redemption Account, the Revenue Bond Reserve Account and the Revenue Bond Sinking Account with respect to each Series of Bonds, which subaccounts shall bear the designation of such Series of Bonds.

Section 502. *Revenues and PFC Revenues Received by the City.* Except as hereinafter provided, all Revenues shall be deposited when received in the Revenue Fund. Payments made by the counterparty in connection with any interest rate exchange or swap agreement shall be deposited as provided in the applicable Series Resolution. The City shall deposit all PFC Revenues when received in the PFC Revenue Account.

Section 503. *Application of Money in Revenue Fund.* On or before the 25th day of each month the City shall withdraw funds on deposit from the Revenue Fund (other than amounts in the Rebate Account) and apply the same in the following manner and order:

(a) the City shall deposit in the Operating Fund an amount equal to the difference between one-twelfth of the amount shown by the Annual Budget as Current Expenses for the then current Fiscal Year plus the amount of encumbered funds from previous budgets and the amount on deposit in the Operating Fund (excluding the amount set aside in the Operating Reserve Account under subparagraph (f) below);

(b) beginning in the month provided in the Series Resolutions, the City shall deliver to the Trustee for deposit in the appropriate subaccounts of the Revenue Bond Interest Account, after taking into account money transferred from the PFC Revenue Account or otherwise deposited therein by the City, the amounts specified in the Series Resolutions; provided that if there are not sufficient Revenues to satisfy all such deposits, such deposits shall be made pro rata to each subaccount in accordance with the Outstanding aggregate principal amount of each Series;

(c) beginning in the month provided in the Series Resolutions, the City shall deliver to the Trustee for deposit in the appropriate subaccounts of the Revenue Bond Principal Account and the Revenue Bond Sinking Fund Account, after taking into account money transferred from the PFC Revenue Account or otherwise deposited therein by the City, the amounts specified in the Series Resolutions; provided that if there are not sufficient Revenues to satisfy all such deposits, such deposits shall be made pro rata to each subaccount in accordance with the Outstanding aggregate principal amount of each Series;

(d) (1) in any month in which the amount on deposit in any subaccount in the Revenue Bond Reserve Account is less than the Reserve Requirement due to the application of money therein in accordance with Section 508 or the reduction in value on Investment Obligations therein, the City shall deliver to the Trustee for deposit in the appropriate subaccount in the Revenue Bond Reserve Account one-twelfth (1/12th) of the amount of such deficiency if due to an application pursuant to Section 508 or one-twenty-fourth (1/24th) if due to a reduction in value, and shall make a deposit in an approximately equal amount in the next eleven or twenty-three months, as the case may be, taking into account in the twelfth or twenty-fourth month, as the case may be, the amount of investment income realized to the 25th day of such month and (2) on the date set for payment thereof, to the provider of any Qualified Reserve Fund Substitute, an amount sufficient to satisfy the then current obligations of the City incurred in connection therewith;

(e) in any month in which payment of any principal, premium, if any, or interest on any Subordinate Indebtedness is due or any other amount is due and payable with respect to Subordinate Indebtedness, to the person entitled to such amount; and

(f) in any month in which the amount on deposit in the Operating Fund is less than 25% of the Current Expenses set forth in the Annual Budget for the Fiscal Year the City shall

deposit in a separate account of the Operating Fund, designated as the Operating Reserve Account, one-twelfth (1/12) of the amount of such deficiency, and shall make the same deposit in an approximately equally amount in the next eleven months such that the deficiency is cured in one year.

On the days directed by the City pursuant to any Series Resolutions, the Trustee shall set aside in the applicable subaccount in the Rebate Account or shall withdraw from the Rebate Account the amount certified to the Trustee by the Finance Director as provided in the applicable Series Resolution.

On the 25th day of the Fiscal Year, if as of the beginning of business on the first day of the Fiscal Year there were any moneys in the Revenue Fund in excess of the Coverage Factor, an amount equal to such excess shall be transferred by the City to the Airport Discretionary Fund.

In each month following a month in which the City has failed to make any deposit or payment required by paragraphs (a) through (f) of this Section 503, the City shall deposit or pay, in addition to the amounts then due, but only from Net Revenues, an amount sufficient to cure the deficiency in deposit or payment in the prior month unless such deficiency is cured by a transfer, pursuant to the terms of this Order, of money or Investment Obligations to such Fund or Account from other Funds and Accounts created hereby as herein provided.

On or before the 45th day next preceding any date on which Serial Bonds are to mature or Term Bonds are to be redeemed or are to mature, the City may satisfy all or a portion of its obligation to make the payments required by paragraph (c) of this Section 503 by delivering to the Trustee Serial Bonds maturing or Term Bonds maturing or required to be redeemed on such date. The price paid to purchase any such Bond shall not exceed the Redemption Price plus accrued interest to the date of purchase applicable to such Bonds at the next redemption date. Upon such delivery the City shall receive a credit against amounts required to be deposited into the Revenue Bond Interest Account and the Revenue Bond Principal Account or Revenue Bond Sinking Fund Account, as the case may be, on account of such Bonds with respect to all interest payments for the remainder of the Fiscal Year and in the amount of 100% of the principal amount of any such Serial Bonds or Term Bonds so delivered.

Section 504. *Application of Money in Operating Fund.* The Current Expenses shall be paid from the Operating Fund as the same become due and payable. Payments from the Operating Fund shall be made by the City in conformity with the applicable budget and procedures, in accordance with the budgetary laws of the State generally applicable to airports.

Section 505. *Application of Money in Revenue Bond Capitalized Interest Account and Revenue Bond Interest Account.* Not later than 10:00 A.M. on each Interest Payment Date, date for the payment of Defaulted Interest or date upon which Bonds are to be redeemed, or on such other date as may be specified in the applicable Series Resolution, the Trustee shall withdraw from the applicable subaccount in the Revenue Bond Interest Account and (1) wire transfer to the Bond Registrar, in Federal Reserve or other immediately available funds, the amounts required for paying interest on the respective Bonds and (2) pay or otherwise transfer to the parties named in the applicable Series Resolution the amounts required for paying any Credit Support Payment Amounts for such Series of Bonds. The Bond Registrar shall remit the amount due and payable to the Owners as provided in the Series Resolutions.

On the date of issuance of any Series of Bonds, the City shall specify in the Series Resolution or the Finance Director shall deliver to the Trustee a schedule of monthly transfers to be made from the applicable subaccount of the Revenue Bond Capitalized Interest Account to the applicable subaccount of the Revenue Bond Interest Account. The Trustee shall make such transfers as required by the Series Resolution or the schedule of the Finance Director. If the Trustee fails to make any deposit to the

Revenue Bond Interest Account that is required by Section 503 or if the balance in the Revenue Bond Interest Account on the 25th day of the month next preceding an Interest Payment Date is insufficient to pay interest becoming due on the Bonds on such Interest Payment Date, the Trustee shall notify the City of the amount of the deficiency. Upon notification, the Trustee shall transfer an amount sufficient to cure the same, drawing upon funds in the applicable subaccount in the Revenue Bond Reserve Account.

Section 506. *Application of Money in Revenue Bond Principal Account.* Not later than 10:00 A.M. on each principal payment date, the Trustee shall withdraw from the applicable subaccount in the Revenue Bond Principal Account and wire transfer to the Bond Registrar, in Federal Reserve or other immediately available funds, the amount necessary to pay the principal of such Bonds at their respective maturities.

If at any date there is money in the Revenue Bond Principal Account and no Serial Bonds are then Outstanding or if on any principal payment date money remains therein after the payment of the principal of Serial Bonds then due, the Trustee shall withdraw such money therefrom and shall apply the same as follows: (a) deposit in the Revenue Bond Sinking Fund Account, the Revenue Bond Reserve Account or apply such money to the payment of any principal, premium, if any, or interest on any Subordinate Indebtedness, in that order, the amounts then required to be paid thereto by the City pursuant to Section 503 and (b) deliver all remaining amounts to the City to be deposited in the Airport Discretionary Fund.

If the Trustee fails to make any deposit to the Revenue Bond Principal Account that is required by Section 503 or if the balance in the Revenue Bond Principal Account on the 25th day of the month next preceding a principal payment date is insufficient to pay principal becoming due on such payment date, the Trustee shall notify the City of the amount of the deficiency. Upon notification, the Trustee shall transfer an amount sufficient to cure the same, drawing upon funds in the applicable subaccount in the Revenue Bond Reserve Account.

Section 507. *Application of Money in Revenue Bond Sinking Fund Account.* Money held for the credit of the subaccounts in the Revenue Bond Sinking Fund Account shall be applied during each Fiscal Year to the retirement, purchase or payment of Term Bonds in the manner provided in the applicable Series Resolution.

Section 508. *Application of Money in Revenue Bond Reserve Account.* The City may, but is not required to, establish a reserve for a Series of Bonds. The Series Resolution shall state if a Series of Bonds is secured by the Revenue Bond Reserve Account and the particular subaccount established for such purpose. One or more Series of Bonds may be secured by the same subaccount of the Revenue Bond Reserve Account as set forth in a Series Resolution. The City may use a Qualified Reserve Fund Substitute in lieu of funding all or a part of any subaccount in the Revenue Bond Reserve Account with cash and may provide in a Series Resolution such provisions related to a Qualified Reserve Fund Substitute as may be required by its provider and the City deems appropriate.

The Trustee shall use amounts in the appropriate subaccounts in the Revenue Bond Reserve Account to make transfers, in the following order, to the appropriate subaccounts in the Revenue Bond Interest Account, the Revenue Bond Principal Account and the Revenue Bond Sinking Fund Account to remedy any deficiency therein as of the 25th day of the month preceding any Interest Payment Date to pay the interest on or the principal of the related Bonds when due, whenever and to the extent that the money on deposit in any or all of said subaccounts is insufficient for such purposes.

At the written direction of the City amounts remaining in a subaccount in the Revenue Bond Reserve Account may be applied to the final payment or payments of principal and interest on the related Series of Bonds.

Section 509. *Application of Money in the Airport Discretionary Fund.* The City shall apply money on deposit in the Airport Discretionary Fund for any lawful purpose. Moneys in the Airport Discretionary Fund shall be held free and clear of any lien or encumbrance created by this Order.

Section 510. *Application of Money in the Revenue Bond Redemption Account.* Money held for the credit of the subaccounts in the Revenue Bond Redemption Account shall be applied to the purchase or redemption of Bonds in the manner provided in the applicable Series Resolution.

Section 511. *Insurance and Condemnation Award Fund.* The Trustee shall deposit Net Proceeds into the Insurance and Condemnation Award Fund, when and as received by the Trustee. Upon direction of the City the Trustee shall use money in the Insurance and Condemnation Award Fund for the following purposes:

(a) to transfer to the Proceeds Account in the Construction Fund, the creation of which is authorized by Section 405 hereof, and thereafter to disburse the same to pay the costs of repairing or replacing the Included Cost Centers; and

(b) to transfer to the Revenue Bond Redemption Account and the Revenue Bond Interest Account to redeem Bonds.

Section 512. *Escheat.* All money that the Trustee shall have withdrawn from the Bond Fund or shall have received from any other source and set aside for the purpose of paying any of the Bonds hereby secured, either at maturity or by purchase or call for redemption, shall be held in trust for the respective Owners. All interest on money so set aside or so deposited shall accrue to the benefit of the City and shall be paid to the City annually.

Any money that is so set aside and that remains unclaimed by the Owners for a period of five (5) years, or such other time period required under Section 116B of the General Statutes of North Carolina, or any successor statute (the "*Escheat Statute*"), after the date on which such Bonds have become payable shall be treated as abandoned property pursuant to the provisions of the Escheat Statute and the Trustee shall report and remit this property to the Escheat Fund according to the requirements of the Escheat Statute, and thereafter the Owners shall look only to the Escheat Fund for payment and then only to the extent of the amounts so received, without any interest thereon, and the Trustee and the City shall have no responsibility with respect to such money.

Section 513. *Cancellation of Bonds.* Upon receipt of the same, the Bond Registrar shall cancel all Bonds paid, redeemed or purchased by the Trustee or purchased by the City and delivered to the Bond Registrar, and all Bonds delivered to the Bond Registrar in exchange for other Bonds or delivered to the Bond Registrar upon the transfer of any Bond if a new Bond is delivered upon such transfer. The Bond Registrar shall certify to the City the details of all Bonds so cancelled. All Bonds cancelled under any of the provisions of this Order either shall be delivered to the City or destroyed by the Bond Registrar, as the City directs. Upon destruction of any Bonds, the Bond Registrar shall execute a certificate in duplicate, describing the Bonds so destroyed; and one executed certificate shall be filed with the City and the other executed certificate shall be retained by the Bond Registrar.

Section 514. *Disposition of Fund Balances.* After provision is made for the payment of all Outstanding Bonds issued under this Order, including the interest thereon and for the payment of all other

obligations, expenses and charges required to be paid under or in connection with this Order, and receipt by the Trustee of a certificate of the Finance Director to the effect that there are no other indentures, resolutions, bond orders, Series Resolutions or other agreements that impose a continuing lien on the balances hereinafter mentioned, the Trustee shall pay all amounts in any Fund or Account then held by it under this Order to the City. If a continuing lien has been imposed on any such balance by another resolution, bond order, any other agreement, by court order or decree, or by law, the Trustee shall pay such balance to such person as is entitled to receive the same by law or under the terms of such resolution, bond order, agreement, court order, or decree.

Section 515. Security for the Bonds. As security for the payment of the Bonds and the interest thereon, the City hereby grants to the Trustee a pledge of

- (a) Net Revenues, and
- (b) its rights to receive Net Revenues.

In addition, as security for the payment of each Series of Bonds and the interest thereon, the City hereby grants to the Trustee a pledge of the money and Investment Obligations in any and all of the related subaccounts of the Bond Fund and Accounts established under the Series Resolutions relating to their issuance.

In no event shall any Owner have a lien, encumbrance or pledge on moneys or Investment Obligations in the Airport Discretionary Fund, in the Rebate Account or in the PFC Revenue Account, except for money in the Pledged PFC Subaccount pledged to a Series of Bonds.

It is the intent of the City that this pledge shall be effective and operate immediately and that the Trustee shall have the right to collect and receive said Net Revenues in accordance with the provisions hereof at all times during the period from and after the date of delivery of the Bonds issued hereunder until the Bonds have been fully paid and discharged, including, without limitation, at all times after the institution and during the pendency of bankruptcy or similar proceedings.

The aforementioned pledge shall not inhibit the sale or disposition of all or any portion of the Included Cost Centers in accordance with this Order and shall not impair or restrict the ability of the City to invest in securities and other forms of investment, subject to the provisions of this Order.

Section 516. Released Revenues. Revenues will become Released Revenues on the filing of the following with the Trustee:

- (a) a resolution of the City Council describing a specific identifiable portion of Revenues and approving that such Revenues be excluded from the term Revenues;
- (b) either (1) a certificate prepared by the Finance Director showing that Net Revenues for each of the two most recent completed Fiscal Years, after the specific identifiable portion of Revenues covered by the City Council's resolution described in (a) above are excluded, were at least equal to the larger of (A) the amounts needed for making the required deposits and payments under Section 503(a) through (f), or (B) an amount not less than 150% of average Long-Term Debt Service Requirements for each Fiscal Year during the remaining term of all Bonds that will remain Outstanding after the exclusion of such specific identifiable portion of Revenues; or (2) a certificate prepared by an Airport Consultant showing that the estimated Net Revenues (excluding the specific identifiable portion of Revenues covered in the resolution adopted by the City Council described in (a) above) for each of the first three complete Fiscal

Years immediately following the Fiscal Year in which the resolution described in (a) above is adopted by the Board, will not be less than the larger of (A) the amounts needed for making the required deposits and payments under Section 503(a) through (f), or (B) an amount not less than 150% of the average Long-Term Debt Service Requirements for each Fiscal Year during the remaining term of all Bonds that will remain Outstanding after the exclusion of such specific identifiable portion of Revenues;

(c) an opinion of the City's bond counsel to the effect that the exclusion of such specific identifiable portion of revenues from the definition of Revenues and from the pledge and lien of this Order will not, by itself, cause the interest on any Outstanding Bonds to be included in gross income for purposes of federal income tax; provided, however this provision is only applicable to those Bonds that are intended to be excludable from gross income for purposes of federal income tax; and

(d) written confirmation from each of the rating agencies that has been requested by the City to maintain a rating on the Bonds and are then maintaining a rating on any of the Bonds to the effect that the exclusion of such specific identifiable portion of Revenues from the pledge and lien of this Order will not cause a withdrawal or reduction in any unenhanced rating then assigned to the Bonds.

Upon filing of such documents, the specific identifiable portion of Revenues described in the resolution of the City Council and collected after such filing shall no longer be included in Revenues and shall be excluded from the pledge and lien of this Order, unless subsequently included in Revenues and in the pledge and lien of this Order under a Supplemental Order or a Series Resolution.

Section 517. *Application of Money in PFC Revenue Account.* Money in a Pledged PFC Subaccount shall be applied as set forth in Section 518; otherwise, the City shall apply money in the PFC Revenue Account, by transfer to the Bond Fund, to pay debt service on PFC Eligible Bonds, to pay the capital costs of PFC Eligible Projects, as otherwise permitted by federal statute or the regulations promulgated by the FAA, as amended or supplemented, with respect to PFCs.

Section 518. *Pledged PFC Revenues.* The City, from time to time and at any time, without the consent of the Trustee, the Owners or any other party, may adopt a Supplemental Order or a Series Resolution that specifies the amount of PFCs that shall constitute Pledged PFC Revenues during each Fiscal Year and the Bonds that shall be secured by such Pledged PFC Revenues. More than one Series of Bonds may be secured by Pledged PFC Revenues. Notwithstanding any other provision of this Order, the City may amend, including reduce, the amount of Pledged PFC Revenues with respect to any Fiscal Year without the consent of the Trustee, the Owners or any other party; provided, however, that the City shall be in compliance with the provisions of the Supplemental Order or Series Resolution that specifies the Pledged PFC Revenues that secure Bonds issued under this Order. The City will provide in the Supplemental Order or the Series Resolution for the establishment of a subaccount within the PFC Revenue Account (a "*Pledged PFC Subaccount*") in which the Pledged PFC Revenues that secure particular Bonds are to be deposited. The Pledged PFC Subaccount, and the Pledged PFC Revenues deposited in such Pledged PFC Subaccount, shall secure on a parity basis all Bonds, whenever issued, that are specified in the applicable Supplemental Order or Series Resolution to be secured thereby. Any investment earnings from money deposited in a Pledged PFC Subaccount shall be retained in such Pledged PFC Subaccount.

The Pledged PFC Revenues, including any investment earnings thereon, held in a Pledged PFC Subaccount shall be applied by the City as follows: (1) first, to the payment of such Bonds secured

thereby and such amount shall be accounted for as a credit against the amount required to be deposited for those Bonds first in the Revenue Bond Interest Account under Section 503(b) and second in the Revenue Bond Principal Account and Revenue Bond Sinking Fund Account under Section 503(c), (2) second, to pay the capital costs of PFC Eligible Projects, and (3) third, as otherwise permitted by federal statute or the regulations promulgated by the FAA, as amended or supplemented, with respect to PFCs.

Section 519. Obligations Under Qualified Hedges. (a) The obligation of the City to make Regularly Scheduled Hedge Payments under a Qualified Hedge with respect to a Series of Bonds may be on a parity with the obligation of the City to make payments with respect to such Series of Bonds and other Bonds under this Order, except as otherwise provided herein or in a Supplemental Order. The City may provide in any Supplemental Order or a Series Resolution that Regularly Scheduled Hedge Payments under a Qualified Hedge shall be secured by a pledge of or lien on Net Revenues on a parity with the Bonds of such Series and all other Bonds, regardless of the principal amount, if any, of the Bonds of such Series remaining Outstanding and, to the extent so designated, the Regularly Scheduled Hedge Payments will be treated as the payment of interest of the associated Series of Bonds for all purposes under this Order. The Trustee shall take all action consistent with the other provisions hereof as shall be requested in writing by the Qualified Hedge Provider necessary to preserve and protect such pledge, lien and assignment and to enforce the obligations of the City with respect thereto. In the event the action requested to be taken pursuant to the preceding sentence shall require the Trustee either to exercise the remedies granted in this Order or to institute any action, suit or proceeding in its own name, the Qualified Hedge Provider shall provide to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred in connection therewith.

(b) In the event that a Hedge Termination Payment or any other amounts other than as described in clause (a) above are due and payable by the City under a Qualified Hedge, such Hedge Termination Payment and any such other amounts shall constitute Subordinate Indebtedness hereunder.

ARTICLE VI

DEPOSITARIES OF MONEY, SECURITY FOR DEPOSITS,
INVESTMENT OF FUNDS

Section 601. Security for Deposits. Any and all money received by the City under the provisions of this Order, other than the Airport Discretionary Fund and the Rebate Account shall be deposited as received with the Trustee or one or more other Depositaries as provided in this Order, and shall be trust funds under the terms hereof, and, to the extent permitted by law in the case of the Construction Fund, shall not be subject to any lien or attachment by any creditor of the City other than the Owners.

All money deposited with the Trustee or any Depository shall be credited to the particular Fund, Account or subaccount to which such money belongs.

Section 602. Investment of Money. Money held for the credit of all Funds, Accounts and subaccounts, other than the Airport Discretionary Fund, shall be continuously invested and reinvested by the City, the Trustee or the Depositaries, whichever is applicable, in Investment Obligations to the extent practicable. Money held for the credit of the Airport Discretionary Fund may be invested and reinvested by the City as provided by law. Except as hereinafter provided with respect to the Revenue Bond Reserve Account, Investment Obligations shall mature or be redeemable at the option of the holder thereof not later than the respective dates when the money held for the credit of such Funds, Accounts and subaccounts will be required for the purposes intended.

Unless otherwise provided in any Series Resolution, Investment Obligations in the Revenue Bond Reserve Account shall mature or be redeemable at the option of the holder thereof as follows: 25% not later than five years after the date of such investment, an additional 50% not later than ten years after the date of such investment, and the balance without limitation.

Notwithstanding the foregoing, no Investment Obligations pertaining to any Series in any Fund, Account or subaccount may mature on a date beyond the latest maturity date of the respective Bonds Outstanding at the time such Investment Obligations are deposited. For purposes of this Section, the maturity date of any repurchase agreement shall be deemed to be the stated maturity date of such agreement and not the maturity dates of the underlying Investment Obligations.

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

Investment Obligations acquired with money in or credited to any Fund, Account or subaccount established under this Order shall be deemed at all times to be part of such Fund, Account or subaccount. The interest accruing on Investment Obligations in the Funds, Accounts and subaccounts, other than the Airport Discretionary Fund and the Rebate Account, which shall retain any and all of their profits and losses, and any profit or loss realized upon the disposition or maturity of such Investment Obligations shall be credited to or charged against the following Funds, Accounts and subaccounts: (1) interest and profit or loss resulting from the Revenue Fund and the Operating Fund shall be credited to or charged against the Revenue Fund; and (2) if not specifically listed in clauses (1), shall be credited to or charged

as provided by a Series Resolution. The Trustee shall, acting in a commercially reasonable manner, sell at the best price obtainable or reduce to cash a sufficient amount of such Investment Obligations whenever it is necessary so to do to provide money to make any payment from any such Fund, Account or subaccount. The Trustee shall not be liable or responsible for any loss resulting from any such investment.

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

Section 603. Valuation. For the purpose of determining the amount on deposit in any Fund, Account or subaccount, other than the Airport Discretionary Fund, Investment Obligations in which money in such Fund, Account or subaccount is invested shall be valued (a) at face value if such Investment Obligations mature within 12 months from the date of valuation thereof, and (b) if such Investment Obligations mature more than 12 months after the date of valuation thereof, at the price at which such Investment Obligations are redeemable by the holder at his option, if so redeemable, or, if not so redeemable, at the lesser of (1) the cost of such Investment Obligations plus the amortization of any premium or minus the amortization of any discount thereon, and (2) the market value of such Investment Obligations.

All Investment Obligations in all of the Funds, Accounts and subaccounts created hereunder, except the Revenue Account and the Airport Discretionary Fund, shall be valued no earlier than the 25th day of the second month next preceding a principal payment date and no later than the 21st day of the month next preceding such principal payment date. In addition, Investment Obligations in the Revenue Bond Interest Account, the Revenue Bond Principal Account, the Revenue Bond Sinking Fund Account, and the Revenue Bond Reserve Account shall be valued at any time requested by the City on reasonable notice to the Trustee (which period of notice may be waived or reduced by the Trustee); provided, however, that the Trustee shall not be required to value Investment Obligations more than once in any calendar month.

Whenever, following a valuation described above, the value of the cash and Investment Obligations in any subaccount in the Revenue Bond Reserve Account, plus accrued interest to the date of valuation, is less than the applicable Reserve Requirement, the Trustee shall compute the amount by which the Reserve Requirement exceeds the balance in the appropriate subaccount in the Revenue Bond Reserve Account and shall immediately give the City notice of such deficiency and the amount necessary to cure the same. The City is not liable for any such deficiency except from Revenues. Whenever the value of the cash and Investment Obligations in any subaccount in the Revenue Bond Reserve Account, plus accrued interest to the date of valuation, is greater than the applicable Reserve Requirement, the Trustee shall compute the amount by which the balance in the appropriate subaccount in the Revenue Bond Reserve Account exceeds the Reserve Requirement and shall transfer the excess to the City for deposit into the Revenue Fund.

ARTICLE VII

GENERAL COVENANTS AND REPRESENTATIONS

Section 701. *Payment of Principal, Interest and Premium.* The City shall cause to be paid, when due, the principal of (whether at maturity, by acceleration, by call for redemption or otherwise) and the premium, if any, and interest on the Bonds at the places, on the dates and in the manner provided herein and in the Bonds, according to the true intent and meaning thereof. The Bonds are special obligations payable solely from Net Revenues, the City's rights to receive the same, and money and Investment Obligations held in the Funds, Accounts and subaccounts created hereunder, other than the Airport Discretionary Fund, and the income from such Investment Obligations and the investment of such money. The Bonds shall be secured as provided in Section 515. The principal of and interest on the Bonds shall not be payable from the general funds of the City, nor shall the Bonds constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of its property or upon any of its income, receipt's or revenues, except as herein or in the applicable Series Resolution provided. Neither the credit nor the taxing power of the City are pledged for the payment of the principal or interest of the Bonds, and no Owner has the right to compel the exercise of the taxing power by the City or the forfeiture of any of its property in connection with any default thereon.

Section 702. *Construction of Additional Facilities.* The City shall use diligent efforts to cause any Additional Facilities to be constructed and completed in accordance with the plans and specifications for the Additional Facilities and shall cause to be done all things necessary or proper for completion of the Additional Facilities in a timely manner in material compliance with all laws.

Section 703. *Operation of Airport.* The City shall establish and enforce reasonable rules and regulations governing the operation and use of the Airport, operate the Airport in an efficient and economical manner, maintain the properties constituting the Airport in good repair and in sound operating condition for so long as the same are necessary to the operation of the Included Cost Centers upon a revenue-producing basis, and comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body that are applicable to the Airport.

Section 704. *Rate Covenant.* (a) The City shall fix, charge and collect rates, fees, rentals and charges for the use of the Airport and shall revise such rates, fees, rentals and charges as often as may be necessary or appropriate to produce Revenues in each Fiscal Year at least equal to the sum of the deposits required by Sections 503(a) through (f) plus an amount, if any, which provides an amount on deposit in the Revenue Fund, as of the opening of business on the first day of the next Fiscal Year, equal to the Coverage Factor for such preceding Fiscal Year. For purposes of this covenant, amounts retained in the Revenue Fund as of the end of the year are deemed to be Revenues.

(b) If, during any such period, Revenues estimated are less than the amount required under paragraph (a) of this Section, the City shall revise its rates, fees, rentals and charges, or alter its methods of operation or take other action in such manner as calculated to produce the amount so required in such period.

(c) If the audit report for any Fiscal Year indicates that the City has not satisfied its obligations under paragraph (a) of this Section 704, then within 15 days after the receipt of the audit report for such Fiscal Year, the City shall employ an Airport Consultant to review and analyze the financial status and the administration and operations of the Included Cost Centers, to inspect the properties constituting the Included Cost Centers, and to submit to the City Council and the Finance Director, within 60 days thereafter, a written report on the same, including the action which the Airport Consultant recommends should be taken by the City with respect to the

revision of its rates, fees, rentals and charges and the alteration of its methods of operation or the taking of other action that is projected to result in producing the amount so required in the following twelve-month period. Promptly upon its receipt of the recommendations the City shall, after giving due consideration to the recommendations, revise its rates, fees, rentals and charges and alter its methods of operation, which revisions or alterations need not comply with the Airport Consultant's recommendations but which are projected to result in compliance with Section 704(a). The City shall transmit copies of the Airport Consultant's recommendations to the Trustee and each Owner who has requested the same.

(d) In the event the City fails to take action as required by paragraphs (b) and (c) of this Section, the Trustee may, and upon request of the Owners of not less than 25% in principal amount of all Bonds Outstanding shall, institute and prosecute an action or proceeding in any court or before any board or commission having jurisdiction to compel the City to comply with the requirements of said paragraphs.

Section 705. *Budgets and Covenant as to Current Expenses.* The City will approve by July 1 of each year an Annual Budget covering the fiscal operations of the Airport for the Fiscal Year and will file the same with the Trustee (which may be satisfied by maintaining a copy of the City's website). Such budget need not necessarily be the budget prepared by the City for budgeting purposes. The Annual Budget will set forth for such Fiscal Year the estimated Revenues; the amount necessary to fund all the requirements set forth in Section 503 due and payable or estimated to become due and payable during such Fiscal Year, including estimated Current Expenses of the Airport; and, unless capital expenditures for the Airport are included in the City's capital investment plan or similar document, the estimated amounts, if any, to be expended for extension, improvement, enlargement, renewal or replacement of the Airport, whether begun, continued or completed during such Fiscal Year. The City may at any time adopt and file with the Trustee an amended Annual Budget in the manner provided in this Order for the adoption of the Annual Budget. Copies of the Annual Budget as then amended and in effect will be made available by the Trustee at normal business hours in the Trustee's designated corporate trust office (which is satisfied if the Annual Budget is available on the City's website) for inspection by any Owner. If the City does not approve or adopt an Annual Budget for a Fiscal Year on or before the first day of such Fiscal Year, the Annual Budget for the preceding Fiscal Year will be deemed to have been adopted and be in effect for such Fiscal Year until the Annual Budget for such Fiscal Year has been adopted as above provided.

Section 706. *Records, Accounts and Audits.*

(a) The City will keep, or cause to be kept, proper books and records of the Funds and Accounts established under this Order which will at all reasonable times be subject to the inspection of the Trustee and the Owners or their representatives duly authorized in writing. The City's financial statements must be accompanied by a certification from the Accountant stating whether the financial statements examined fairly present the financial position of the City at the end of the Fiscal Year, and whether the results of its operations and the changes in financial position for the period examined are in conformity with generally accepted accounting principles. The City will make a copy of the financial statements available to any Owner of a Bond on written request therefor.

(b) The City will file with the Trustee and the Local Government Commission an audited calculation demonstrating its compliance with Section 704(a) certified by the Accountant which prepares such calculation within 30 days of receipt of such certification.

(c) Within 180 days after the close of each Fiscal Year, the City will file or cause to be filed with the Trustee and the Local Government Commission (i) a certificate that no Event of Default has

occurred or (ii) if an Event of Default has occurred, a certificate setting forth in reasonable detail an explanation of the Event of Default and the City's plan for remedying such Default.

(d) Any financial statements required hereunder may be presented on a consolidated or combined basis with other reports of the City, so long as the information relating to the Airport is separately identified and only to the extent that such basis of reporting will be consistent with that required under this Section.

Section 707. Insurance. The City shall maintain, or cause to be maintained, insurance with respect to the Included Cost Centers against such casualties and contingencies and in such amounts not less than is reasonably prudent; provided, however, that the City may self insure against such risks as it may determine to be prudent. To the extent permitted by any policies of insurance, such policies shall name the Trustee as an additional insured as its interests may appear. The City will pay, or cause to be paid, any premiums for such policies of insurance.

Section 708. Notice of Taking; Cooperation of Parties. If any public authority or entity attempts to take or damage all or any part of the Airport through Eminent Domain proceedings, the City shall take prompt and appropriate measures to protect and force its rights and interests and those of the Trustee and the Owners in connection with such proceedings. Upon receiving notice of the institution of Eminent Domain proceedings by any public instrumentality, body, agency or officer, the City shall deliver written notice thereof to the Trustee.

The Net Proceeds of any award or compensation resulting from Eminent Domain proceedings shall be applied in accordance with the provisions of Section 709(a).

Section 709. Insurance and Eminent Domain Proceeds. (a) All Net Proceeds of all insurance required by Section 707 and all Net Proceeds resulting from Eminent Domain proceedings shall be delivered to the Trustee for deposit in the Insurance and Condemnation Award Fund and shall be applied at the election of the City:

(1) to promptly replace, repair, rebuild or restore the Included Cost Centers to substantially the same condition as that which existed prior to such damage, destruction or taking, with such alterations and additions as the City may determine and as will not impair or otherwise adversely affect the revenue-producing capability of the Included Cost Centers, provided that prior to the commencement of such replacement, repair, rebuilding or restoration, the City shall deliver to the Trustee a report of an Airport Consultant setting forth (A) an estimate of the total cost of the same, (B) the estimated date upon which such replacement, repair, rebuilding or restoration will be substantially complete, and (C) a statement to the effect that Net Proceeds, together with other funds made available or to be made available by the City, are projected to be sufficient to pay the costs of the replacement, repair, rebuilding or restoration of the Included Cost Centers; or

(2) to the redemption of Bonds, provided that Bonds may be redeemed only if (A) the Included Cost Centers have been restored to substantially the same condition as prior to such damage, destruction or taking or (B) the City has determined that the portion of the Included Cost Centers damaged, destroyed or taking is not necessary to the operation of the Included Cost Centers and that the failure of the City to repair or restore the same will not impair or otherwise adversely affect the revenue-producing capability of the Included Cost Centers; or (C) the Airport Consultant has been unable to make the statement required by subparagraph (1)(C) of this paragraph (a).

If the City does not apply Net Proceeds or cause them to be applied, to replace, repair, rebuild, or restore the Included Cost Centers, the City shall direct the Trustee to redeem Bonds in accordance with Article III of this Order and to transfer from the Insurance and Condemnation Award Fund to the subaccounts in the Redemption Account an amount sufficient to pay the Redemption Price of the Bonds to be redeemed and to the subaccounts in the interest Account an amount that, together with amounts then on deposit therein, is sufficient to pay interest accruing on the Bonds to be redeemed to the date of redemption.

If the City elects to apply Net Proceeds, or cause them to be applied, to replace, repair, rebuild, or restore the Included Cost Centers, the City shall transfer such Net Proceeds from the Insurance and Condemnation Award Fund to the Proceeds Account, and shall make disbursements therefrom as required under Section 405.

(b) The proceeds of use and occupancy insurance carried pursuant to Section 707 shall be deposited into the Revenue Fund.

Section 710. *Compliance with Applicable Law.* So long as any Bond is Outstanding, the City shall comply or cause there to be compliance with all applicable laws, orders, rules, regulations and requirements of any municipal or other governmental authority relating to the construction, use and operation of the Airport. Nothing contained in this Section shall prevent the City from contesting in good faith the applicability or validity of any law, ordinance, order, rule, regulation, or requirement, so long as its failure to comply with the same during the period of such contest will not materially impair the operation or the revenue-producing capability of the Included Cost Centers.

Section 711. *Payment of Charges and Covenant Against Encumbrances.* Except as provided herein, the City shall not create or suffer to be created any lien or charge upon the Included Cost Centers or any part thereof, or on the Net Revenues, except for Permitted Encumbrances. The City shall pay or cause to be discharged, or shall make adequate provision to satisfy and discharge, within 60 days after the same become due and payable, all lawful costs, expenses, liabilities and charges relating to the maintenance, repair, replacement or improvement of the properties constituting the Included Cost Centers and the operation of the Included Cost Centers and lawful claims and demands for labor, materials, supplies or other objects that might by law become a lien upon the Included Cost Centers or Net Revenues if unpaid. Nothing contained in this Section shall require the City to pay or cause to be discharged, or make provision for the payment, satisfaction and discharge of, any lien, charge, cost, liability, claim or demand so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Section 712. *Disposition of the Included Cost Centers.* Except as provided in this Section 712, the City shall not sell or otherwise dispose of all or any part of the properties constituting the Included Cost Centers.

(a) The City shall have the right to sell or dispose of any machinery, fixtures, apparatus, tools, instruments or other personal property which may be determined to be part of the Included Cost Centers, or any materials used in connection therewith if the City determines that such articles are no longer needed or useful in connection with the maintenance of the properties constituting the Included Cost Centers or the operation of the Included Cost Centers or that such sale or disposition will not impair the operating efficiency of the Included Cost Centers or ability of the City to satisfy the requirements of Section 704(a).

(b) The City, without notice to the Trustee and free of any obligation to make any replacement thereof or substitution therefor, shall have the right to demolish or remove any real

property and structures now or hereafter existing as part of the Included Cost Centers provided that the City determines that such removal or demolition does not impair the operating efficiency of the Included Cost Centers or reduce the ability of the City to satisfy the requirements of Section 704(a).

(c) Notwithstanding the provisions of paragraph (b) of this Section, if the City determines that any real property or structure constituting a part of the Included Cost Centers has become inadequate, unsuitable, unnecessary or unprofitable, the City shall then have the right to demolish or remove such property and, to the extent permitted by law, may sell or otherwise dispose of all or a part of the same, if:

(1) prior to such removal or demolition the City gives written notice thereof to the Trustee, which notice shall describe the real property or structures to be demolished or removed and the reason for such demolition or removal; and

(2) (A) the City shall construct, acquire, replace or substitute real property or structures having a utility value at the Included Cost Centers at least equal to that of the property demolished or removed, or

(B) any such real property and structure now or hereafter existing as part of the Included Cost Centers may be demolished or removed by the City from time to time and the City shall not be required to construct or acquire any real property or structures in substitution or in replacement thereof if there shall be filed with the Trustee prior to such demolition or removal, a certificate, signed by the Airport Manager and approved by the Airport Consultant, stating (i) that no Default has occurred and is continuing under this Order, or, if any Default then exists, that the same will be projected to be cured by action taken pursuant to this Section 712, and (ii) that the Net Revenues for the Fiscal Year next succeeding that in which such demolition or removal occurs are projected to be sufficient to enable the City to meet its obligations under Section 704(a).

Unless some other disposition is required by law or by contract, the City shall, in its sole discretion, deposit the proceeds resulting from any abandonment, sale or disposition of properties constituting the Included Cost Centers to any Account in the Construction Fund if the amount then on deposit therein is insufficient to pay the Costs of the Additional Facilities or to the Airport Discretionary Fund.

Section 713. *Additional Facilities; Additions to the Included Cost Centers.* All buildings, structures and items of personal property that are constructed, placed or installed in or upon the properties constituting the Included Cost Centers as an addition or improvement to, as a substitute for, or in renewal, replacement or alteration of, any buildings, structures, and personal property constituting part of the Included Cost Centers, and all real property acquired as an addition to, in replacement of, or as a substitute for real property constituting a part of the Included Cost Centers shall thereupon become a part of the Included Cost Centers.

Section 714. *Contracts, Leases and Other Agreements.* The City may lease, as lessor, all or any part of the Included Cost Centers, or contract or agree for the performance by others, of operations or services on or in connection with the Included Cost Centers or any part thereof, for any lawful purpose, provided.

(a) the City shall remain fully obligated and responsible under this Order to the same extent as if such lease, contract or agreement, or any amendment or rescission thereof, had not been executed, and

(b) the obligation of the City under such lease, contract or agreement shall not impair the performance of the City's obligations under this Order.

Section 715. Financing of Special Purpose Facilities. The City may finance the acquisition, construction or improvement of any Special Facilities secured by the income and revenues of the Special Facilities on delivery to the Trustee of the following items prior to such financing:

(1) a certificate of the Finance Director (a) designating the new or existing facility as a Special Facility, (b) stating the amount of indebtedness the City will incur related to the Special Facility, (c) stating that the City reasonably expects to be able to pay the principal of and interest of the indebtedness to be issued from the income and revenues of the Special Facility and (d) stating that no Event of Default has occurred and is continuing under this Order;

(2) to the extent that the income and revenues to be pledged to the financing for the Special Facilities have been existing Revenues prior to the financing of the acquisition, construction or improvement of the Special Facilities, evidence that the City has met the requirements for such income and revenues to become Released Revenues; and

(3) a certificate of an Airport Consultant (which may be included in information provided under (2) above) to the effect that the requirements of Section 704(a), taking into account the financing of the proposed Special Facilities, are projected to be satisfied for each of the next three complete Fiscal Years immediately following the financing of the acquisition, construction or improvement of the Special Facilities.

The City may refinance any financing of Special Purpose Facilities without having to meet the tests in this Section if either of the following are satisfied:

(1) the aggregate principal and interest due in each Fiscal Year on indebtedness for the Special Purpose Facilities remaining outstanding after the refinancing will decrease in the corresponding Fiscal Years that the aggregate principal and interest on the original indebtedness being refunded would have been due as a result of such refinancing; or

(2) the maximum annual principal and interest requirements on the indebtedness for the Special Purpose Facilities (by Fiscal Year) after the refinancing does not exceed the maximum annual principal and interest requirements on the indebtedness for the Special Purpose Facilities (by Fiscal Year) before refinancing for any Fiscal Year.

If the conditions set forth in this Section are satisfied, then the income and revenues pledged to the financing of the Special Purpose Facilities will not be considered Revenues while such financing is outstanding.

Section 716. Issuance of Bonds. Subject to the conditions hereinafter provided, the City shall have the right to issue the following Bonds for Additional Facilities or to refund Outstanding Bonds or other indebtedness:

(1) Long-Term Bonds if prior to issuance one of the following conditions is met:

(i) there is delivered to the Trustee a Certificate of the Finance Director certifying that, taking all outstanding Long-Term Bonds (excluding any Long-Term Bonds to be refunded by the Long-Term Bonds to be issued) and Subordinate Indebtedness and the Long-Term Bonds

then to be issued into account as if they had been issued at the beginning of the most recent Fiscal Year for which audited financial statements are available preceding the date of delivery of such Certificate, the Net Revenues, excluding any transfers from the Airport Discretionary Fund, for such Fiscal Year were sufficient to meet the Rate Covenant set forth in Section 704(a) not less than 1.50 times the Long-Term Debt Service Requirement with respect to all outstanding Long-Term Bonds and the Long-Term Bonds to be issued plus all other amounts sufficient to meet the deposits required by Section 503(a) through (f); or

(ii) (A) there is delivered to the Trustee a Certificate of the Finance Director (accompanied by a report of an independent certified public accountant or firm of certified public accountants) certifying that, taking into account all outstanding Long-Term Bonds, but not the Long-Term Bonds then to be issued, and Subordinate Indebtedness for the most recent Fiscal Year for which audited financial statements are available preceding the date of delivery of such Certificate, the requirements of Section 704(a) have been satisfied; and (B) there shall be filed with the Trustee a report of an Airport Consultant to the effect that the requirements of Section 704(a) (excluding any transfers from the Airport Discretionary Fund) taking the Long-Term Debt Service Requirement of the proposed Long-Term Bonds into account, for (I) in the case of Long-Term Bonds to finance Additional Facilities, each of the first two full Fiscal Years succeeding the date on which such Additional Facilities are expected to be completed and in operation, or (II) in the case of Long-Term Bonds not financing Additional Facilities, each of the first two Fiscal Years succeeding the date on which such Long-Term Bonds are issued, will be projected to be satisfied.

(2) Notwithstanding the provisions of paragraph (1) above, Completion Bonds may be incurred without an earnings test if the principal amount thereof does not exceed 15% of the principal amount of the Bonds initially issued therefor, and in excess of 15% of such principal amount, but only if any of the tests set forth in (1) above are met.

(3) Bonds may be issued for the purpose of refunding all or any part of any Outstanding Bonds so as to render it no longer Outstanding without meeting any other test in this Section 716 if either of the following are satisfied:

(i) the Long-Term Debt Service Requirement due in each Fiscal Year on the Bonds remaining Outstanding after the issuance of the refunding Bonds will decrease in the corresponding Fiscal Years that the principal and interest on the Bonds being refunded would have been due as a result of such refunding; or

(ii) the maximum annual Long-Term Debt Service Requirement on the Bonds (by Fiscal Year) after the issuance of the refunding Bonds does not exceed the maximum annual Long-Term Debt Service Requirement on the Bonds (by Fiscal Year) before the issuance of the refunding Bonds for any Fiscal Year.

(4) Short-Term Bonds may be issued in the ordinary course of business if, immediately after the issuance of such Short-Term Bonds, the outstanding principal amount of all Short-Term Bonds does not exceed 10% of Total Operating Revenues for the most recent Fiscal Year preceding the date of issuance of such Short-Term Bonds for which audited financial statements are available, provided, however, that for a period of 20 consecutive calendar days in each Fiscal Year no such Bonds shall be outstanding.

Section 717. Further Instruments and Actions. The City shall, from time to time, execute and deliver such further instruments or take such further actions as may be required to carry out the purposes of this Order.

Section 718. Use of Revenues and Inconsistent Actions. The City covenants and agrees that; so long as any of the Bonds secured hereby are outstanding, none of the Revenues will be used for any purpose other than as provided in this Order, and that no contract or contracts will be entered into or any action taken by which the rights of Owners might be impaired or diminished.

Section 719. Subordinate Indebtedness. (a) The City may issue Subordinate Indebtedness if:

(i) there is delivered to the Trustee a Certificate of the Finance Director certifying that, taking all outstanding Long-Term Bonds and Subordinate Indebtedness (excluding any Long-Term Bonds and Subordinate Indebtedness to be refunded by the Subordinate Indebtedness to be issued) and the Subordinate Indebtedness then to be issued into account as if they had been issued at the beginning of the most recent Fiscal Year for which audited financial statements are available preceding the date of delivery of such Certificate, the requirements of Section 704(a) would have been satisfied for such Fiscal Year; or

(ii) (A) there is delivered to the Trustee a Certificate of the Finance Director certifying that, taking into account all outstanding Long-Term Bonds and Subordinate Indebtedness, but not the Subordinate Indebtedness then to be issued, for the most recent Fiscal Year for which audited financial statements are available preceding the date of delivery of such Certificate, the requirements of Section 704(a) have been satisfied; and (B) there shall be filed with the Trustee a report of an Airport Consultant to the effect that the requirements of Section 704(a) taking the proposed Subordinate Indebtedness into account, for (I) in the case of Subordinate Indebtedness to finance Additional Facilities, each of the first two full Fiscal Years succeeding the date on which such Additional Facilities are expected to be completed and in operation, or (II) in the case of Subordinate Indebtedness not financing Additional Facilities, each of the first two Fiscal Years succeeding the date on which such Subordinate Indebtedness is issued, will be projected to be satisfied.

(b) Subordinate Indebtedness may be issued for the purpose of refunding all or any part of any Subordinate Indebtedness so as to render it no longer outstanding without meeting any other test in this Section 719 if either of the following are satisfied:

(i) the aggregate principal and interest due in each Fiscal Year on the Subordinate Indebtedness remaining outstanding after the issuance of the refunding Subordinate Indebtedness will decrease in the corresponding Fiscal Years that the aggregate principal and interest on the Subordinate Indebtedness being refunded would have been due as a result of such refunding; or

(ii) the maximum annual principal and interest requirements on the Subordinate Indebtedness (by Fiscal Year) after the issuance of the refunding Subordinate Indebtedness does not exceed the maximum annual principal and interest requirements on the Subordinate Indebtedness (by Fiscal Year) before the issuance of the refunding Subordinate Indebtedness for any Fiscal Year.

(c) For purposes of this Section, if any Subordinate Indebtedness bears interest at a variable rate, the interest shall be treated the same as in the definition of Long-Term Debt Service Requirements with respect to Variable Rate Bonds that are Long-Term Bonds.

ARTICLE VIII

REMEDIES

Section 801. *Extension of Interest Payment.* If the time for the payment of the interest on any Bond is extended, whether or not such extension is by or with the consent of the City, such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Order and in such case the Owner of the Bond for which the time for payment of interest was extended shall be entitled only to the payment in full of the principal of all Bonds then Outstanding and of interest for which the time for payment shall not have been extended.

Section 802. *Events of Default.* Each of the following events is hereby declared an “Event of Default”:

(a) payment of the principal of and the redemption premium, if any, on any of the Bonds is not made when the same are due and payable, either at maturity or by redemption or otherwise;

(b) payment of the interest on any of the Bonds is not made when the same is due and payable;

(c) the City: (i) becomes insolvent or the subject of insolvency proceedings; or (ii) is unable, or admits in writing its inability, to pay its debts as they mature; or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property; or (iv) files a petition or other pleading seeking reorganization, composition, readjustment, or liquidation of assets, or requesting similar relief; or (v) applies to a court for the appointment of a receiver for it or for the whole or any part of the Included Cost Centers other than Special Facilities; or (vi) has a receiver or liquidator appointed for it or for the whole or any part of the Included Cost Centers other than Special Facilities (with or without the consent of the City) and such receiver is not discharged within 90 consecutive days after his appointment; or (vii) becomes the subject of an “order for relief” within the meaning of the United States Bankruptcy Code; or (viii) files an answer to a creditor’s petition admitting the material allegations thereof for liquidation, reorganization, readjustment or composition or to effect a plan or other arrangement with creditors or fail to have such petition dismissed within 60 consecutive days after the same is filed against the City;

(d) any court of competent jurisdiction assumes custody or control of the City or of the whole or any substantial part of its property under the provisions of any other law for the relief or aid of debtors, and such custody or control is not terminated within ninety (90) days from the date of assumption of such custody or control;

(e) the occurrence and continuation of an Event of Default under any Series Resolution; and

(f) the City defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Order, and such default continues for 30 days after receipt by the City of a written notice from the Trustee specifying such default and requesting that it be corrected, provided that if prior to the expiration of such 30-day period the City institutes action reasonably designed to cure such default, no “Event of Default” shall be deemed to have occurred upon the expiration of such 30-day period for so long as the City pursues such curative action with reasonable diligence.

Section 803. Non-Acceleration of Maturities. Nothing in this Bond Order shall be construed as permitting the Trustee or any Owner to accelerate the maturity of any Bond upon the happening and continuance of any Event of Default specified in Section 802 of this Article.

Section 804. Remedies. In addition to any remedies then available to the Trustee under this Order and under State and federal law, upon the occurrence of an Event of Default the Trustee may:

(a) Require the City to endorse all checks and other negotiable instruments representing Revenues to the order of the Trustee immediately upon the receipt thereof and to deliver such endorsed instruments daily to the Trustee.

(b) Notify any or all account debtors of the City to pay any amounts representing Revenues, when due and owing, directly to the Trustee, as Trustee, at the address set forth herein.

(c) Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under this Order, the Trustee shall be entitled, as a matter of right, to the extent permitted by law, to the appointment of a receiver or receivers of the Airport and of the Revenues pending such proceedings, with such powers as the court making such appointments confers, whether or not the Revenues are deemed sufficient ultimately to satisfy the Bonds then Outstanding hereunder.

(d) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due or to enforce observance or performance of any covenant, condition or agreement of the City under this Order.

Section 805. Enforcement of Remedies. Upon the happening and continuance of any Event of Default specified in Section 802, then and in every such case the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall, proceed to protect and enforce the rights of the Owners under federal or State law or under this Order by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights.

Section 806. Pro Rata Application of Funds. Anything in this Order to the contrary-notwithstanding, if at any time the money in the applicable subaccounts in the Revenue Bond Interest Account, the Revenue Bond Principal Account and the Revenue Bond Sinking Fund Account is not sufficient to pay the interest on, the principal of, or other amounts due in connection with, the related Series of Bonds as the same become due and payable, such money, together with any money then available or thereafter becoming available for such purposes, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

first: if the principal of the Series of Bonds has not become due and payable, to the payment of all installments of interest and Credit Support Payment Amounts then due in the order of maturity of the installments of such interest or Credit Support Payment Amounts;

second: if the principal of less than all of the Series of Bonds has become due and payable, first to the payment of all installments of interest and Credit Support Payment Amounts then due on such Bonds of which the principal is not overdue in the order of the maturity of the installments thereof, and next to the payment of interest at the

respective rates specified in the Series of Bonds on overdue principal along with all other amounts due in connection with such Series, and next to the payment of the principal of such Bonds then due in order of their due dates;

third: if the principal of all Series of Bonds has become due and payable by redemption or otherwise, first to the payment of all interest and Credit Support Payment Amounts due on such Bonds of which the principal is not overdue and next to the payment of interest at the respective rates specified in the Series of Bonds on overdue principal along with all other amounts due in connection with such Series, and next to the payment of the principal of the Series of Bonds in order of their due dates; and

fourth: if the principal of all Series of Bonds has become due and payable, and all of the Series of Bonds have been fully paid, together with all interest and premium and Credit Support Payment Amounts, if any, thereon, any surplus then remaining shall be applied first to the payment of Subordinate Indebtedness, including Hedge Termination Payments, and then as set forth in Section 514 hereof.

All payments to be made to the Owners pursuant to this Section shall be made ratably to the persons entitled thereto, without discrimination or preference; if there are insufficient funds to make any payment of interest, principal or other amount then due among Bonds of a designated priority, the amount to be paid in respect of principal, interest or other amount then due, as the case may be, on each Bond shall be determined by multiplying the aggregate amount of the funds available for such payment by a fraction, the numerator of which is the amount then due as principal, interest or other amount, as the case may be, on each Bond and the denominator of which is the aggregate amount due in respect of all principal, interest or other amount, as the case may be, on all Bonds.

The provisions of this Section are in all respects subject to the provisions of Section 801 of this Article.

Whenever money is to be applied by the Trustee pursuant to the provisions of this section: (a) such money shall be applied by the Trustee at such times and from time to time as the Trustee in its sole discretion shall determine, having due regard for the amount of such money available for such application and the likelihood of additional money becoming available for such application in the future, (b) setting aside such money as provided herein in trust for the proper purpose shall constitute proper application by the Trustee, and (c) the Trustee shall incur no liability whatsoever to the City, to any Owner or to any other person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Order as may be applicable at the time of application by the Trustee. Whenever the Trustee exercises such discretion in applying such money, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to the Owner of any Bond until such Bond is surrendered to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 807. *Effect of Discontinuance of Proceedings.* If any proceeding taken by the Trustee or Owners on account of any Event of Default is discontinued or abandoned for any reason, then and in every such case, the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

Section 808. *Control of Proceedings by Owners.* Anything in this Order to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of Bonds at any time Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall be in accordance with law and the provisions of this Order.

Section 809. *Restrictions Upon Actions by Individual Owners.* Except as provided in Section 814, no Owner shall have any right to institute any suit, action or proceeding in equity or at law on any Bond or for the execution of any trust hereunder or for any other remedy hereunder unless such Owner previously shall (a) have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (b) have requested the Trustee to take action after the right to exercise such powers or right of action, as the case may be, shall have accrued, (c) have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such, action, suit or proceedings in its or their name, and (d) have offered to the Trustee reasonable security and satisfactory indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Order or to any other remedy hereunder. Notwithstanding the foregoing provisions of this Section and without complying therewith, the Owners of not less than 20% in aggregate principal amount of Bonds then outstanding may institute any such suit, action or proceeding in their own names for the benefit of all Owners hereunder. It is understood and intended that, except as otherwise above provided, no one or more Owners shall have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the security of this Order or to enforce any right hereunder except in the manner provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Owners and that any individual rights of action or other right given to one or more of such Owners by law are restricted by this Order to the rights and remedies herein provided.

Section 810. *Enforcement of Rights of Action.* All rights of action (including the right to file proof of claim) under this Order or under any Bonds may be enforced by the Trustee without the possession of any Bonds or the production thereof in any proceedings relating thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Owners, and any recovery of judgment shall be for the equal benefit of the Owners, subject to the provisions of Section 801 of this order.

Section 811. *No Remedy Exclusive.* No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

Section 812. *Delay Not a Waiver.* No delay or omission by the Trustee or of any Owner in the exercise of any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein, and every power or remedy given by this Order to the Trustee and to the Owners may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the Owners of not less than a majority in principal amount of the Bonds then Outstanding shall, waive any Event of Default which in its opinion has been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it

under the provisions of this Order or before the completion of the enforcement of any other remedies under this Order, but no such waiver shall extend to or affect any other existing or subsequent Event of Default or impair any rights or remedies consequent thereon.

Section 813. *Notice of Default.* The Trustee shall mail to all Owners (or deliver in such other manner as may be permitted by the Owner's rules and procedures) at their addresses as they appear on the registration books maintained by the Trustee written notice of the occurrence of any Event of Default within 30 days after the Trustee has notice of the same.

Section 814. *Right to Enforce Payment of Bonds Unimpaired.* Nothing in this Article shall affect or impair the right of any Owner to enforce the payment of the principal of and interest on his Bonds or the obligation of the City to pay the principal of and interest on each Bond to the Owner thereof at the time and place specified in said Bond.

ARTICLE IX

THE TRUSTEE

Section 901. *Acceptance of Trusts.* The Trustee shall signify its acceptance of the duties and obligations and agree to execute the trusts imposed upon it by this Order by executing the certificate of authentication endorsed upon the Bonds, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Order, to all of which the City, the Trustee and the respective Owners of the Bonds agree. Unless the Trustee has been given written notice or otherwise has actual notice that an Event of Default has occurred and is continuing, the Trustee shall not be responsible except for the performance of those duties that are expressly set forth in this Order, and no implied covenant or duty shall be read into this Order against the Trustee; provided, however, that nothing herein shall relieve the Trustee from responsibility for its own gross negligence or misconduct.

If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers as are vested in it by this Order and shall use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

Section 902. *Indemnification of Trustee as Condition for Remedial Action upon Direction of Owners.* The Trustee shall be under no obligation to take any remedial proceeding under this Order upon written direction of the Owners in accordance with Section 808 until it is indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability, provided that the Trustee shall have no right to indemnification for any costs, expenses, outlays, counsel fees or disbursements or against any liability resulting from any proceeding or action of the Trustee if the Trustee is determined to have acted in a grossly negligent manner with respect to such proceeding or action. However, the Trustee may begin suit, or appear in and defend suit, or take any remedial proceedings under this Order, or take any steps in the execution of any of the trusts created hereby or in the enforcement of any rights and powers hereunder, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity and with or without the direction of Owners, and in such case the City, at the request of the Trustee, shall reimburse the Trustee from Revenues for all costs, expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the City fails to make such reimbursement, the Trustee may reimburse itself from any money in its possession under the provisions of this Order and shall be entitled to a preference therefor over any Bonds Outstanding.

Section 903. *Limitations on Obligations and Responsibilities of Trustee.* The Trustee shall be under no obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the City, or to report, make or file claims or proof of loss for any loss or damage that may occur, or to keep itself informed or advised as to the payment of any premiums or assessments, or to require any such payment to be made. The Trustee shall have no responsibility in respect of the validity or sufficiency of this Order or, except as to the authentication thereof, in respect of the validity of Bonds or the due execution or issuance thereof.

The Trustee shall be under no obligation to see that any duties herein imposed upon the City, any consultant, any Depository other than a Trustee Depository, or any party other than itself are done or performed.

Section 904. *Trustee Not Liable for Failure of City or Bond Registrar to Act.* The Trustee shall not be liable or responsible for the failure of the City or the Bond Registrar or of any of their employees or agents to make any collections or deposits or to perform any act herein required of the City

or the Bond Registrar or for the loss of any money arising through the insolvency or the act or default or omission of any Depository other than itself in which such money is deposited under the provisions of this Order. The Trustee shall not be responsible for the application of any of the proceeds of Bonds or any other money deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer is made in accordance with the provisions of this Order. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

Section 905. *Compensation of Trustee and Bond Registrar.* Subject to the provisions of any contract between the City and the Trustee or the Bond Registrar relating to the compensation of the Trustee and the Bond Registrar, the City shall pay to the Trustee and the Bond Registrar from Revenues reasonable compensation for all services performed by them hereunder and also all their reasonable expenses, charges and other disbursements and those of their attorneys, agents and employees incurred in and about the administration and the performance of their powers and duties hereunder. If the City fails to cause any payment required by this Section to be made, the Trustee and the Bond Registrar may make such payment from any money in their possession under the provisions of this Order and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 906. *Monthly Statements from Trustee.* On or before the 15th day of each month the Trustee shall file with the City a statement setting forth in respect of the preceding calendar month:

- (a) the amount withdrawn or transferred by it from, and the amount deposited in or credited to, each Fund, Account or subaccount held by it under the provisions of this Order,
- (b) the amount on deposit with it at the end of such month in each such Fund, Account or subaccount,
- (c) a brief description of all obligations held by it as an investment of money in each such Fund, Account or subaccount and the investment income or loss that was charged to any Fund, Account or subaccount in such month,
- (d) the amount applied to the payment, purchase, or redemption of Bonds under the provisions of Article V of this Order and a description of the Bonds so paid, purchased, or redeemed, and
- (e) any other information that the City may reasonably request.

All records and files pertaining to the Bonds and the Airport in the custody of the Trustee shall be available at all reasonable times for inspection by the City, the Local Government Commission, the Owners, and their agents and representatives.

Section 907. *Trustee protected in Relying on Certain Documents.* The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith and in accordance with the terms of this Order, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document that it in good faith reasonably believes to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Order, or upon the written opinion of any independent contractor, agent, attorney, engineer or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The

Trustee shall not be under any obligation to see to the recording or filing of this order or otherwise to the giving to any person of notice of the provisions hereof.

Except as otherwise provided in this Order, any request, notice, certificate or other instrument from the City to the Trustee shall be deemed to have been signed by the proper party or parties if signed by the Finance Director or any designee whose signature is on file with the Trustee.

Section 908. *Notice of Default.* Except upon the happening of any Event of Default specified in clauses (a) and (b) of Section 802 or the reporting of the occurrence of an Event of Default pursuant to Section 706, the Trustee shall not be obliged to take notice or be deemed to have notice of any Event of Default under this Order unless specifically notified in writing of such Event of Default by the City or the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding.

Section 909. *Trustee Not Responsible for Recitals.* The recitals, statements and representations contained herein and in the Bonds (excluding the Trustee's certificate of authentication on the Bonds) shall be taken and construed as made by and on the part of the City and not by the Trustee, and the Trustee shall be under no responsibility for the correctness of the same.

Section 910. *Trustee May Deal in Bonds.* The bank or trust company acting as Trustee under this Order, and its directors, officers, employees or agents, may in good faith, to the extent permitted by applicable law, buy, sell, own, hold and deal in any of the Bonds and may join in any action that any Owner of Bonds may be entitled to take with like effect as if such bank or trust company were not the Trustee under this Order.

Section 911. *Resignation and Removal of Trustee Subject to Appointment of Successor.* No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 915.

Section 912. *Resignation of Trustee.* The Trustee may resign and thereby become discharged from the trusts hereby created by notice in writing given to the City, the Local Government Commission and the owners of all Bonds not less than 30 days before such resignation is to take effect.

Section 913. *Removal of Trustee.* The Trustee may be removed by the City at any time so long as no Event of Default has occurred and is continuing by an instrument or concurrent instruments in writing, executed by the Finance Director, filed with the Local Government Commission and the Trustee not less than 30 days before such removal is to take effect as stated in said instrument or instruments.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing, executed by the Owners of not less than a majority in aggregate principal amount of Bonds then outstanding, filed with the City, the Local Government Commission and the Trustee, and mailed to all Owners of Bonds, not less than 30 days before such removal is to take effect as stated in said instrument or instruments.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Order with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the City or the Owners of not less than 20% in aggregate principal amount of Bonds then Outstanding.

Section 914. *Appointment of Successor Trustee.* If at any time hereafter the Trustee resigns, is removed, is dissolved or otherwise becomes incapable of acting, or the bank or trust company acting as Trustee is taken over by any governmental official, agency, department or board, the position of Trustee shall thereupon become vacant. If the position of Trustee becomes vacant for any reason, the City shall appoint a Trustee to fill such vacancy. A successor Trustee shall not be required if the Trustee sells or assigns substantially all of its trust business and the vendee or assignee continues in the trust business, or if a transfer of the trust department of the Trustee is required by operation of law, provided that such vendee, assignee or transferee qualifies as a successor Trustee under this Section 914.

At any time within one year after any vacancy in the office of the Trustee has occurred, the Owners of 20% in principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing, executed by such Owners and filed with the City, may appoint a successor Trustee, which shall supersede any Trustee theretofore appointed by the City. Photographic copies of each such instrument shall be delivered promptly by the City to the predecessor Trustee and to the Trustee so appointed by the Owners.

If no appointment of a successor Trustee is made pursuant to the foregoing provisions of this Section, any Owner or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon appoint a successor Trustee.

Any successor Trustee hereafter appointed shall be a bank or trust company within the State that is in good standing and duly authorized to exercise corporate trust powers in the State, that is subject to examination by federal or State authority, and that has a combined capital, surplus and undivided profits aggregating not less than Fifty Million Dollars (\$50,000,000).

Section 915. *Vesting of Duties in Successor Trustee.* Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the City, an instrument in writing accepting such appointment and the trusts created hereby and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor. Upon receipt of such instrument or upon receipt of a written request of the City and upon payment of the expenses, charges and other disbursements of such predecessor that are payable pursuant to the provisions of Sections 902 and 905 of this Article, such predecessor Trustee shall execute and deliver an instrument transferring to such successor Trustee rights, immunities and powers of such predecessor hereunder and shall deliver all property and money held by it hereunder to its successor. Should any instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby and vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the City.

Section 916. *Removal and Resignation of Bond Registrar.* The Bond Registrar may be removed by the City at any time so long as no Event of Default has occurred and is continuing by an instrument or concurrent instruments in writing, executed by the Finance Director, filed with the Local Government Commission and the Trustee not less than 30 days before such removal is to take effect as stated in said instrument or instruments.

The Bond Registrar may resign and thereby become discharged from the duties, obligations and responsibilities of Bond Registrar under this Order, by written notice delivered to the City and the Trustee. Upon receipt of such notice the Trustee shall cause notice of such resignation to be mailed, postage prepaid, to the Owners not less than thirty (30) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Bond Registrar hereunder if such new Bond Registrar shall be appointed before the time limited by such notice and shall then accept

the duties, obligations and responsibilities of Bond Registrar under this Order. If at any time thereafter the Bond Registrar shall resign, be removed, be dissolved or otherwise become incapable of acting, or the entity acting as Bond Registrar shall be taken over by any governmental official, agency, department or board, the position of Bond Registrar shall thereupon become vacant. If the position of Bond Registrar shall become vacant for any reason, the City shall appoint a Bond Registrar to fill such vacancy. A successor Bond Registrar shall not be required if the Bond Registrar shall sell or assign substantially all of its business and the vendee or assignee shall be qualified in the sole judgment of the City to carry out the duties, obligations and responsibilities of Bond Registrar under this Order. The City shall promptly deliver written notice of any such appointment by it to the Trustee.

ARTICLE X

EXECUTION OF INSTRUMENTS BY OWNERS,
PROOF OF OWNERSHIP OF BONDS, AND DETERMINATION
OF CONCURRENCE OF OWNERS

Section 1001. Execution of Instruments by Owners. Any request, direction, consent or other instrument in writing required or permitted by this Order to be signed or executed by any Owners may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners or their attorneys or legal representatives. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Order and shall be conclusive in favor of the Trustee and the City with regard to any action taken by either under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the verification, by any officer in any jurisdiction who by the laws thereof has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a person other than an individual, such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

(b) The ownership of Bonds shall be proved by the registration books kept under the provisions of Section 205.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of any Owner shall bind every future Owner of the same Bond in respect of anything done by the Trustee in pursuance of such request or consent.

ARTICLE XI

SUPPLEMENTAL ORDERS

Section 1101. *Supplemental Order Without Owners' Consent.* The City, from time to time and at any time, may adopt such orders supplemental hereto (which supplemental orders shall thereafter form a part hereof), in the form of a separate Supplemental Order or as part of a Series Resolution:

(a) to cure any ambiguity or formal defect or omission or to correct or supplement any provision herein that may be inconsistent with any other provision herein, or

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

(c) to add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Order or other conditions, limitations and restrictions thereafter to be observed, provided that such conditions, limitations, and restrictions do not impair the security for the outstanding Bonds,

(d) to add to the covenants and agreements of the City in this Order other covenants and agreements thereafter to be observed by the City or to surrender any right or power herein reserved to or conferred upon the City, provided that such covenants and agreements and the surrendering of any such right or power do not impair the security for the Outstanding Bonds;

(e) to add areas or parts of the Airport currently part of the Excluded Cost Centers to the Included Cost Centers;

(f) to specify, in accordance with Section 518, the amount of PFCs that shall constitute Pledged PFC Revenues during each Fiscal Year and the Bonds that shall be secured by such Pledged PFC Revenues; or

(g) that, in the opinion of the City's Bond Counsel, do not adversely affect the interest of the Owners.

Section 1102. *Supplemental Order with Owners' Consent.* Subject to the terms and provisions contained in this Section, and not otherwise, the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding that will be affected by a proposed supplemental order shall have the right, from time to time, anything contained in this Order to the contrary notwithstanding, to consent to and approve the adoption of such order or orders supplemental hereto as are deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Order or in any supplemental order, provided that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of Net Revenues other than the lien and pledge created or authorized by this Order, or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental order. Nothing herein contained, however, shall, be construed as making necessary the approval by Owners of the adoption of any supplemental order as authorized in Section 1101 of this Article.

If at any time the City determines that it is necessary or desirable to adopt any supplemental order for any of the purposes of this Section, the Finance Director shall cause notice of the proposed adoption of such supplemental order to be mailed, postage prepaid, to all Owners at their addresses as they appear on the registration books maintained by the Trustee. Such notice shall briefly set forth the nature of the proposed supplemental order and shall state that copies thereof are on file at the office of the City Clerk and the Finance Director for inspection by all Owners. The City shall not, however, be subject to any liability to any Owner by reason of its failure to cause the notice required by this Section to be mailed and any such failure shall not affect the validity of such supplemental order when consented to and approved as provided in this Section.

Whenever, at any time after the date of the first mailing of such notice, the City delivers to the Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding that are affected by a proposed supplemental order, which instrument or instruments shall refer to the proposed supplemental order described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City Council may adopt such supplemental order in substantially such form, without liability or responsibility to any Owner whether or not such Owner shall have consented thereto.

If the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such supplemental order and that are affected by a proposed supplemental order have consented to and approved the adoption thereof as herein provided, to the extent permitted by law, no Owner shall have any right to object to the adoption of such supplemental order, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the adoption thereof, or to enjoin or restrain the City council from adopting the same or from taking any action pursuant to the provisions thereof.

Section 1103. Bonds Affected. For purposes of this Order, Bonds shall be deemed to be "affected" by a supplemental order 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 Bonds. The Trustee may in its discretion determine whether any Bonds would be affected by any supplemental order and any such determination shall be conclusive upon the Owners of all Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

Section 1104. Supplemental Orders Part of Order. Any supplemental order adopted in accordance with the provisions of this Article and approved as to legality by the City Attorney shall thereafter form a part of this Order, and this Order shall be and be deemed to be modified and amended in accordance therewith. Thereafter the respective rights, duties and obligations under this Order of the City, the Trustee and all Owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Order as so modified and amended. If any supplemental order is adopted and approved Bonds issued thereafter may contain an express reference to such supplemental order, if deemed necessary or desirable by the City.

Section 1105. Series Resolution Not a Supplemental Order. For purposes of this Article XI, a Series Resolution that relates only to a particular Series of Bonds issued hereunder and that does not purport to alter or amend the rights or security of any Owners of any Bonds of any other Series issued hereunder shall not be deemed or considered to be a supplemental order; however, a supplemental order may be done as part of a Series Resolution.

Section 1106. Consent of Initial Purchaser, Underwriter or Remarketing Agent. Notwithstanding anything in this Order or a Series Resolution to the contrary, (1) any initial purchaser, underwriter or remarketing agent holding any Series of the 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 order as required or permitted by this Article, including any amendment or supplemental order 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 order.

ARTICLE XII

DEFEASANCE

Section 1201. Cessation of Interest of Owners. If the City pays or causes to be paid or is deemed to have paid to the Owner of any Bond the principal of and interest due and payable, and thereafter to become due and payable on such Bond, or any portion of such Bond in any integral multiple of the authorized denomination thereof, such Bond or portion thereof will cease to be entitled to any lien, benefit or security under this Order. If the City pays or causes to be paid the principal of, premium, if any, and interest due and payable on all Outstanding Bonds, pays or causes to be paid all other sums payable by the City then and in that case the right, title and interest of the Trustee and Owners in the Funds, Accounts and subaccounts created by this Order shall thereupon cease, determine and become void, the City Council shall repeal and cancel this Order, and the Trustee shall apply any surplus in the Funds or Accounts, other than money held for the redemption or payment of Bonds, as provided in Section 514.

Any Bond will be deemed to be paid within the meaning of this Article and for all purposes of this Order when (a) payment of the principal and premium, if any, of such Bond plus interest thereon to the due date thereof (whether such due date is by reason of maturity or on redemption as provided herein) either (i) has been made or caused to be made in accordance with the terms thereof, or (ii) has been provided for by irrevocably depositing with the Trustee in trust and irrevocably set aside exclusively for such payment and, in either case, the Trustee has received verification from an independent verification firm that the money or Government Obligations deposited with the Trustee, together with investment earnings thereon, will be sufficient to pay when due the principal and premium, if any, of and interest due and to become due on the Bond on and before the redemption date or maturity date thereof, (1) money, sufficient to make such payment or (2) non-callable Government Obligations maturing as to principal and interest in such amount and at such time as will insure the availability of sufficient money to make such payment, and (b) all necessary and proper fees, compensation and expenses of the Trustee and any Paying Agent pertaining to the Bonds with respect to which such deposit is made have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond is deemed to be paid hereunder, as aforesaid, such Bond will no longer be secured by or entitled to the benefits of this Order, except for the purposes of any such payment from such money or Government Obligations.

Notwithstanding the foregoing paragraph, no deposit under clause (a)(ii) of the immediately preceding paragraph will be deemed a payment of such Bonds as aforesaid until (a) proper notice of redemption of such Bonds has been previously given in accordance with the applicable Series Resolution, or if said Bonds are not to be redeemed within the next 35 days, until the City has given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to notify, as soon as practicable, the Owners of such Bonds in accordance with the applicable Series Resolution, that the deposit required by (a)(ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Article and stating the maturity or redemption date on which money is to be available for the payment of the principal and premium, if any, of said Bonds plus interest thereon to the due date thereof, or (b) the maturity of such Bonds.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 1301. Effect of Covenants. All covenants, stipulations, obligations and agreements of the City contained in this Order shall be deemed to be covenants, stipulations, obligations and agreements of the City and of each department and agency of the City to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall bind or inure to the benefit of the successor or successors thereof from time to time and any officer, board, body or commission of the City to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements is transferred by or in accordance with law.

Except as otherwise provided in this Order, all rights, powers and privileges conferred and duties and liabilities imposed upon the City by the provisions of this Order shall be exercised or performed by the City Council, or by such other officer, board, body or commission of the City as may be required by law to exercise such powers or to perform such duties.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of the City Council in his individual capacity, and neither the members of the City Council nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 1302. Manner of Giving Notice. Any notice, demand, direction, request or other instrument authorized or required by this Order to be given to or filed with the City, the City Council, the Bond Registrar or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Order if and when sent by registered mail, return receipt requested.

(a) As to the City:

City of Charlotte
600 East Fourth Street
Charlotte, North Carolina 28202-2847
Attention: Chief Financial Officer

with a copy to:

City Attorney
City of Charlotte
600 East Fourth Street
Charlotte, North Carolina 28202-2847

(b) As to the Local Government Commission:

Local Government Commission of North Carolina
3200 Atlantic Avenue, Longleaf Building
Raleigh, North Carolina 276104
Attention: Secretary

(c) As to the Trustee and Bond Registrar:

U.S. Bank National Association
Hearst Tower
214 N. Tryon Street, 27th Floor
Charlotte, North Carolina 28202
Attention: Global Corporate Trust Services

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by telegram or telephone and shall be deemed to be properly given or made at the time of such transmission. Such transmission of notice shall be confirmed in writing not later than one Business Day following such transmission and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other parties by the party effecting the change.

All documents received by the Airport Manager, the Finance Director, the City Clerk and the Local Government Commission under the provisions of this Order, or photographic copies thereof, shall be retained in their possession, subject at all reasonable times to the inspection by any Owner and the agents and representatives thereof.

Section 1303. Successorship of Depositary and Bond Registrar. Any bank or trust company with or into which any Depositary or the Bond Registrar may be merged or consolidated or to which the assets and business of such Depositary or the Bond Registrar may be sold, shall be deemed the successor of such Depositary or the Bond Registrar for the purposes of this Bond Order. If the position of any Depositary or the Bond Registrar shall become vacant for any reason, the City, at the request of the Trustee and provided sufficient funds are available to pay all costs and expenses, if any, reasonably incurred by the City in connection therewith, shall appoint a bank or trust company located in the same city as such Depositary or Bond Registrar to fill such vacancy within thirty (30) days after the City receives notice of such vacancy, provided that if the City shall fail to appoint such Depositary or Bond Registrar within such period, the Trustee shall make such appointment.

Section 1304. Successorship of City Officers. In the event that the office of any officer or official of the City who is vested with responsibility under this Order is abolished or any two or more offices are merged or consolidated, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer or official becomes incapable of performing the duties of his office by reason of sickness, absence from the City or otherwise, all powers conferred and all obligations and duties imposed upon such officer or official shall be performed by the officer or official succeeding to the principal functions thereof or by the officer or official upon whom such powers, obligations and duties are imposed by law.

Section 1305. Inconsistent Orders. All orders and parts thereof that are inconsistent with any of the provisions of this Order are hereby declared to be inapplicable to the provisions of this Order.

Section 1306. Headings Not Part of Order. Any headings preceding the texts of the several Articles and Sections hereof, table of contents, marginal notes, or footnotes appended to copies hereof shall be solely for convenience of reference and shall not constitute a part of this order or affect its meaning, construction or effect.

Section 1307. *City, Bond Registrar, Trustee and Owners Alone Have Rights Under Order.* Except as otherwise expressly provided herein, nothing in this Order, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the City, the Trustee, the Bond Registrar and the Owners of Bonds issued under and secured by this Order, any right, remedy or claim, legal or equitable, under or by reason of this Order. This Order is intended to be for the sole and exclusive benefit of the City, the Trustee, the Bond Registrar and the Owners.

Section 1308. *Effect of Partial invalidity.* If any one or more of the provisions of this Order or of any Bonds issued hereunder is held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Order or of the Bonds, and this Order and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained herein or therein.

Section 1309. *State Law Governs.* The Bonds are issued and this Order is adopted with the intent that the laws of the State shall govern their construction.

Section 1310. *Order Effective.* This Order is intended to amend and restate the Bond Order adopted on November 18, 1985 by the City Council (the "*Prior Order*") related to the Bonds. This Order shall be deemed to have been adopted and will take effect on the date of receipt of the required consent of the Owners of the Bonds, as permitted in the *Prior Order*, to the amendments set forth in this Order, but no earlier than June 2, 2017. After the effective date of this Order, any Series Resolution or other documents entered into before the effective date of this Order that make reference to Sections, Articles or otherwise in the *Prior Order* will be read to mean the corresponding provisions of this Order as the context requires regardless of any particular reference.

APPENDIX A

DESCRIPTION OF INCLUDED COST CENTERS

1. Airfield

The Airfield Cost Center, (formerly known as "Public Aircraft Facilities" or "P.A.F.") includes the total area of those portions of the Airport that provide for the landing, takeoff and taxiing of aircraft, including landing areas, runways, taxiways, adjacent field areas and related support facilities (e.g., navigational aids, hazard designation and warning devices, airfield security roads and fencing, lighting and clear zone areas). "Airfield" shall also mean such other modifications, additions, and expansions thereto, including navigation easements and interests in land utilized in connection therewith or acquired for such purposes. The Airfield Cost Center includes direct and indirect Airport services facilities costs associated with the property, property rights and facilities used by the City to provide and operate the Airport services and Airport services facilities, including administration, operation, maintenance, and capital investment associated with services and/or airport facilities provided by the City at the Airport of the type hereinafter set forth, attributable by the Airport to Airfield Cost Center.

2. Terminal Complex

The Terminal Complex Cost Center is comprised of the following sub-cost centers:

- Terminal Building Sub-Cost Center
- Ground Transportation Sub-Cost Center
- Fueling Sub-Cost Center

Each of these sub-cost centers are further defined below:

The Terminal Building Sub-Cost Center includes:

(a) the building or buildings and areas adjacent thereto, as they presently exist and may hereafter be expanded, modified, constructed, or relocated, in which are housed the ticket counters, baggage make-up areas, baggage claim areas, public lobbies, concession premises, administrative and operations offices within the terminal building, the sidewalks and curbs associated with the terminal building, and other areas and facilities provided by the City for the operation of air carrier passenger processing operations at the terminal building, and through which passengers and their baggage must pass to and from the concourses, and to and from aircraft parked at the ramp areas;

(b) facilities located on or at the Airport for any equipment or personal property acquired or owned by the City for use in connection with the terminal building.

The Terminal Building Sub-Cost Center does not include any personal property of an air carrier.

The Ground Transportation and Other Sub-Cost Center includes:

(a) facilities provided by the City for the parking of vehicles operated by employees of the City and other employers doing business at the Terminal Complex;

(b) the portions of the Airport roadway systems immediately adjacent to the arrival and departure curbs of the terminal building, including the roadway in front of and on the arrivals level of the terminal building set aside for and restricted to use by rental car and other commercial companies delivering and picking up their customers or otherwise conducting their Airport business activities;

(c) the public parking facilities owned or operated by the City for the temporary parking of vehicles in connection with vehicle operators' visits to or use of the Airport, as all presently exist and may hereafter be expanded, modified, constructed or relocated;

(d) all other rental car facilities, except costs, operating revenues, and Customer Facility Charge (CFC) revenues attributable to the Consolidated Rental Car Facility Cost Center (defined below).

The Fueling Sub-Cost Center includes facilities located on or at the Airport for receipt, storage, delivery and distribution of air carrier aviation fuels.

The Terminal Complex Cost Center includes direct and indirect Airport services facilities costs associated with the property, property rights and facilities used by the City to provide and operate the Airport services and Airport services facilities, including administration, operation, maintenance, and capital investment associated with services and/or airport facilities provided by the City at the Airport of the type hereinafter set forth, attributable by the Airport to Terminal Complex Cost Center.

Excluded Cost Centers

Areas or parts of the Airport constituting Excluded Cost Centers, thus not included in the Included Cost Centers, as of the date of the initial adoption of this Bond Order, include, but are not limited to, cargo, general aviation and fixed base operations and the consolidated rental car facility. Such areas or parts of the Airport may be subsequently included pursuant to a Supplemental Bond Order as permitted under Section 1101 under the Bond Order.

STATE OF NORTH CAROLINA)

CITY OF CHARLOTTE) ss:

I, Emily A. Kunze, the 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, amending and restating the Bond Order adopted November 18, 1985, authorizing and securing City of Charlotte Airport Revenue Bonds, adopted by the City Council of the City of Charlotte, North Carolina, at a meeting held on the 24th day of April, 2017, the reference having been made in Minute Book 142, and recorded in full in Resolution Book 48, Page(s) 152-218.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 24 day of April, 2017.



Emily A. Kunze
Deputy City Clerk
City of Charlotte, North Carolina

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 7:30 p.m. on April 24, 2017:

Members Present: Mayor Roberts, Councilmembers, Ajmera, Austin, Driggs, Eiselt, Fallon, Kinsey, Lyles, Mayfield, Mitchell, 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:

RESOLUTION OF THE CITY OF CHARLOTTE, NORTH CAROLINA APPROVING AN AMENDMENT TO A COVENANTS AGREEMENT

WHEREAS, the City of Charlotte, North Carolina (the “City”) is a municipal corporation validly existing under the Constitution, statutes and laws of the State of North Carolina (the “State”);

WHEREAS, the City has the power, pursuant to the General Statutes of the State, to (1) purchase real and personal property, (2) enter into installment purchase contracts to finance and refinance the purchase of real and personal property used, or to be used, for public purposes, and (3) grant a security interest in some or all of the property purchased to secure repayment of the purchase price;

WHEREAS, the City previously executed and delivered an Installment Purchase Contract dated as of December 1, 2003, as previously amended (the “2003 Contract”) between the City and New Charlotte Corporation (the “Corporation”) and Amendment Number Three to the Installment Purchase Contract dated as of May 1, 2013 (the “Contract Amendment,” and together with the 2003 Contract, the “Contract”) between the City and the Corporation, in order to finance mass transit facilities and equipment (the “BLE Project”);

WHEREAS, to assist the City in financing the BLE Project, the Corporation executed and delivered (1) Certificates of Participation (Transit Projects/Phase III), Series 2013D (the “2013D Certificates”), (2) Certificates of Participation (Transit Projects/Phase III), Series 2013E (the “2013E Certificates”) and (3) Certificates of Participation (Transit Projects/Phase III), Series 2013F (the “2013F Certificates,” and together with the 2013D Certificates and the 2013E Certificates, the “2013DEF Certificates”), each evidencing proportionate undivided interests in rights to receive certain revenues pursuant to the Contract;

WHEREAS, in connection with the sale of the 2013DEF Certificates to Banc of America Preferred Funding Corporation (the “Purchaser”), the City and the Corporation entered into a Covenants

Agreement dated as of May 1, 2013 (the “*Covenants Agreement*”) with the Purchaser under which the Purchaser agreed, among other things, to advance funds from time-to-time as needed to fund the BLE Project;

WHEREAS, the Purchaser has agreed to extend the period which it will agree to advance funds to the City under the 2013F Certificate in order to continue to fund costs of the BLE Project until June 1, 2021;

WHEREAS, the City has determined to prepay in full the outstanding principal amounts related to the 2013D Certificates and the 2013E Certificates;

WHEREAS, there has been described to the City Council, copies of which have been made available to the City Council, an Amendment No. 1 to Covenants Agreement and Request (the “*Amendment*”) among the City, the Corporation and the Purchaser which the City Council proposes to approve, enter into and deliver to effectuate the proposed revisions to the Covenants Agreement as described above;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA, AS FOLLOWS:

Section 1. Authorization to Execute the Amendment. The form and content of the Amendment are hereby authorized, approved and confirmed in all respects, and the City Manager, the Deputy City Manager, the Chief Financial Officer, the Finance Director and their respective designees are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the Amendment, including necessary counterparts, in substantially the form and content presented to the City Council, 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 the City’s approval of any and all changes, modifications, additions or deletions therein from the form and content of the Amendment presented to the City Council. From and after the execution and delivery of the Covenants Agreement, the City Manager, the Deputy City Manager, the Chief Financial Officer, the Finance Director and the City Clerk or Deputy City Clerk 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 Amendment as executed.

Section 2. Prepayment of 2013D and 2013E Certificates. The Chief Financial Officer, or his designees, are hereby authorized and directed to prepay the outstanding principal amounts of the 2013D Certificates and the 2013E Certificates in conjunction with the execution and delivery of the Amendment.

Section 3. Severability. If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 4. Repealer. All motions, orders, resolutions and parts thereof in conflict with this Resolution are hereby repealed.

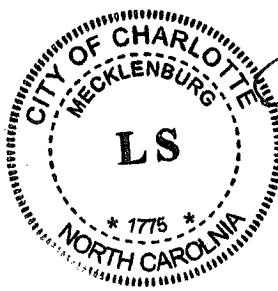
Section 5. Effective Date. This Resolution is effective on the date of its adoption.

STATE OF NORTH CAROLINA)

CITY OF CHARLOTTE) ss:

I, Emily A. Kunze, the Deputy City Clerk of the City of Charlotte, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled “**RESOLUTION OF THE CITY OF CHARLOTTE, NORTH CAROLINA APPROVING AN AMENDMENT TO A COVENANTS AGREEMENT**” adopted by the City Council of the City of Charlotte, North Carolina, at a meeting held on the 24th day of April, 2017, the reference having been made in Minute Book 142, and recorded in full in Resolution Book 48, Page(s) 219-221.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this the 24th day of April, 2017.



Emily A. Kunze

Emily A. Kunze
Deputy City Clerk
City of Charlotte, North Carolina

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 **CHARLOTTE-MECKLENBURG POLICE DEPARTMENT-CENTRAL DIVISION**;

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 **CHARLOTTE-MECKLENBURG POLICE DEPARTMENT-CENTRAL DIVISION** and estimated to be **7,625 square feet (0.175 acre) of fee-simple area**, and any additional property or interest as the City may determine to complete the Project, as it relates to Tax Parcel No.: **078-121-01**, said property currently owned by **FAITH F. SINKOE and spouse, if any; HEIRS OF RANDY S. SINKOE; BRENDA SINKOE-MOORE; ERIC M. MOORE; BEVERLY SINKOE GREY; MICHAEL HOWARD GREY; LOUIS A. SINKOE and spouse, if any**, or the owners' successor-in-interest.

ESTIMATED JUST COMPENSATION:

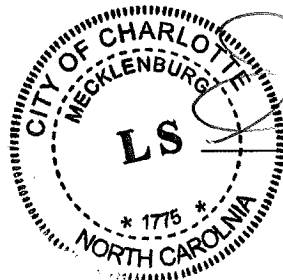
Such estimated just compensation as may be determined based upon the takings required by the final construction plans.

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, Deputy City Clerk of the City of Charlotte, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 24th day of April, 2017 the reference having been made in Minute Book 142 and recorded in full in Resolution Book 48, Page(s) 222.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, the 24th day of April, 2017.



Emily A. Kunze

Emily A. Kunze, Deputy City Clerk

April 24, 2017

Resolution Book 48, Page 223

RESOLUTION DECLARING INTENT TO ABANDON AND CLOSE a portion of an alleyway off of Keeter Drive in the City of Charlotte, Mecklenburg County, North Carolina

Whereas, **TPS Charlotte, LLC**, has filed a petition to close a portion of an alleyway off of Keeter Drive in the City of Charlotte; and

Whereas, a portion of an alleyway off of Keeter Drive is a 20-foot wide right-of-way that begins at an existing iron rod, said iron road being the northwest corner of the Duke Energy property described in Deed Book 03146 on Page 077 in the Mecklenburg County Register of Deeds, continuing approximately 418.7 feet to its terminus, and consisting of 8,374 square feet, as shown in the maps marked "Exhibit A" and is more particularly described by metes and bounds in the document marked "Exhibit B" all of which are available for inspection in the office of the City Clerk, City Hall, Charlotte, North Carolina; and

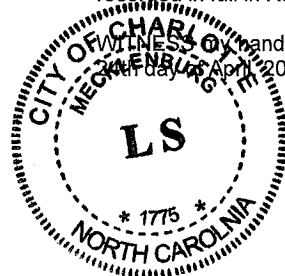
Whereas, the procedure for closing streets and alleys as outlined in North Carolina General Statutes, Section 160A-299, requires that City Council first adopt a resolution declaring its intent to close the street and calling a public hearing on the question; said statute further requires that the resolution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

Now, therefore, be it resolved, by the City Council of the City of Charlotte, at its regularly scheduled session of April 24, 2017, that it intends to close a portion of an alleyway off of Keeter Drive and that the said street (or portion thereof) being more particularly described on a map and calls a public hearing on the question to be held at 7:00pm on Monday, the 22nd day of May 2017, in CMGC meeting chamber, 600 East 4th Street, Charlotte, North Carolina.

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

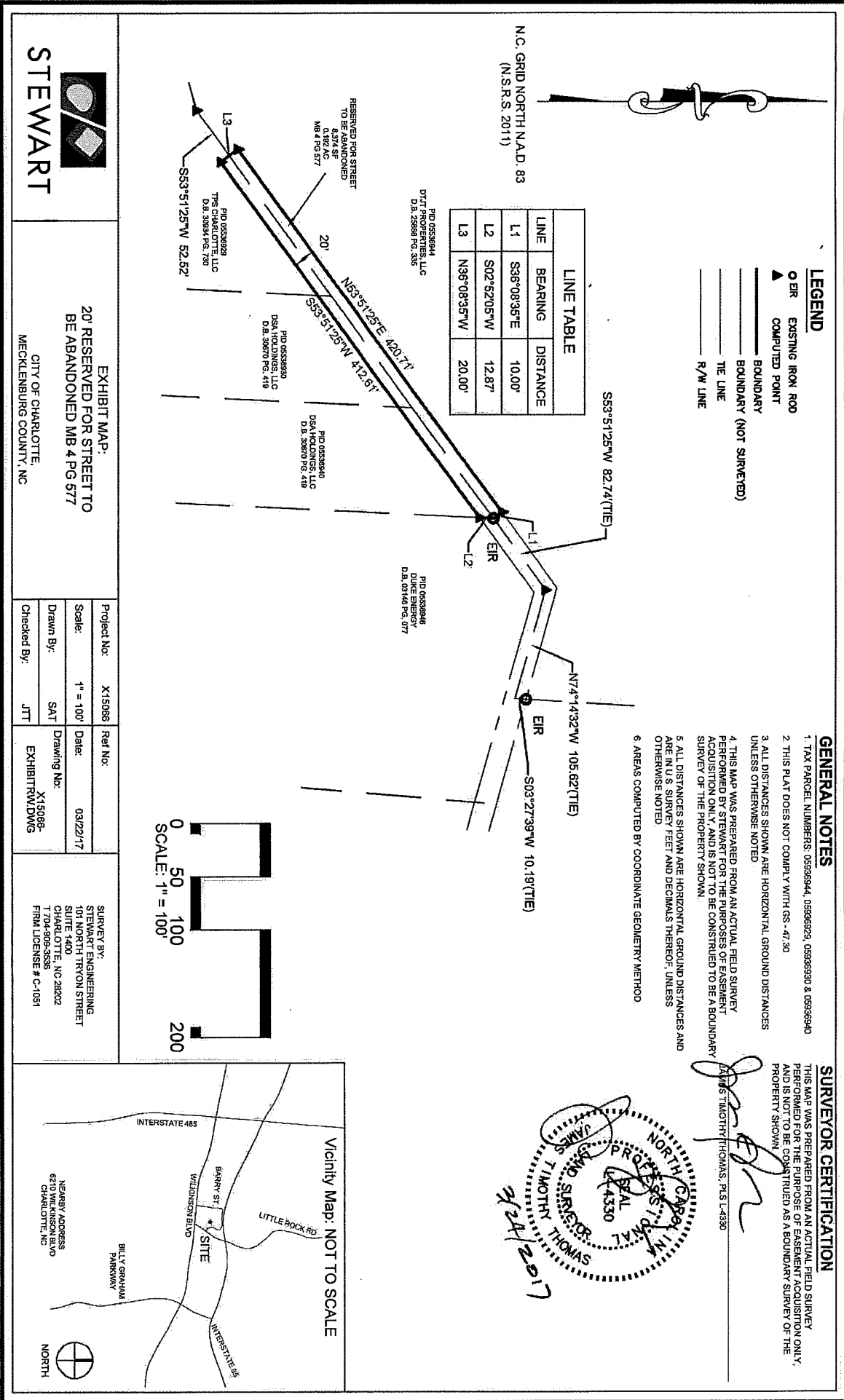
CERTIFICATION

I, 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 Resolution adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 24th day of April, 2017 the reference having been made in Minute Book 142 and recorded in full in Resolution Book 48, Page(s) 223-225.



and the corporate seal of the City of Charlotte, North Carolina, the 24th day of April, 2017.

Emily A. Kunze, Deputy City Clerk



N.C. GRID NORTH N.A.D. 83
(N.S.R.S. 2011)

| LINE | BEARING | DISTANCE |
|------|-------------|----------|
| L1 | S36°08'35"E | 10.00' |
| L2 | S02°52'05"W | 12.87' |
| L3 | N36°08'35"W | 20.00' |

- LEGEND**
- EIR
 - ▲ COMPUTED POINT
 - BOUNDARY
 - BOUNDARY (NOT SURVEYED)
 - TIE LINE
 - R/W LINE

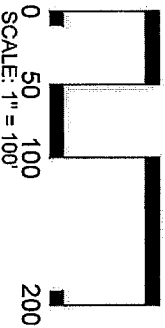
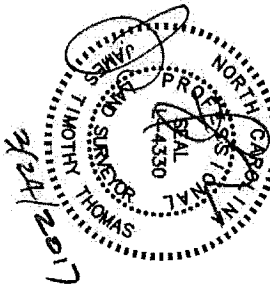
- GENERAL NOTES**
1. TAX PARCEL NUMBERS: 05569644, 05936923, 05936930 & 05936940
 2. THIS PLAT DOES NOT COMPLY WITH GS-47-30
 3. ALL DISTANCES SHOWN ARE HORIZONTAL GROUND DISTANCES UNLESS OTHERWISE NOTED
 4. THIS MAP WAS PREPARED FROM AN ACTUAL FIELD SURVEY PERFORMED BY STEWART FOR THE PURPOSES OF EASEMENT ACQUISITION ONLY, AND IS NOT TO BE CONSTRUED TO BE A BOUNDARY SURVEY OF THE PROPERTY SHOWN.
 5. ALL DISTANCES SHOWN ARE HORIZONTAL GROUND DISTANCES AND ARE IN U.S. SURVEY FEET AND DECIMALS THEREOF, UNLESS OTHERWISE NOTED.
 6. AREAS COMPUTED BY COORDINATE GEOMETRY METHOD

SURVEYOR CERTIFICATION

THIS MAP WAS PREPARED FROM AN ACTUAL FIELD SURVEY PERFORMED FOR THE PURPOSE OF EASEMENT ACQUISITION ONLY, AND IS NOT TO BE CONSTRUED AS A BOUNDARY SURVEY OF THE PROPERTY SHOWN.

JAMES TIMOTHY THOMAS, P.L.S. L-4330

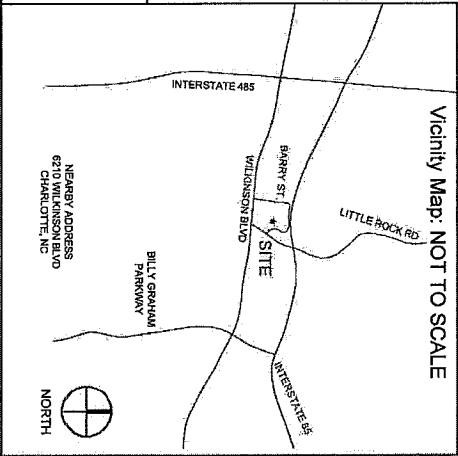
[Signature]



STEWART

EXHIBIT MAP:
20' RESERVED FOR STREET TO
BE ABANDONED MB 4 PG 577
CITY OF CHARLOTTE,
MECKLENBURG COUNTY, NC

| | | | |
|-------------|-----------|-------------|---|
| Project No: | X15085 | Ref No: | |
| Scale: | 1" = 100' | Date: | 03/22/17 |
| Drawn By: | SAT | Drawing No: | X15066- EXHIBIT/RW/DWG |
| Checked By: | JTT | Survey By: | STEWART ENGINEERING 101 NORTH TRYON STREET SUITE 1400 CHARLOTTE, NC 28202 T 704-909-3556 FIRM LICENSE # C-1051 |



LEGAL DESCRIPTION

BEGINNING AT AN EXISTING IRON ROD, SAID IRON ROD BEING THE NORTHWEST CORNER OF THE DUKE ENERGY PROPERTY DESCRIBED IN DEED BOOK 03146 ON PAGE 077 IN THE MECKLENBURG COUNTY REGISTER OF DEEDS, THENCE S 02° 52' 05" W 12.87 FEET TO A COMPUTED POINT. THENCE S 53° 51' 25" W 412.61 FEET TO A COMPUTED POINT, THENCE N 36° 08' 35" W 20.00 FEET TO A COMPUTED POINT, THENCE N 53° 51' 25" E 420.71 FEET TO A COMPUTED POINT, THENCE S 36° 08' 35" E 10.00 FEET TO THE POINT AND PLACE OF BEGINNING CONTAINING 8,374 SQUARE FEET OR 0.192 ACRES.

RESOLUTION DECLARING INTENT TO ABANDON AND CLOSE a portion of Booker Avenue in the City of Charlotte, Mecklenburg County, North Carolina

Whereas, **CGE Venture Group, LLC** has filed a petition to close a portion of Booker Avenue in the City of Charlotte; and

Whereas, a portion of Booker Avenue is located within the northwestern most corner of the intersection of Beatties Ford Road and Booker Avenue, which occurred subsequent to the realignment of the Booker Avenue and Beatties Ford Road intersection, varying in width, and consisting of 0.0809 acres, as shown in the maps marked "Exhibit A" and is more particularly described by metes and bounds in the document marked "Exhibit B" all of which are available for inspection in the office of the City Clerk, City Hall, Charlotte, North Carolina; and

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

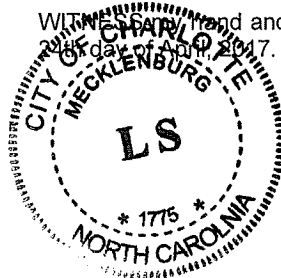
Now, therefore, be it resolved, by the City Council of the City of Charlotte, at its regularly scheduled session of April 24, 2017, that it intends to close a portion of Booker Avenue and that the said street (or portion thereof) being more particularly described on a map and calls a public hearing on the question to be held at 7:00pm on Monday, the 22nd day of May 2017, in CMGC meeting chamber, 600 East 4th Street, Charlotte, North Carolina.

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

CERTIFICATION

I, 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 Resolution adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 24th day of April, 2017 the reference having been made in Minute Book 142 and recorded in full in Resolution Book 48, Page(s) 226-228.

WITNESSED my hand and the corporate seal of the City of Charlotte, North Carolina, the 24th day of April, 2017.

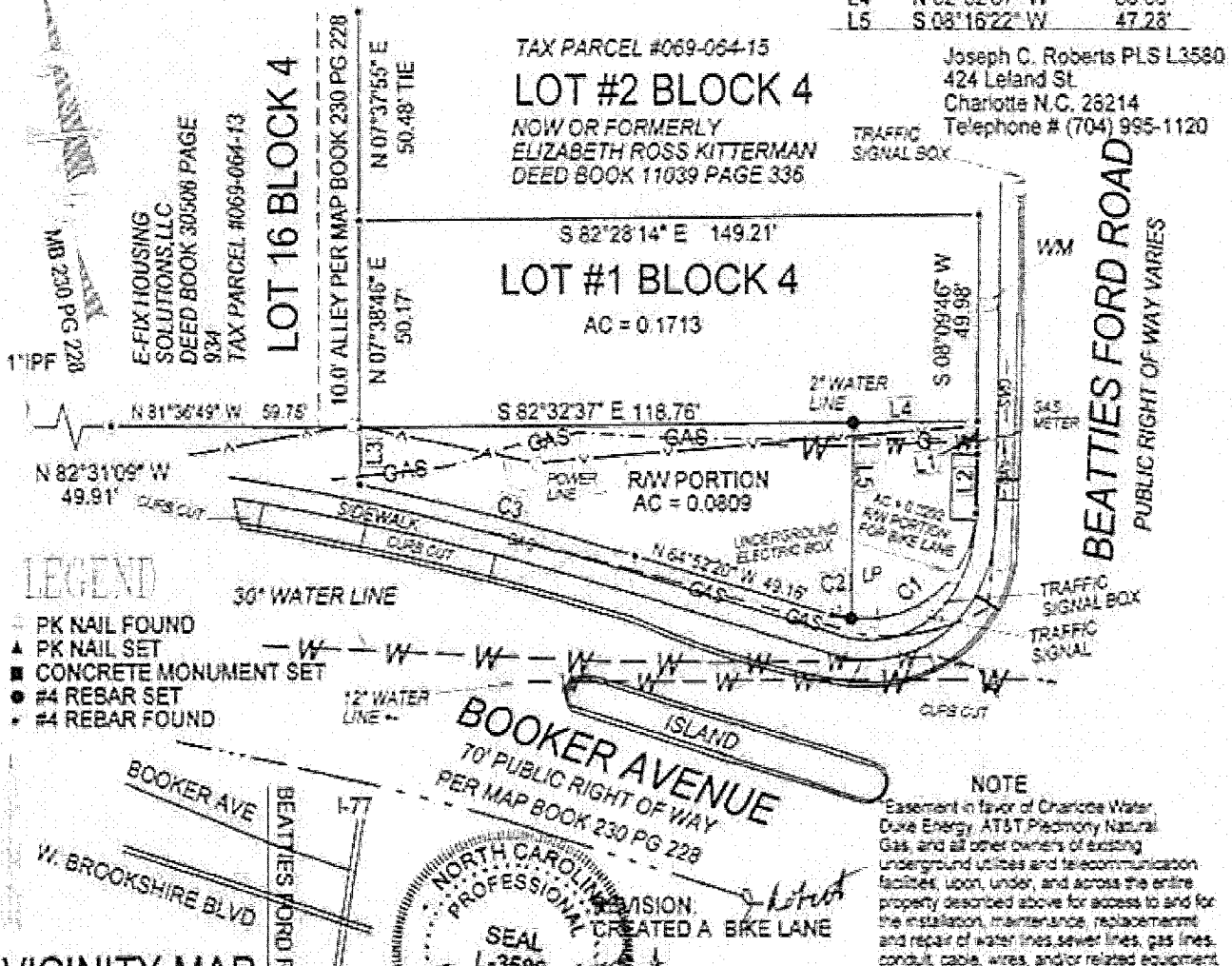



Emily A. Kunze, Deputy City Clerk

Exhibit "A"

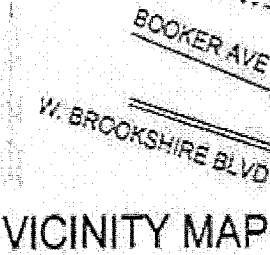
| CURVE TABLE | | | | |
|-------------|---------|------------|--------|-----------------|
| Id | Radius | Arc Length | Chord | Ch Bear |
| C1 | 26.63' | 44.16' | 39.29' | N 57° 39' 36" E |
| C2 | 26.63' | 4.74' | 4.74' | N 72° 15' 38" W |
| C3 | 760.65' | 68.94' | 68.92' | N 67° 28' 51" W |

| LINE TABLE | | |
|------------|-----------------|----------|
| Id | Bearing | Distance |
| L1 | S 07° 54' 00" W | 7.96' |
| L2 | S 09° 10' 12" W | 14.17' |
| L3 | N 07° 20' 58" E | 13.59' |
| L4 | N 82° 32' 37" W | 30.00' |
| L5 | S 08° 16' 22" W | 47.28' |



LEGEND

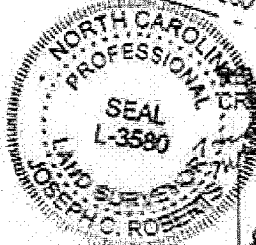
- PK NAIL FOUND
- PK NAIL SET
- CONCRETE MONUMENT SET
- #4 REBAR SET
- #4 REBAR FOUND



NOT TO SCALE

NOTE: AREA BY COMPUTER
 NOTE: SURVEY IS AN EXCEPTION TO CITY OF CHARLOTTE SUBDIVISION ORDINANCE

I, Joseph C. Roberts, certify that this plat was drawn under my supervision from an actual survey made under my supervision (deed description recorded in Book 31032 page 237, etc) (other); that the boundaries not surveyed are clearly indicated as drawn from information found in Book _____ page _____ of other reference source: DB 30508 Pg 934 that the ratio of precision or positional accuracy is 1: 10,000; and that this map meets the requirements of the Standards of Practice for Land Surveying in North Carolina (21 NCAC 55. 1600).
 This 20th day of March 2017 Seal
 Professional Land Surveyor L-3580



A PHYSICAL SURVEY & ABANDONED RW ACQUISITION

OF
 LOT 1, BLOCK 4, WASHINGTON HEIGHTS
 MAP BOOK 230, PAGE 228
 AND
 A PORTION OF BOOKER AVENUE RIGHT OF WAY

OWNER: CGE VENTURE GROUP, LLC
 DEED BOOK 31052 PAGES, 289-291
 LOCATION: CITY OF CHARLOTTE,
 MECKLENBURG COUNTY N.C.

SCALE 1" = 40' DATE OF SURVEY 3/31/2016

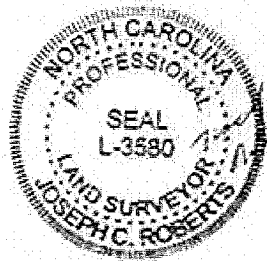


NOTE
 Easement in favor of Charlotte Water, Duke Energy, AT&T Piedmont Natural Gas, and all other owners of existing underground utilities and telecommunication facilities, upon, under, and across the entire property described above for access to and for the installation, maintenance, replacement and repair of water lines, sewer lines, gas lines, conduit, cable, wires, and/or related equipment.

Exhibit B

Meets and Bounds Description for
Right of way abandonment for a
Portion of Booker avenue

Commencing at the 4RBF, said point being the POINT OF BEGINNING
; thence N.W.64°52'20" , a distance of 49.16' to a #4 rebar found the point of curvature of a
non-tangent curve, concave to the left, having a radius of 760.66' a central angle of 05°11'35" ,
and a chord distance of 68.92' and a bearing NW.67°28'51" to a #4 rebar found; then thence
N.E.07°20'58" , a distance of 13.59' to a #4 rebar found; thence S.E.82°32'37" , a distance of
148.76' to a #4 rebar found; thence S.W.07°54'00" , a distance of 7.96' to a #4 rebar found; thence
S.W.09°10'12" , a distance of 14.17' to a #4 rebar found the point of curvature of a non-tangent
curve, concave to the right having a radius of 26.68' , a central angle of 105°32'28" , and a chord
distance of 42.49' and a bearing SW.62°33'56" to a #4 rebar found the POINT OF BEGINNING;
said described tract containing 0.11 Acres, more or less. Excepting from the forgoing meets and
bounds description, a new right of way for a bike lane thus described as beginning at an existing
#4 rebar in the western right of way of Beatties Ford Road also being the southeast corner of Lot
1 Block 4 Washington heights map book 250 page 228, thence with a new line having a bearing
of NW 82d 32' 37" and a distance of 30.00' to a new iron pin, thence with a new line having a
bearing of SW 8d 16' 22" and a distance of 47.28' to a new iron pin marking the right of way of
booker avenue, thence with a curve concave to the left having a radius of 26.68' and a arc length
of 44.16, also having a chord bearing of NE 57d 39' 38" and a chord distance of 39.39' to an
existing #4 rebar in the western right of way of Beatties Ford Road, thence with said right of way
of Beatties Ford road the following two courses and distances, (1) NE 9d 10' 12" 14.17' to an
existing iron pin, (2) NE 7d 54' 00" 7.96' to an existing rebar being the point of beginning, of said
described bike lane containing 0.0292 acres more or less .



Joseph C. Roberts
Signature PLS

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 assessment error.

NOW, THEREFORE, BE RESOLVED by the City Council of the City of Charlotte, North Carolina, in regular session assembled this 24th day of April 2017 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.

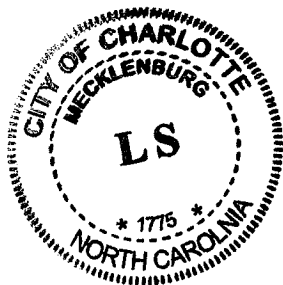
CERTIFICATION

I, Emily A. Kunze, Deputy City Clerk of the City of Charlotte, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 24th day of April, 2017 the reference having been made in Minute Book 142 and recorded in full in Resolution Book 48, Page(s) 229-230.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, the 24th day of April, 2017.



Emily A. Kunze, Deputy City Clerk



April 24, 2017

Resolution Book 48, Page 230
Taxpayers and Refunds Requested

| | | |
|-----------------------------------|-----------|------------------|
| BRIAN CLARKE DDS PA | \$ | 100.88 |
| EVERBANK COMMERCIAL FINANCE INC | \$ | 756.47 |
| FIBER MILLS LLC . | \$ | 38,627.08 |
| HOUSING AUTHORITY OF THE CITY OF | \$ | 46.91 |
| HOUSING AUTHORITY OF THE CITY OF | \$ | 47.00 |
| WAKEMAN 3, LLC, TWEEDY 3, LLC AND | \$ | 4,504.09 |
| WILAND, DOROTHY | \$ | 2.34 |
| WILAND, DOROTHY | \$ | 2.34 |
| WILAND, DOROTHY | \$ | 2.39 |
| | <u>\$</u> | <u>44,089.50</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:

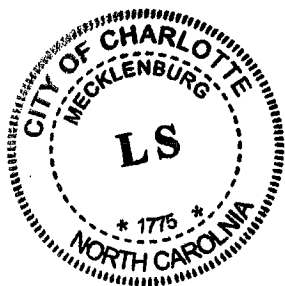
1. The City-County Tax Collector has collected certain taxes from the taxpayers set out on the list attached to the Docket.
2. The City-County Tax Collector has certified that those taxpayers have made proper demand in writing for refund of the amounts set out on the schedule within the required time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

NOW, THEREFORE, BE RESOLVED by the City Council of the City of Charlotte, North Carolina, in regular session assembled this 24th day of April 2017 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, Deputy City Clerk of the City of Charlotte, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 24th day of April, 2017 the reference having been made in Minute Book 142 and recorded in full in Resolution Book 48, Page(s) 231-232.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, the 24th day of April, 2017.





Emily A. Kunze, Deputy City Clerk

Business Privilege License Tax Refund Requests

| | |
|---|-----------------|
| CAROLINA TABLETOP GAMES CAFÉ | \$ 15.00 |
| WALID MOHAMED AHMED - CROWN CAB CO #727 | \$ 20.00 |
| | <u>\$ 35.00</u> |