

## OFFERING MEMORANDUM

**Ratings: See inside cover  
and "Ratings of the Notes" herein**

*In the opinion of Co-Note Counsel, interest on the Series A Notes (as defined below) and the Series B Notes (as defined below) is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions, except as to interest on any Series B Note during any period such Series B Note is held by a person who is a "substantial user" of the facilities financed with the proceeds of the Series B Notes or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), subject to the condition described under "Tax Status of the Notes" herein. Interest on the Series A Notes is not treated as an item of tax preference under Section 57 of the Code for purposes of individual or corporate alternative minimum taxes; however, such interest is included in adjusted current earnings for purposes of the federal alternative minimum tax imposed on corporations. Interest on the Series B Notes is treated as an item of tax preference for purposes of the alternative minimum tax on individuals and corporations. Interest on the Series C Notes (as defined below) is includable in gross income for purposes of federal income taxation. Under the Code, interest on the Notes (as defined below) may be subject to certain other taxes affecting corporate holders of the Notes. Under the laws of the Commonwealth of Pennsylvania, the Notes are exempt from personal property taxes in Pennsylvania, and interest on the Notes is exempt from Pennsylvania personal income tax and the Pennsylvania corporate net income tax. For a more complete discussion, see "Tax Status of the Notes" herein.*

**UP TO \$350,000,000**

**CITY OF PHILADELPHIA, PENNSYLVANIA**  
**AIRPORT REVENUE COMMERCIAL PAPER NOTES**  
**Series A, Subseries A-1, A-2 and A-3 (Tax-Exempt Non-AMT),**  
**Series B, Subseries B-1, B-2 and B-3 (Tax-Exempt AMT), and**  
**Series C, Subseries C-1, C-2 and C-3 (Federally Taxable)**  
**(Philadelphia Airport System)**



The City of Philadelphia, Pennsylvania (the "City") has authorized the issuance of its Airport Revenue Commercial Paper Notes, Series A (Tax-Exempt Non-AMT) consisting of Airport Revenue Commercial Paper Notes, Series A, Subseries A-1 (the "Subseries A-1 Notes"), Airport Revenue Commercial Paper Notes, Series A, Subseries A-2 (the "Subseries A-2 Notes"), and Airport Revenue Commercial Paper Notes, Series A, Subseries A-3 (the "Subseries A-3 Notes" and, together with the Subseries A-1 Notes and the Subseries A-2 Notes, the "Series A Notes"), its Airport Revenue Commercial Paper Notes, Series B (Tax-Exempt AMT) consisting of Airport Revenue Commercial Paper Notes, Series B, Subseries B-1 (the "Subseries B-1 Notes"), Airport Revenue Commercial Paper Notes, Series B, Subseries B-2 (the "Subseries B-2 Notes"), and Airport Revenue Commercial Paper Notes, Series B, Subseries B-3 (the "Subseries B-3 Notes" and, together with the Subseries B-1 Notes and the Subseries B-2 Notes, the "Series B Notes"), and its Airport Revenue Commercial Paper Notes, Series C (Federally Taxable) consisting of Airport Revenue Commercial Paper Notes, Series C, Subseries C-1 (the "Subseries C-1 Notes"), Airport Revenue Commercial Paper Notes, Series C, Subseries C-2 (the "Subseries C-2 Notes"), and Airport Revenue Commercial Paper Notes, Series C, Subseries C-3 (the "Subseries C-3 Notes" and, together with the Subseries C-1 Notes and the Subseries C-2 Notes, the "Series C Notes", and the Series C Notes, together with the Series A Notes and the Series B Notes, the "Notes" and each such subseries of Notes referred to herein as a "Subseries"), in the aggregate principal amount of up to \$350,000,000 outstanding at any one time.

The Notes will be issued under and pursuant to the First Class City Revenue Bond Act of October 18, 1972, Act No. 234, the Amended and Restated General Airport Revenue Bond Ordinance, approved June 16, 1995 (Bill No. 950282), as amended and supplemented (the "General Ordinance"), and the Thirteenth Supplemental Ordinance (Bill No. 120644, approved by the Mayor on October 19, 2012) (the "Thirteenth Supplemental Ordinance" and, together with the General Ordinance, the "Ordinance") and a Commercial Paper Agreement, dated as of January 1, 2013, between the City and U.S. Bank National Association (the "Issuing and Paying Agent").

Each Note shall be supported by an irrevocable, direct pay letter of credit (a "Credit Facility") issued to the Issuing and Paying Agent pursuant to which the Issuing and Paying Agent is entitled to make drawings in amounts sufficient to pay when due the principal on those Notes supported by such Credit Facility at the stated maturity thereof plus an amount not to exceed 270 days of accrued interest (and based upon a year of three hundred sixty (360) days) on such Notes calculated at a maximum rate of 12% per annum. Credit Facilities shall be issued separately and not jointly by

**Barclays Bank PLC**

**PNC Bank,  
National Association**

**Wells Fargo Bank,  
National Association**

(collectively, the "Banks" and each a "Bank") and each Credit Facility shall have a stated expiration date of January 7, 2016, subject to earlier termination in accordance with its respective terms. Notes of each Series shall be issued in separate Subseries or other designations approved by the City for each Bank. **Notes of any particular Subseries shall only be supported by one Credit Facility issued by one Bank and such Notes shall not be supported by any other Credit Facility.** A table listing each Subseries, the related Bank that will issue its Credit Facility to support such Subseries, and the corresponding ratings is on the inside cover of this Offering Memorandum.

The aggregate principal amount of Notes supported by a particular Credit Facility at any time may not exceed the amount then available to be drawn by the Issuing and Paying Agent under such Credit Facility to pay the principal of such Notes, and the aggregate principal amount of the Notes which may be outstanding under the Ordinance at any time may not exceed the aggregate amount then available to be drawn by the Issuing and Paying Agent under the Credit Facilities to pay the principal of the Notes. An alternate credit facility may be substituted for a Credit Facility upon satisfaction of certain conditions. See "Credit Facility and Reimbursement Agreement-Alternate Credit Facilities" herein.

**THE NOTES ARE LIMITED OBLIGATIONS OF THE CITY PAYABLE BY THE CITY SOLELY FROM THE PLEDGED AMOUNTS (AS DESCRIBED HEREIN). THE NOTES ARE NOT SECURED BY A PLEDGE OF THE FULL FAITH, CREDIT OR TAXING POWER OF THE CITY. THE NOTES DO NOT CREATE ANY DEBT OR CHARGE AGAINST THE TAX OR GENERAL REVENUES OF THE CITY, OR CREATE A LIEN AGAINST ANY PROPERTY OF THE CITY OTHER THAN THE PLEDGED AMOUNTS.**

**IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF ANY NOTES, PROSPECTIVE PURCHASERS SHOULD CONSIDER THE CREDIT OF THE RESPECTIVE BANK ISSUING THE CREDIT FACILITY SUPPORTING SUCH NOTES AND NOT THE CREDIT OF EITHER OF THE OTHER BANKS.**

*This cover page is not intended to be a summary of the terms of, or the security for, the Notes. Investors are advised to read this Offering Memorandum in its entirety to obtain information essential to the making of an informed investment decision.*

**Barclays Capital Inc.  
PNC Capital Markets LLC**

**Loop Capital Markets  
Wells Fargo Securities**

## SUMMARY OF THE BANKS, THE CREDIT FACILITIES AND THE RATINGS

	Subseries of Notes	Issuer of Credit Facility	Credit Facility Expiration Date	Ratings*		
				Moody's	S&P	Fitch
Series A Notes (Tax-Exempt Non-AMT)	A-1 <sup>1</sup>	Barclays Bank PLC	January 7, 2016	P-1	A-1	F1
	A-2 <sup>2</sup>	PNC Bank, National Association	January 7, 2016	P-1	A-1	F1
	A-3 <sup>3</sup>	Wells Fargo Bank, National Association	January 7, 2016	P-1	A-1+	F1+
Series B Notes (Tax-Exempt AMT)	B-1 <sup>1</sup>	Barclays Bank PLC	January 7, 2016	P-1	A-1	F1
	B-2 <sup>2</sup>	PNC Bank, National Association	January 7, 2016	P-1	A-1	F1
	B-3 <sup>3</sup>	Wells Fargo Bank, National Association	January 7, 2016	P-1	A-1+	F1+
Series C Notes (Federally Taxable)	C-1 <sup>1</sup>	Barclays Bank PLC	January 7, 2016	P-1	A-1	F1
	C-2 <sup>2</sup>	PNC Bank, National Association	January 7, 2016	P-1	A-1	F1
	C-3 <sup>3</sup>	Wells Fargo Bank, National Association	January 7, 2016	P-1	A-1+	F1+

\* Expected ratings; to be released upon delivery of the applicable Credit Facility. Ratings are based on the Credit Facility to be issued by the related Bank. Such ratings will expire upon the expiration of the related Credit Facility. See "Ratings of the Notes" herein for additional information.

<sup>1</sup> The Subseries A-1 Notes, the Subseries B-1 Notes, and the Subseries C-1 Notes may be outstanding, from time to time, in a combined amount of principal of and interest due thereon not to exceed \$136,250,000 (the initial stated amount of the Credit Facility to be issued by Barclays Bank PLC).

<sup>2</sup> The Subseries A-2 Notes, the Subseries B-2 Notes, and the Subseries C-2 Notes may be outstanding, from time to time, in a combined amount of principal of and interest due thereon not to exceed \$90,470,000 (the initial stated amount of the Credit Facility to be issued by PNC Bank, National Association).

<sup>3</sup> The Subseries A-3 Notes, the Subseries B-3 Notes, and the Subseries C-3 Notes may be outstanding, from time to time, in a combined amount of principal of and interest due thereon not to exceed \$154,780,000 (the initial stated amount of the Credit Facility to be issued by Wells Fargo Bank, National Association).

This Offering Memorandum is intended for use only in an offering to qualifying investors and is not to be used for any other purpose. It does not purport to provide a complete description of all risks and factors that may be considered by an investor. Qualifying investors include institutional investors and individual investors who customarily purchase commercial paper, which investors are purchasing the Notes in denominations of at least \$100,000.

This Offering Memorandum is provided in connection with the sale of the Notes referred to herein and may not be reproduced or be used, in whole or in part, for any other purpose. The information contained in this Offering Memorandum has been obtained from the City, the Division of Aviation of the City (the "Division of Aviation"), the Dealers listed on the cover page hereof (the "Dealers") and other sources which are believed to be reliable. The Dealers have provided the following sentence for inclusion in this Offering Memorandum. The Dealers have reviewed the information in this Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Dealers do not guarantee the accuracy or completeness of such information.

No dealer, broker, salesman or other person has been authorized by the City, the Division of Aviation, the Banks or the Dealers to give any information or to make any representations other than those contained in this Offering Memorandum, and, if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein speak as of their date unless otherwise noted and are subject to change without notice. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof or the Division of Aviation.

The Notes are exempt from registration under the Securities Act of 1933, as amended.

This Offering Memorandum, including the appendices, must be read in its entirety. The captions and headings in this Offering Memorandum are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provision or section in this Offering Memorandum.

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## OFFERING MEMORANDUM

**Up to \$350,000,000**  
**CITY OF PHILADELPHIA, PENNSYLVANIA**  
**AIRPORT REVENUE COMMERCIAL PAPER NOTES**  
**Series A, Subseries A-1, A-2 and A-3 (Tax-Exempt Non-AMT),**  
**Series B, Subseries B-1, B-2 and B-3 (Tax-Exempt AMT), and**  
**Series C, Subseries C-1, C-2 and C-3 (Federally Taxable)**  
**(Philadelphia Airport System)**

### Issuance of the Notes

The City of Philadelphia, Pennsylvania (the “City”) has authorized the issuance of its Airport Revenue Commercial Paper Notes, Series A (Tax-Exempt Non-AMT) consisting of Airport Revenue Commercial Paper Notes, Series A, Subseries A-1 (the “Subseries A-1 Notes”), Airport Revenue Commercial Paper Notes, Series A, Subseries A-2 (the “Subseries A-2 Notes”), and Airport Revenue Commercial Paper Notes, Series A, Subseries A-3 (the “Subseries A-3 Notes” and, together with the Subseries A-1 Notes and the Subseries A-2 Notes, the “Series A Notes”), its Airport Revenue Commercial Paper Notes, Series B (Tax-Exempt AMT) consisting of Airport Revenue Commercial Paper Notes, Series B, Subseries B-1 (the “Subseries B-1 Notes”), Airport Revenue Commercial Paper Notes, Series B, Subseries B-2 (the “Subseries B-2 Notes”), and Airport Revenue Commercial Paper Notes, Series B, Subseries B-3 (the “Subseries B-3 Notes” and, together with the Subseries B-1 Notes and the Subseries B-2 Notes, the “Series B Notes”), and its Airport Revenue Commercial Paper Notes, Series C (Federally Taxable) consisting of Airport Revenue Commercial Paper Notes, Series C, Subseries C-1 (the “Subseries C-1 Notes”), Airport Revenue Commercial Paper Notes, Series C, Subseries C-2 (the “Subseries C-2 Notes”), and Airport Revenue Commercial Paper Notes, Series C, Subseries C-3 (the “Subseries C-3 Notes” and, together with the Subseries C-1 Notes and the Subseries C-2 Notes, the “Series C Notes”, and the Series C Notes, together with the Series A Notes and the Series B Notes, the “Notes” and each such subseries of Notes referred to herein as a “Subseries”), in the aggregate principal amount of up to \$350,000,000 outstanding at any one time. Such Notes, when issued, will be on parity with the City’s Airport Revenue Bonds issued under and outstanding or subject to the General Ordinance (as defined below).

The City is issuing the Notes under and pursuant to the First Class City Revenue Bond Act of October 18, 1972, Act No. 234 (the “Act”), the Amended and Restated General Airport Revenue Bond Ordinance, approved June 16, 1995 (Bill No. 950282), as amended and supplemented (the “General Ordinance”), and the Thirteenth Supplemental Ordinance (Bill No. 120644, approved by the Mayor on October 19, 2012) (the “Thirteenth Supplemental Ordinance” and, together with the General Ordinance, the “Ordinance”) and a Commercial Paper Agreement, dated as of January 1, 2013, between U.S. Bank National Association (the “Issuing and Paying Agent”) and the City (the “CP Agreement”).

### The Airport System

The Airport System consists of the Philadelphia International Airport (the “Airport”) and the Northeast Philadelphia Airport (the “Northeast Philadelphia Airport”) and is owned by the City and operated by the Division of Aviation of the City’s Department of Commerce (the “Division of Aviation”). The City is classified as a large air traffic hub by the Federal Aviation Administration. According to the Airport Council International, in calendar year 2011, the Airport was ranked 18th in passenger traffic among U.S. airports and served a total of approximately 30.8 million passengers.

Origin-destination traffic for calendar year 2011 accounted for approximately 55% of annual passengers, with the remaining 45% being passengers who connected between flights.

Northeast Philadelphia Airport is located on a 1,150-acre site situated within the City limits about 10 miles by road northeast of center city Philadelphia and provides for general aviation, air taxi and corporate, as well as occasional military use.

### **Plan of Finance**

Proceeds of the Notes, together with other available moneys, will be used to provide funds to (i) finance the various capital projects as described in the Thirteenth Supplemental Ordinance; (ii) pay the principal of, and interest on, maturing Notes, (iii) pay obligations to the Banks, as defined herein, under the Reimbursement Agreements, as defined herein, resulting from draws on the Credit Facilities, as defined herein, and (iv) pay the costs of issuance of the Notes.

### **Issuing and Paying Agent**

U.S. Bank National Association, Philadelphia, Pennsylvania, serves as Issuing and Paying Agent for the Notes.

### **Dealers**

Barclays Capital Inc., Loop Capital Markets LLC, PNC Capital Markets LLC, Wells Fargo Bank, National Association (with respect to the Series A Notes and the Series B Notes) and Wells Fargo Securities, LLC (with respect to the Series C Notes) (collectively, the “Dealers”), serve as the commercial paper dealers for the offering of the Notes to qualifying investors, pursuant to the terms of a Commercial Paper Dealer Agreement among the City and the Dealers.

Wells Fargo Securities is the trade name for certain capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Securities, LLC, member New York Stock Exchange, Financial Industry Regulatory Authority and Securities Investor Protection Corporation, and Wells Fargo Bank, National Association.

Wells Fargo Bank, National Association (“Wells N.A.”), one of the Dealers for the Notes, has entered into an agreement (the “Distribution Agreement”) with Wells Fargo Advisors, LLC (“WFA”) for the distribution of certain municipal securities offerings, including the Series A Notes and the Series B Notes. Pursuant to the Distribution Agreement, Wells N.A. may share a portion of its compensation with respect to the Series A Notes and the Series B Notes with WFA. Wells N.A. and WFA are both wholly owned subsidiaries of Wells Fargo & Company.

### **Form and Terms of Notes**

The Notes are registered in the name of The Depository Trust Company (“DTC”) or Cede & Co., its nominee, and are issued in denominations of \$100,000 or in additional increments of \$1,000. The Series A Notes and the Series B Notes are dated and bear interest from their date of delivery at a rate per annum not in excess of the Maximum Interest Rate (as defined below), calculated on the basis of a 365- or 366-day year, as appropriate, and actual days elapsed. The Series C Notes may either (i) be dated and bear interest from their date of delivery, or (ii) be issued so that they will not bear interest but be issued as Original Issue Discount Notes (as defined below), in either case at a rate per annum (at an effective rate per annum, in the case of Original Issue Discount Notes) not in excess of the Maximum Interest Rate, calculated on the basis of a 360-day year, and actual days elapsed. “Original Issue Discount Notes”

means a Subseries of Series C Notes which are sold at an initial public offering price of less than their principal amount and which are specifically designated as Original Issue Discount Notes. “Maximum Interest Rate” means 12% per annum.

The Notes will mature and become payable on such dates as the Dealers shall, with the consent of the City, establish at the time of issuance, provided that no Note shall mature or become payable more than 270 days from the date of its issuance, and provided further that no Note will mature less than one business day prior to the applicable Credit Facility Expiration Date as described in the inside cover page (the “Stated Expiration Date”) of the applicable Credit Facility. The Notes are not subject to redemption prior to maturity. The Notes other than Original Issue Discount Notes will be sold at their par amount.

### **Source of Payment for the Notes**

Amounts drawn under a Credit Facility and deposited into a Credit Facility Subaccount in the Note Payment Account are available to pay holders of the Notes of the related Subseries but are not available to pay any Bank.

The primary source of repayment of the Subseries A-1 Notes, the Subseries B-1 Notes, and the Subseries C-1 Notes (collectively, the “Subseries A-1, B-1 and C-1 Notes”) is the Credit Facility to be issued by Barclays Bank PLC. The primary source of repayment of the Subseries A-2 Notes, the Subseries B-2 Notes, and the Subseries C-2 Notes (collectively, the “Subseries A-2, B-2 and C-2 Notes”) is the Credit Facility to be issued by PNC Bank, National Association. The primary source of repayment of the Subseries A-3 Notes, the Subseries B-3 Notes, and the Subseries C-3 Notes (collectively, the “Subseries A-3, B-3 and C-3 Notes”) is the Credit Facility to be issued by Wells Fargo Bank, National Association.

In addition, the Notes of a particular Subseries, and the City’s reimbursement obligations to each Bank under the respective Reimbursement Agreements, are payable from (i) proceeds of the sale of such Subseries of Notes deposited in the Note Payment Account, (ii) moneys held in the Construction Account for capitalized interest, (iii) Pledged Amounts (as defined below) available under the Ordinance and deposited in the related Note Payment Account for such Subseries of Notes, and (iv) such other legally available funds as shall be determined by the City and paid into the related Subaccounts for such Subseries of Notes, all of which are pledged by the City to the Issuing and Paying Agent under the CP Agreement as security for the Notes and the City’s reimbursement obligations to the Banks.

Pursuant to the General Ordinance, the Notes and the repayment obligations under the Credit Facilities are and will be equally and ratably secured by a lien on and security interest in (i) Project Revenues (as defined below); (ii) amounts payable to the City under a Qualified Swap; (iii) certain funds on deposit in or credited to the Aviation Funds (as defined in the General Ordinance), and (iv) proceeds of the foregoing (the amounts described in clauses (i) through (iv) are sometimes referred to, collectively, as the “Pledged Amounts”).

The General Ordinance defines Project Revenues to include all of the revenues, rents, rates, tolls or other charges imposed upon all lessees, occupants and users of the Airport System and all moneys received by or on behalf of the City from all sources during any fiscal year (except as hereinafter excluded) from or in connection with the ownership, operation, improvements and enlargements of the Airport System, or any part thereof and the use thereof including, without limitation, revenues pledged or appropriated for the benefit of the Airport System, all rentals, rates, charges, landing fees, use charges, concession revenues, income derived from the City’s sale of services, fuel, oil, and other supplies or commodities and all other charges received by the City or accrued by it from the Airport System, and any investment income realized from the investment of the foregoing, except as provided below, and all

accounts, contract rights and general intangibles representing the Project Revenues, all consistently determined in accordance with the accrual basis of accounting adjusted to meet particular requirements of Airport-Airline Use and Lease Agreements between the City and the principal airlines serving the Airport (the "Airline Agreements") (if any of the Airline Agreements are in effect) and the General Ordinance.

Project Revenues as defined in the preceding paragraph shall not include (a) any and all passenger facility charges (unless otherwise provided in a supplemental ordinance) or any taxes which the City may from time to time impose upon users of the Airport System, (b) any governmental grants and contributions in aid of capital projects, (c) such rentals as may be received pursuant to Special Facility Agreements for Special Purpose Facilities (as defined in the General Ordinance), (d) proceeds of the sale of bonds and any income realized from the investment of proceeds of the sale of bonds maintained in the Aviation Capital Fund established by the General Ordinance and income realized from investments of amounts maintained in the Renewal Fund and Sinking Fund Reserve Account, (e) except as required by applicable laws, rules or regulations, net proceeds from the sale of certain Airport assets, (f) proceeds of insurance or eminent domain (other than proceeds that provide for lost revenue due to business interruption or business loss), and (g) net amounts payable to the City under a Qualified Swap (other than termination amounts payable to a Qualified Swap Provider due as a result of termination of a Qualified Swap).

As of June 15, 2012, the City had issued and there were outstanding \$1,417,055,000 Airport System Revenue Bonds (the "Outstanding Bonds"). The City has pledged Pledged Amounts, and other amounts, to repayment of bonds, including the Outstanding Bonds and the Notes, issued pursuant to the provisions of the Ordinance. The Outstanding Bonds and the Notes are secured on a parity basis by the Pledged Amounts. The City may authorize the issuance of additional bonds in the future which are on a parity with the Outstanding Bonds and the Notes.

**THE NOTES ARE LIMITED OBLIGATIONS OF THE CITY PAYABLE BY THE CITY SOLELY FROM THE PLEDGED AMOUNTS. THE NOTES ARE NOT SECURED BY A PLEDGE OF THE FULL FAITH, CREDIT OR TAXING POWER OF THE CITY. THE NOTES DO NOT CREATE ANY DEBT OR CHARGE AGAINST THE TAX OR GENERAL REVENUES OF THE CITY, OR CREATE A LIEN AGAINST ANY PROPERTY OF THE CITY OTHER THAN THE PLEDGED AMOUNTS.**

### **Credit Facilities and Reimbursement Agreements**

*The following summary of the Credit Facilities and the Reimbursement Agreements does not purport to be comprehensive or definitive and is subject in all respects to all of the terms and provisions of the respective Credit Facility and Reimbursement Agreement, to which reference is made hereby. Investors are urged to obtain and review a copy of the applicable Credit Facility and Reimbursement Agreement in order to understand all of its terms. Unless otherwise defined in the following summaries (or elsewhere in this Offering Memorandum, where applicable), capitalized terms used in the following summaries are used as defined in the respective Reimbursement Agreement and reference thereto is made for full understanding of their import.*

**General.** Specific Subseries of Notes shall be supported by a single irrevocable, direct pay letter of credit (each a "Credit Facility") issued to the Issuing and Paying Agent by one of the following Banks: (i) Barclays Bank PLC pursuant to a Reimbursement Agreement, dated as of January 1, 2013, (the "Barclays Reimbursement Agreement") between the City and Barclays Bank PLC, (ii) PNC Bank, National Association pursuant to a Reimbursement Agreement, dated as of January 1, 2013, (the "PNC Reimbursement Agreement") between the City and PNC Bank, National Association or (iii) Wells Fargo Bank, National Association pursuant to a Reimbursement Agreement, dated as of January 1, 2013, (the "Wells Reimbursement Agreement") between the City and Wells Fargo Bank, National Association

(Barclays Bank PLC, PNC Bank, National Association and Wells Fargo Bank, National Association are collectively referred to herein as the “Banks” and individually as a “Bank”). Each Credit Facility shall be issued separately and severally by the single related Bank and not jointly by the Banks. Each Series of Notes shall be issued from time to time in separate Subseries or other designations for each Bank. The Subseries A-1, B-1 and C-1 Notes shall be supported by a Credit Facility issued by Barclays Bank PLC (the “Barclays Credit Facility”), the Subseries A-2, B-2 and C-2 Notes shall be supported by a Credit Facility issued by PNC Bank, National Association (the “PNC Credit Facility”), and the Subseries A-3, B-3 and C-3 Notes shall be supported by a Credit Facility issued by Wells Fargo Bank, National Association (the “Wells Credit Facility”). The respective Credit Facility entitles the Issuing and Paying Agent to draw amounts thereunder up to (a) an amount equal to the principal amount of such Subseries of Notes outstanding and supported by such Credit Facility, at the stated maturity thereof, plus (b) an amount equal to 270 days of accrued interest on the principal amount of such Notes (calculated at the maximum rate of 12% per annum and on the basis of the actual number of days elapsed in a 360-day year) to pay when due the interest on such Notes. The Issuing and Paying Agency Agreement requires the Issuing and Paying Agent to make a drawing under the applicable Credit Facility to pay the principal of and the interest on the related Subseries of Notes, on the respective maturity dates for such Notes, in an amount equal to principal amount of such Notes plus interest thereon to the maturity thereof. The Issuing and Paying Agency Agreement further requires the Issuing and Paying Agent to deposit the proceeds of all drawings under the Credit Facility in the appropriate Subaccount of the Credit Facility Account established and held by the Issuing and Paying Agent under the CP Agreement and to apply such proceeds solely to the payment of the related Notes in respect of which such drawings were made.

Pursuant to the CP Agreement, the aggregate principal amount of the Subseries of Notes outstanding at any time that are supported by any particular Credit Facility may not exceed the amount then available to be drawn under such Credit Facility to pay principal of such Subseries of the Notes. The Stated Amount of the Credit Facility to be issued by (i) Barclays Bank PLC will be an amount not to exceed \$136,250,000, of which an amount not to exceed \$125,000,000 will be available to pay the principal amount of the related Subseries of Notes at the stated maturity thereof plus an amount not to exceed \$11,250,000, which will be available to pay interest on such Subseries of Notes at stated maturity, (ii) PNC Bank, National Association will be an amount not to exceed \$90,470,000, of which an amount not to exceed \$83,000,000 will be available to pay the principal amount of the related Subseries of Notes at the stated maturity thereof plus an amount not to exceed \$7,740,000, which will be available to pay interest on such Subseries of Notes at stated maturity, and (iii) Wells Fargo Bank, National Association will be an amount not to exceed \$154,780,000, of which an amount not to exceed \$142,000,000 will be available to pay the principal amount of the related Subseries of Notes at the stated maturity thereof plus an amount not to exceed \$12,780,000, which will be available to pay interest on such Subseries of Notes at stated maturity. Each Credit Facility contains provisions to reduce or decrease the Stated Amount.

Pursuant to and in accordance with the terms of the CP Agreement and the applicable Reimbursement Agreement, the City is obligated to reimburse the applicable Bank for all drawings honored by such Bank under its Credit Facility and, if such drawings are not reimbursed on the same day as made, to pay interest to such unreimbursed Bank on the amounts of such unreimbursed drawings. Such reimbursement obligations of the City are evidenced by a promissory note issued to each respective Bank pursuant to the CP Agreement and the related Reimbursement Agreement and secured by, and payable from, Pledged Amounts (excluding amounts drawn by the Issuing and Paying Agent under a Credit Facility) on parity with the Notes and the City’s reimbursement obligations to the other Banks.

**Drawings.** Each Credit Facility provides for drawings thereunder to be made by presentation of a certificate of the Issuing and Paying Agent to the related Bank in accordance with the terms of such Bank’s Credit Facility. Upon receipt of a properly presented certificate, conforming and complying in all respects with the terms and conditions of the Bank’s Credit Facility, such Bank is obligated to make

payment of the related drawing under such Bank's Credit Facility to the Issuing and Paying Agent in immediately available funds. Upon a Bank honoring a properly presented and conforming drawing under such Bank's Credit Facility, such Bank will be fully discharged of its obligation under such Bank's Credit Facility with respect to such drawing and the Bank will not thereafter be obligated to make any further payments under such Bank's Credit Facility in respect of such drawing to the Issuing and Paying Agent or any other person or entity (including the holder of any Note). Only the Issuing and Paying Agent may make drawings under a Credit Facility.

**Reduction and Reinstatement.** Each drawing honored by a Bank under such Bank's Credit Facility shall reduce, by the amount of such drawing, the Stated Amount, which is the amount available to be drawn under such Credit Facility pursuant to any subsequent drawing, subject to reinstatement as hereinafter described. After any drawing (except in the case of a drawing resulting from the delivery to the Issuing and Paying Agent of a Final Drawing Notice (as defined in the related Credit Facility)), the Stated Amount (as defined in the related Credit Facility) of the related Credit Facility will be reinstated, but only when and to the extent amounts are received by the related Bank for reimbursement of the amount of such drawing (subject to any reduction in the Stated Amount as provided in such Credit Facility), unless the City and the Issuing and Paying Agent receive a notice from such Bank that an "Event of Default" under the related Reimbursement Agreement has occurred and is continuing.

**Termination.** Each Credit Facility provides that the related Bank's obligations thereunder will expire upon the earliest to occur of the following dates: (i) the Stated Expiration Date, as such date may be extended from time to time pursuant to the terms of the related Reimbursement Agreement and Credit Facility; (ii) the date of payment of a drawing, not subject to reinstatement, which when added to all other drawings honored under such Credit Facility which were not subject to reinstatement as provided therein, in the aggregate equals the Stated Amount on the date of issuance of such Credit Facility as adjusted pursuant to the terms and conditions of such Credit Facility; (iii) the date on which the related Bank receives a termination certificate from the Issuing and Paying Agent relating to the substitution of a substitute credit facility in place of such Credit Facility (after the related Bank honors any properly presented and conforming drawing, if any, on such date); (iv) the date on which the related Bank receives a termination certificate from the Issuing and Paying Agent notifying such Bank that all related Notes have been defeased or are no longer outstanding and the City does not intend to issue any additional related Notes; or (v) the earlier of (a) the 15th calendar day (or if such date is not a business day, the immediately succeeding business day) after the date on which the Issuing and Paying Agent receives a "Final Drawing Notice" from such Bank and (b) the date on which the drawing resulting from the delivery of the Final Drawing Notice is honored under such Credit Facility.

#### **Barclays Reimbursement Agreement Events of Default**

If any of the following events shall occur, each such event shall be an "Event of Default" under the Barclays Reimbursement Agreement:

(a) the City fails to pay, or cause to be paid, when due (i) any principal of or interest on any Drawing or any Advance, (ii) any Letter of Credit Fee within three (3) calendar days of the date such Letter of Credit Fee is due or (iii) any other Obligation (other than the Obligations described in clause (i) or (ii) of this paragraph (a)) within five (5) calendar days of the date such Obligation is due;

(b) any representation, warranty or statement made by or on behalf of the City in the Barclays Reimbursement Agreement or in any Program Document to which the City is a party or in any certificate delivered pursuant to in the Barclays Reimbursement Agreement or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; or the documents, certificates or statements of the City (including unaudited financial reports, budgets, projections and cash

flows of the City with respect to the Airport System) furnished to Barclays Bank PLC by or on behalf of the City in connection with the transactions contemplated by the Barclays Reimbursement Agreement, when taken as a whole, are materially inaccurate in light of the circumstances under which they were made and as of the date on which they were made;

(c) (i) the City fails to perform or observe any term, covenant or agreement contained in certain specified sections of the Barclays Reimbursement Agreement; or (ii) the City fails to perform or observe any other term, covenant or agreement contained in the Barclays Reimbursement Agreement or the Fee Letter (other than those referred to in paragraph (a) above under this subheading “–Barclays Reimbursement Agreement Events of Default” and clause (i) of this paragraph (c)) and any such failure cannot be cured or, if curable, remains uncured for thirty (30) calendar days after the earlier of (A) written notice thereof to the City or (B) an Authorized Representative having actual knowledge thereof;

(d) the City shall (i) default in any payment of any Debt (including Bank Agreements, obligations under Swap Contracts including any swap termination payment or contingent obligation under a Swap Contract), (other than the Subseries A-1, B-1 and C-1 Notes, the Bank Note, the Drawings or the Advances) secured by a charge, lien or encumbrance on the Pledged Amounts with a lien on, pledge of, security interest in or priority of payment from Pledged Amounts that is senior to, or on a parity with, the Subseries A-1, B-1 and C-1 Notes, the Bank Note, the Drawings or the Advances, including, without limitation, Airport Revenue Bonds and Obligations (“Barclays Secured Debt”), beyond the period of grace, if any, provided in the instrument or agreement under which such Barclays Secured Debt was created; or (ii) default in the observance or performance of any agreement or condition relating to any Barclays Secured Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to permit the holder or holders of such Barclays Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause, or to cause (in each case, determined without regard to whether any notice is required), any such Barclays Secured Debt to become due prior to its stated maturity;

(e) (i) a court or other Governmental Authority with jurisdiction to rule on the validity of the Barclays Reimbursement Agreement, the CP Agreement, the Charter, the Ordinance or any other Program Document to which the City is a party shall find, announce or rule that (A) any material provision of the Charter, the Barclays Reimbursement Agreement and any other Program Document to which the City is a party; or (B) any provision of the CP Agreement or the Ordinance relating to the security for the Subseries A-1, B-1 and C-1 Notes, the Bank Note or the Obligations, the City’s ability to pay the Obligations or perform its obligations under the Barclays Reimbursement Agreement or under the Fee Letter or the interests, security, rights and remedies of Barclays Bank PLC, is not a valid and binding agreement of the City or; (ii) an Authorized Representative of the City shall contest the validity or enforceability of the Barclays Reimbursement Agreement, any other Program Document to which the City is a party or any provision of the CP Agreement or the Ordinance relating to the security for the Subseries A-1, B-1 and C-1 Notes, the Bank Note or the Obligations, the City’s ability to pay the Obligations or perform its obligations under the Barclays Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of Barclays Bank PLC or the pledge of, lien on or security interest in the Pledged Amounts, or shall seek an adjudication that the Barclays Reimbursement Agreement, any other Program Document to which the City is a party or any provision of the CP Agreement or the Ordinance relating to the security for the Subseries A-1, B-1 and C-1 Notes, the Bank Note or the Obligations, the City’s ability to pay the Obligations or perform its obligations under the Barclays Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of Barclays Bank PLC, is not valid and binding on the City or an Authorized Representative of the City shall repudiate the City’s obligations under the Barclays Reimbursement Agreement or under any other Program Document or any Governmental Authority with competent jurisdiction (including, without

limitation, the City) shall initiate legal proceedings seeking to declare any of the Program Documents or the City's obligations to pay any Parity Debt as not valid and binding on the City; or (iii) the validity, effectiveness or enforceability of the pledge of, lien on or security interest in the Pledged Amounts under the CP Agreement or the Ordinance securing the Subseries A-1, B-1 and C-1 Notes and the Obligations under the Barclays Reimbursement Agreement and under the Fee Letter and the Bank Note shall at any time for any reason cease to be valid, effective or binding as a result of a finding or ruling by a court or Governmental Authority with competent jurisdiction, or shall be declared, in a final non-appealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;

(f) any provision of the CP Agreement or the Ordinance relating to the security for the Subseries A-1, B-1 and C-1 Notes, the Bank Note or the Obligations, the City's ability to pay the Obligations or perform its obligations under the Barclays Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of Barclays Bank PLC, or any Program Document to which the City is a party, except for any Dealer Agreement which has been terminated due to a substitution of a Dealer, or any material provision thereof shall cease to be in full force or effect, or the City or any Person acting by or on behalf of the City shall deny or disaffirm the City's obligations under the CP Agreement or the Ordinance or any other Program Document to which the City is a party;

(g) one or more final judgments or orders for the payment of money which, individually or in the aggregate, equal or exceed \$15,000,000 (irrespective of any available insurance) shall have been rendered against the City and such judgment(s) or order(s) shall not have been satisfied, stayed, vacated, discharged or bonded pending appeal within a period of sixty (60) calendar days from the date on which it was first so rendered;

(h) (i) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt (including, without limitation, amounts due under any Bank Agreement ) secured by a lien, charge or encumbrance upon or payable from the Pledged Amounts; (ii) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, the City seeks to have an order for relief entered with respect to it or the Airport System or seeking to adjudicate it or the Airport System insolvent or bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, termination, composition or other relief with respect to it or the Airport System or its debts or those of the Airport System (or the existence of the City or the Airport System is dissolved or terminated by any other means); (iii) the City seeks appointment of a receiver, trustee, custodian or other similar official for itself or the Airport System or for any substantial part of the City's property, or the City shall make a general assignment for the benefit of its creditors; (iv) there shall be commenced against the City or the Airport System any case, proceeding or other action of a nature referred to in clause (ii) above and the same shall remain undismissed; (v) there shall be commenced against the City or the Airport System any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within sixty (60) calendar days from the entry thereof; (vi) a financial control board, or its equivalent, shall be imposed upon the City by a Governmental Authority and such financial control board has the ability to exercise authority or control over the Airport System and Pledged Amounts; (vii) the City takes action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), (iii), (iv), (v) or (vi) of this paragraph; or (viii) the City or the Airport System shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;

(i) (1) 120 calendar days after any two of Fitch, Moody's or S&P shall have downgraded a long-term unenhanced rating of any Airport Revenue Bonds below "BBB+" (or its equivalent), "Baa1"

(or its equivalent), or “BBB+” (or its equivalent), respectively, (provided that if the City fails at any time to maintain ratings from any two Rating Agencies, a downgrade described in this clause (i)(1) from any one Rating Agency shall constitute an Event of Default ) or (2) any of Moody’s, Fitch or S&P suspends, withdraws (other than a withdrawal requested by the City for non-credit related reasons) or downgrades the long-term unenhanced rating of any Debt of the City payable from or secured by Airport Revenue Bonds below “Baa3” (or its equivalent), “BBB-” (or its equivalent) or “BBB-” (or its equivalent), respectively;

(j) any funds or accounts or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established pursuant to the CP Agreement, the Ordinance or the other Program Documents, that have been pledged to or a lien granted thereon to secure the Subseries A-1, B-1 and C-1 Notes, the Bank Note or the Obligations, shall become subject to any writ, judgment, warrant or attachment, execution or similar process which shall not have been vacated, discharged, or stayed or bonded pending appeal within thirty (30) calendar days from the entry thereof;

(k) (i) any “event of default” shall have occurred and be continuing under any Program Document beyond the expiration of any applicable grace period or (ii) any “event of default” under any Bank Agreement with respect to any Barclays Secured Debt shall have occurred and be continuing beyond the expiration of any applicable grace period;

(l) the Airport System or the Division’s existence as a department of the City under the Charter shall dissolve or terminate; or

(m) an Event of Taxability shall occur.

#### **Barclays Reimbursement Agreement Remedies**

Upon the occurrence of any Event of Default under the Barclays Reimbursement Agreement, all Obligations shall bear interest at the Default Rate and Barclays Bank PLC may exercise any one or more of the following rights and remedies in addition to any other remedies in the Barclays Reimbursement Agreement or by law provided:

(a) by notice to the City, declare all Obligations to be, and such amounts shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are thereby waived by the City; *provided* that upon the occurrence of an Event of Default described under paragraph (h) under the subheading “Barclays Reimbursement Agreement Events of Default” above such acceleration shall automatically occur (unless such automatic acceleration is waived by Barclays Bank PLC in writing); *provided further* that any such declaration of Reimbursement Obligations (as evidenced by the Bank Note) to be immediately due and payable shall be subject to the provisions of the Ordinance and the Act and, for all purposes of the Ordinance and the Act, Barclays Bank PLC, so long as the Barclays Credit Facility is in effect or any Obligations remain payable, shall be deemed the holder of 100% of the aggregate principal amount of the “Series of Bonds” (as referenced in the Ordinance and the Act ) secured by the Barclays Credit Facility (as represented by the Bank Note) and shall be entitled to exercise any and all rights and remedies provided for under the Act, and shall not be required to appoint a trustee or obtain any further approval or consent from a trustee or any other Person in order to exercise any such rights and remedies so long as such Bank complies with the procedural requirements, if any, outlined in Section 15920 (b)(1)-(4) of the Act that would otherwise be applicable to a trustee if one were so appointed by the holders of the related “Series of Bonds”;

(b) by notice of the occurrence of any Event of Default to the Issuing and Paying Agent (which notice shall constitute a “Stop Issuance Instruction” for purposes of the CP Agreement) prohibit,

until such time, if any, as Barclays Bank PLC shall withdraw (in writing) such notice, the issuance of additional Subseries A-1, B-1 and C-1 Notes, reduce the Stated Amount of the Barclays Credit Facility to the amount of the then Outstanding Subseries A-1, B-1 and C-1 Notes supported by the Barclays Credit Facility and interest payable thereon at maturity of such Subseries A-1, B-1 and C-1 Notes and/or terminate and/or permanently reduce such Stated Amount as the then Outstanding Subseries A-1, B-1 and C-1 Notes are paid;

(c) issue the Final Drawing Notice (the effect of which shall be to cause the Termination Date of the Barclays Credit Facility to occur on the 15th calendar day after the date of receipt thereof by the Issuing and Paying Agent);

(d) pursue any rights and remedies it may have under the Program Documents; or

(e) pursue any other action available at law or in equity.

### **PNC Reimbursement Agreement Events of Default**

If any of the following events shall occur, each such event shall be an “Event of Default” under the PNC Reimbursement Agreement:

(a) the City fails to pay, or cause to be paid, when due (i) any principal of or interest on any Drawing or any Advance, (ii) any Letter of Credit Fee within three (3) calendar days of the date such Letter of Credit Fee is due or (iii) any other Obligation (other than the Obligations described in clause (i) or (ii) of this paragraph (a)) within five (5) calendar days of the date such Obligation is due;

(b) any representation, warranty or statement made by or on behalf of the City in the PNC Reimbursement Agreement or in any Program Document to which the City is a party or in any certificate delivered pursuant to in the PNC Reimbursement Agreement or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; or the documents, certificates or statements of the City (including unaudited financial reports, budgets, projections and cash flows of the City with respect to the Airport System) furnished to PNC Bank, National Association by or on behalf of the City in connection with the transactions contemplated by the PNC Reimbursement Agreement, when taken as a whole, are materially inaccurate in light of the circumstances under which they were made and as of the date on which they were made;

(c) (i) the City fails to perform or observe any term, covenant or agreement contained in certain specified sections of the PNC Reimbursement Agreement; or (ii) the City fails to perform or observe any other term, covenant or agreement contained in the PNC Reimbursement Agreement or the Fee Letter (other than those referred to in paragraph (a) above under this subheading “PNC Reimbursement Agreement Events of Default” and clause (i) of this paragraph (c)) and any such failure cannot be cured or, if curable, remains uncured for thirty (30) days after the earlier of (A) written notice thereof to the City or (B) an Authorized Representative having actual knowledge thereof;

(d) the City shall (i) default in any payment of any Debt (including Bank Agreements, obligations under Swap Contracts including any swap termination payment or contingent obligation under a Swap Contract), (other than the Subseries A-2, B-2 and C-2 Notes, the Bank Note, the Drawings or the Advances) secured by a charge, lien or encumbrance on the Pledged Amounts with a lien on, pledge of, security interest in or priority of payment from Pledged Amounts that is senior to, or on a parity with, the Subseries A-2, B-2 and C-2 Notes, the Bank Note, the Drawings or the Advances, including, without limitation, Airport Revenue Bonds and Obligations (“PNC Secured Debt”), beyond the period of grace, if any, provided in the instrument or agreement under which such PNC Secured Debt

was created; or (ii) default in the observance or performance of any agreement or condition relating to any PNC Secured Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such PNC Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such PNC Secured Debt to become due prior to its stated maturity;

(e) (i) a court or other Governmental Authority with jurisdiction to rule on the validity of the PNC Reimbursement Agreement, the CP Agreement, the Charter, the Ordinance or any other Program Document to which the City is a party shall find, announce or rule that (A) any material provision of the Charter, the PNC Reimbursement Agreement and any other Program Document to which the City is a party; or (B) any provision of the CP Agreement or the Ordinance relating to the security for the Subseries A-2, B-2 and C-2 Notes, the Bank Note or the Obligations, the City's ability to pay the Obligations or perform its obligations under the PNC Reimbursement Agreement or under the Fee Letter or the interests, security, rights and remedies of PNC Bank, National Association, is not a valid and binding agreement of the City or; (ii) an Authorized Representative of the City shall contest the validity or enforceability of the PNC Reimbursement Agreement, any other Program Document to which the City is a party or any provision of the CP Agreement or the Ordinance relating to the security for the Subseries A-2, B-2 and C-2 Notes, the Bank Note or the Obligations, the City's ability to pay the Obligations or perform its obligations under the PNC Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of PNC Bank, National Association or the pledge of, lien on or security interest in the Pledged Amounts, or shall seek an adjudication that the PNC Reimbursement Agreement, any other Program Document to which the City is a party or any provision of the CP Agreement or the Ordinance relating to the security for the Subseries A-2, B-2 and C-2 Notes, the Bank Note or the Obligations, the City's ability to pay the Obligations or perform its obligations under the PNC Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of PNC Bank, National Association, is not valid and binding on the City or an Authorized Representative of the City shall repudiate the City's obligations under the PNC Reimbursement Agreement or under any other Program Document or any Governmental Authority with competent jurisdiction (including, without limitation, the City) shall initiate legal proceedings seeking to declare any of the Program Documents or the City's obligations to pay any Parity Debt as not valid and binding on the City; or (iii) the validity, effectiveness or enforceability of the pledge of, lien on or security interest in the Pledged Amounts under the CP Agreement or the Ordinance securing the Subseries A-2, B-2 and C-2 Notes and the Obligations under the PNC Reimbursement Agreement and under the Fee Letter and the Bank Note shall at any time for any reason cease to be valid, effective or binding as a result of a finding or ruling by a court or Governmental Authority with competent jurisdiction, or shall be declared, in a final non-appealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;

(f) any provision of the CP Agreement or the Ordinance relating to the security for the Subseries A-2, B-2 and C-2 Notes, the Bank Note or the Obligations, the City's ability to pay the Obligations or perform its obligations under the PNC Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of PNC Bank, National Association, or any Program Document to which the City is a party, except for any Dealer Agreement which has been terminated due to a substitution of a Dealer, or any material provision thereof shall cease to be in full force or effect, or the City or any Person acting by or on behalf of the City shall deny or disaffirm the City's obligations under the CP Agreement or the Ordinance or any other Program Document to which the City is a party;

(g) judgment or judgments payable from any Pledged Amounts is entered, or an order or orders of any judicial authority or governmental entity is issued against the City (i) for payment of money, which judgment or judgments in the aggregate, equal or exceed \$10,000,000 outstanding at any one time which is not fully covered by a valid insurance policy issued by an insurer that is solvent at the time of

such judgment; or (ii) for injunctive or declaratory relief which judgment would reasonably be expected to have a Material Adverse Effect; and such judgment is not discharged or execution thereon or enforcement thereof stayed pending appeal, within sixty (60) days after entry or issuance thereof, or, in the event of such a stay, such judgment is not discharged within sixty (60) days after such stay expires, provided that no assets of the City are attached by the judgment creditor pending such stay or discharge; *provided, however,* that an Event of Default in (i) and (ii) above shall not exist if funds equal to the amount of the judgment in (i) and (ii) above are (x) included by the Division in its calculation of airport rates and charges and paid from such rates and charges within sixty (60) days after entry or issuance of such judgment, or (y) paid by the Division within sixty (60) days after entry or issuance of such judgment from either (A) the Division's Operating and Maintenance Account established under the Ordinance; (B) the Bond Redemption and Improvement Account established under the Ordinance; or (C) the Discretionary Account established under the Ordinance;

(h) (i) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt (including, without limitation, amounts due under any Bank Agreement) secured by a lien, charge or encumbrance upon or payable from the Pledged Amounts; (ii) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, the City seeks to have an order for relief entered with respect to it or the Airport System or seeking to adjudicate it or the Airport System insolvent or bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, termination, composition or other relief with respect to it or the Airport System or its debts or those of the Airport System (or the existence of the City or the Airport System is dissolved or terminated by any other means); (iii) the City seeks appointment of a receiver, trustee, custodian or other similar official for itself or the Airport System or for any substantial part of the City's property, or the City shall make a general assignment for the benefit of its creditors; (iv) there shall be commenced against the City or the Airport System any case, proceeding or other action of a nature referred to in clause (ii) above and the same shall remain undismissed; (v) there shall be commenced against the City or the Airport System any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within 60 days from the entry thereof; (vi) a financial control board, or its equivalent, shall be imposed upon the City by a Governmental Authority and such financial control board has the ability to exercise authority or control over the Airport System and Pledged Amounts; (vii) the City takes action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), (iii), (iv), (v) or (vi) of this paragraph; or (viii) the City or the Airport System shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;

(i) any two of Moody's, Fitch or S&P suspends or withdraws (other than a withdrawal requested by the City for non-credit related reasons) or downgrades the long-term unenhanced rating of any Debt of the City payable from or secured by Pledged Amounts which is senior to or on a parity with the Notes below "Baa3" (or its equivalent), "BBB-" (or its equivalent) or "BBB-" (or its equivalent), respectively (provided, that if the City fails at any time to maintain ratings from two Rating Agencies, suspension, withdrawal or downgrade from any one Rating Agency shall constitute an Event of Default);

(j) any funds or accounts or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established pursuant to the CP Agreement, the Ordinance or the other Program Documents, that have been pledged to or a lien granted thereon to secure the Subseries A-2, B-2 and C-2 Notes, the Bank Note or the Obligations, shall become subject to any writ, judgment, warrant or attachment, execution or similar process which shall not have been vacated, discharged, or stayed or bonded pending appeal within thirty (30) days from the entry thereof;

(k) (i) any “event of default” shall have occurred and be continuing under any Program Document beyond the expiration of any applicable grace period or (ii) any “event of default” under any Bank Agreement with respect to any PNC Secured Debt shall have occurred and be continuing beyond the expiration of any applicable grace period;

(l) the Airport System or the Division’s existence as a department of the City under the Charter shall dissolve or terminate; or

(m) an “Additional Termination Event” occurs under any Swap Contract relating to Debt (as such term is defined in any such Swap Contract), or a default or event of default (as defined in such Swap Contract) otherwise occurs under any Swap Contract relating to Debt (subject to any applicable notice and cure provisions contained in the subject Swap Contract), which results in an “Early Termination Date” under such Swap Contract properly occurring, the effect of which makes a termination payment by the City due and payable, and the City breaches its covenant with respect to the payment of such termination payment, as such covenant is set forth in the applicable Swap Contract.

### **PNC Reimbursement Agreement Remedies**

Upon the occurrence of any Event of Default, all Obligations shall bear interest at the Default Rate and PNC Bank, National Association may exercise any one or more of the following rights and remedies in addition to any other remedies in the PNC Reimbursement Agreement or by law provided:

(a) by notice to the City, declare all Obligations to be, and such amounts shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are thereby waived by the City; *provided* that upon the occurrence of an Event of Default described under paragraph (h) under the subheading “PNC Reimbursement Agreement Events of Default” above such acceleration shall automatically occur (unless such automatic acceleration is waived by PNC Bank, National Association in writing); *provided further* that any such declaration of Reimbursement Obligations (as evidenced by the Bank Note) to be immediately due and payable shall be subject to the provisions of the Ordinance and the Act and, for all purposes of the Ordinance and the Act, PNC Bank, National Association, so long as the Letter of Credit is in effect or any Obligations remain payable, shall be deemed the holder of 100% of the aggregate principal amount of the “Series of Bonds” (as referenced in the Ordinance and the Act ) secured by the Letter of Credit (as represented by the Bank Note) and shall be entitled to exercise any and all rights and remedies provided for under the Act, and shall not be required to appoint a trustee or obtain any further approval or consent from a trustee or any other Person in order to exercise any such rights and remedies so long as such Bank complies with the procedural requirements, if any, outlined in Section 15920 (b)(1)-(4) of the Act that would otherwise be applicable to a trustee if one were so appointed by the holders of the related “Series of Bonds”;

(b) by notice of the occurrence of any Event of Default to the Issuing and Paying Agent (which notice shall constitute a “Stop Issuance Instruction” for purposes of the CP Agreement) prohibit, until such time, if any, as PNC Bank, National Association shall withdraw (in writing) such notice, the issuance of additional Subseries A-2, B-2 and C-2 Notes, reduce the Stated Amount of the Letter of Credit to the amount of the then Outstanding Subseries A-2, B-2 and C-2 Notes supported by the Letter of Credit and interest payable thereon at maturity of such Subseries A-2, B-2 and C-2 Notes and/or terminate and/or permanently reduce such Stated Amount as the then Outstanding Subseries A-2, B-2 and C-2 Notes are paid;

(c) issue the Final Drawing Notice (the effect of which shall be to cause the Termination Date of the Letter of Credit to occur on the 15th day after the date of receipt thereof by the Issuing and Paying Agent);

- (d) pursue any rights and remedies it may have under the Program Documents; or
- (e) pursue any other action available at law or in equity.

**Wells Reimbursement Agreement Events of Default**

If any of the following events shall occur, each such event shall be an “Event of Default” under the Wells Reimbursement Agreement:

(a) the City fails to pay, or cause to be paid, when due (i) any principal of or interest on any Drawing or any Advance, (ii) any Letter of Credit Fee within three (3) calendar days of the date such Letter of Credit Fee is due or (iii) any other Obligation (other than the Obligations described in clause (i) or (ii) of this paragraph (a)) within five (5) calendar days of the date such Obligation is due;

(b) any representation, warranty or statement made by or on behalf of the City in the Wells Reimbursement Agreement or in any Program Document to which the City is a party or in any certificate delivered pursuant to in the Wells Reimbursement Agreement or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; or the documents, certificates or statements of the City (including unaudited financial reports, budgets, projections and cash flows of the City with respect to the Airport System) furnished to Wells Fargo Bank, National Association by or on behalf of the City in connection with the transactions contemplated by the Wells Reimbursement Agreement, when taken as a whole, are materially inaccurate in light of the circumstances under which they were made and as of the date on which they were made;

(c) (i) the City fails to perform or observe any term, covenant or agreement contained in certain specified sections of the Wells Reimbursement Agreement; or (ii) the City fails to perform or observe any other term, covenant or agreement contained in the Wells Reimbursement Agreement or the Fee Letter (other than those referred to in paragraph (a) above under this subheading “Wells Reimbursement Agreement Events of Default” and clause (i) of this paragraph (c)) and any such failure cannot be cured or, if curable, remains uncured for thirty (30) calendar days after the earlier of (A) written notice thereof to the City or (B) an Authorized Representative having actual knowledge thereof;

(d) the City shall (i) default in any payment of any Debt (including Bank Agreements, obligations under Swap Contracts including any swap termination payment or contingent obligation under a Swap Contract), (other than the Subseries A-3, B-3 and C-3 Notes, the Bank Note, the Drawings or the Advances) secured by a charge, lien or encumbrance on the Pledged Amounts with a lien on, pledge of, security interest in or priority of payment from Pledged Amounts that is senior to, or on a parity with, the Subseries A-3, B-3 and C-3 Notes, the Bank Note, the Drawings or the Advances, including, without limitation, Airport Revenue Bonds and Obligations (“Wells Secured Debt”), beyond the period of grace, if any, provided in the instrument or agreement under which such Wells Secured Debt was created; or (ii) default in the observance or performance of any agreement or condition relating to any Wells Secured Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to permit the holder or holders of such Wells Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause, or to cause (in each case, determined without regard to whether any notice is required), any such Wells Secured Debt to become due prior to its stated maturity;

(e) (i) a court or other Governmental Authority with jurisdiction to rule on the validity of the Wells Reimbursement Agreement, the CP Agreement, the Charter, the Ordinance or any other Program Document to which the City is a party shall find, announce or rule that (A) any material provision of the Charter, the Wells Reimbursement Agreement and any other Program Document to which the City is a

party; or (B) any provision of the CP Agreement or the Ordinance relating to the security for the Subseries A-3, B-3 and C-3 Notes, the Bank Note or the Obligations, the City's ability to pay the Obligations or perform its obligations under the Wells Reimbursement Agreement or under the Fee Letter or the interests, security, rights and remedies of Wells Fargo Bank, National Association, is not a valid and binding agreement of the City or; (ii) an Authorized Representative of the City shall contest the validity or enforceability of the Wells Reimbursement Agreement, any other Program Document to which the City is a party or any provision of the CP Agreement or the Ordinance relating to the security for the Subseries A-3, B-3 and C-3 Notes, the Bank Note or the Obligations, the City's ability to pay the Obligations or perform its obligations under the Wells Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of Wells Fargo Bank, National Association or the pledge of, lien on or security interest in the Pledged Amounts, or shall seek an adjudication that the Wells Reimbursement Agreement, any other Program Document to which the City is a party or any provision of the CP Agreement or the Ordinance relating to the security for the Subseries A-3, B-3 and C-3 Notes, the Bank Note or the Obligations, the City's ability to pay the Obligations or perform its obligations under the Wells Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of Wells Fargo Bank, National Association, is not valid and binding on the City or an Authorized Representative of the City shall repudiate the City's obligations under the Wells Reimbursement Agreement or under any other Program Document or any Governmental Authority with competent jurisdiction (including, without limitation, the City) shall initiate legal proceedings seeking to declare any of the Program Documents or the City's obligations to pay any Parity Debt as not valid and binding on the City; or (iii) the validity, effectiveness or enforceability of the pledge of, lien on or security interest in the Pledged Amounts under the CP Agreement or the Ordinance securing the Subseries A-3, B-3 and C-3 Notes and the Obligations under the Wells Reimbursement Agreement and under the Fee Letter and the Bank Note shall at any time for any reason cease to be valid, effective or binding as a result of a finding or ruling by a court or Governmental Authority with competent jurisdiction, or shall be declared, in a final non-appealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;

(f) any provision of the CP Agreement or the Ordinance relating to the security for the Subseries A-3, B-3 and C-3 Notes, the Bank Note or the Obligations, the City's ability to pay the Obligations or perform its obligations under the Wells Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of Wells Fargo Bank, National Association, or any Program Document to which the City is a party, except for any Dealer Agreement which has been terminated due to a substitution of a Dealer, or any material provision thereof shall cease to be in full force or effect, or the City or any Person acting by or on behalf of the City shall deny or disaffirm the City's obligations under the CP Agreement or the Ordinance or any other Program Document to which the City is a party;

(g) one or more final judgments or orders for the payment of money which, individually or in the aggregate, equal or exceed \$10,000,000 shall have been rendered against the City and such judgment(s) or order(s) shall not have been satisfied, stayed, vacated, discharged or bonded pending appeal within a period of sixty (60) calendar days from the date on which it was first so rendered;

(h) (i) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt (including, without limitation, amounts due under any Bank Agreement ) secured by a lien, charge or encumbrance upon or payable from the Pledged Amounts; (ii) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, the City seeks to have an order for relief entered with respect to it or the Airport System or seeking to adjudicate it or the Airport System insolvent or bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, termination, composition or other relief with respect to it or the Airport System or its debts or those of the Airport System (or the existence of the City or the Airport System is dissolved or terminated

by any other means); (iii) the City seeks appointment of a receiver, trustee, custodian or other similar official for itself or the Airport System or for any substantial part of the City's property, or the City shall make a general assignment for the benefit of its creditors; (iv) there shall be commenced against the City or the Airport System any case, proceeding or other action of a nature referred to in clause (ii) above and the same shall remain undismissed; (v) there shall be commenced against the City or the Airport System any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within sixty (60) calendar days from the entry thereof; (vi) a financial control board, or its equivalent, shall be imposed upon the City by a Governmental Authority and such financial control board has the ability to exercise authority or control over the Airport System and Pledged Amounts; (vii) the City takes action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), (iii), (iv), (v) or (vi) of this paragraph; or (viii) the City or the Airport System shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;

(i) any of Moody's, Fitch or S&P suspends, withdraws (other than a withdrawal requested by the City for non-credit related reasons) or downgrades the long-term unenhanced rating of any Debt of the City payable from or secured by Pledged Amounts which is senior to or on a parity with the Notes below "Baa3" (or its equivalent), "BBB-" (or its equivalent) or "BBB-" (or its equivalent), respectively;

(j) any funds or accounts or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established pursuant to the CP Agreement, the Ordinance or the other Program Documents, that have been pledged to or a lien granted thereon to secure the Subseries A-3, B-3 and C-3 Notes, the Bank Note or the Obligations, shall become subject to any writ, judgment, warrant or attachment, execution or similar process which shall not have been vacated, discharged, or stayed or bonded pending appeal within thirty (30) calendar days from the entry thereof;

(k) (i) any "event of default" shall have occurred and be continuing under any Program Document beyond the expiration of any applicable grace period or (ii) any "event of default" under any Bank Agreement with respect to any Wells Secured Debt shall have occurred and be continuing beyond the expiration of any applicable grace period;

(l) the Airport System or the Division's existence as a department of the City under the Charter shall dissolve or terminate;

(m) the City shall (i) default in any payment of any obligation under any Bank Agreement between the City and the Bank (other than this Agreement) beyond the period of grace, if any, provided in such Bank Agreement or (ii) default in the observance or performance of any agreement or condition under any Bank Agreement between the City and the Bank (other than this Agreement), or any other event shall occur or condition exist, the effect of which default or other event or condition is to permit the Bank to cause, or to cause (in each case, determined without regard to whether any notice is required), Debt under such Bank Agreement to become due prior to its stated maturity;

(n) any Wells Secured Debt shall be declared to be due and payable, or required to be prepaid (for the avoidance of doubt, amounts required to be prepaid shall not include optional prepayments) other than by a regularly scheduled required prepayment, prior to the stated maturity thereof; or

(o) any Program Document, except for any Dealer Agreement or an Issuing and Paying Agency Agreement which has been terminated due to a substitution of the Dealer or Issuing and Paying

Agent, or any material provision thereof shall cease to be in full force or effect, or the City or any Person acting by or on behalf of the City shall deny or disaffirm the City's obligations under any Program Document.

### **Wells Reimbursement Agreement Remedies**

Upon the occurrence of any Event of Default, all Obligations shall bear interest at the Default Rate and Wells Fargo Bank, National Association may exercise any one or more of the following rights and remedies in addition to any other remedies in the Wells Reimbursement Agreement or by law provided:

(a) by notice to the City, declare all Obligations to be, and such amounts shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are thereby waived by the City; *provided* that upon the occurrence of an Event of Default described under paragraph (h) under the subheading "Wells Reimbursement Agreement Events of Default" above such acceleration shall automatically occur (unless such automatic acceleration is waived by Wells Fargo Bank, National Association in writing); *provided further* that any such declaration of Reimbursement Obligations (as evidenced by the Bank Note) to be immediately due and payable shall be subject to the provisions of the Ordinance and the Act and, for all purposes of the Ordinance and the Act, Wells Fargo Bank, National Association, so long as the Letter of Credit is in effect or any Obligations remain payable, shall be deemed the holder of 100% of the aggregate principal amount of the "Series of Bonds" (as referenced in the Ordinance and the Act ) secured by the Letter of Credit (as represented by the Bank Note) and shall be entitled to exercise any and all rights and remedies provided for under the Act, and shall not be required to appoint a trustee or obtain any further approval or consent from a trustee or any other Person in order to exercise any such rights and remedies so long as such Bank complies with the procedural requirements, if any, outlined in Section 15920 (b)(1)-(4) of the Act that would otherwise be applicable to a trustee if one were so appointed by the holders of the related "Series of Bonds";

(b) by notice of the occurrence of any Event of Default to the Issuing and Paying Agent (which notice shall constitute a "Stop Issuance Instruction" for purposes of the CP Agreement) prohibit, until such time, if any, as Wells Fargo Bank, National Association shall withdraw (in writing) such notice, the issuance of additional Subseries A-3, B-3 and C-3 Notes, reduce the Stated Amount of the Letter of Credit to the amount of the then Outstanding Subseries A-3, B-3 and C-3 Notes supported by the Letter of Credit and interest payable thereon at maturity of such Subseries A-3, B-3 and C-3 Notes and/or terminate and/or permanently reduce such Stated Amount as the then Outstanding Subseries A-3, B-3 and C-3 Notes are paid;

(c) issue the Final Drawing Notice (the effect of which shall be to cause the Termination Date of the Letter of Credit to occur on the 15th calendar day after the date of receipt thereof by the Issuing and Paying Agent);

(d) pursue any rights and remedies it may have under the Program Documents; or

(e) pursue any other action available at law or in equity.

### **Alternate Credit Facilities**

The City may obtain an alternate credit facility to replace any Credit Facility subject to certain conditions set forth in the CP Agreement and the applicable Reimbursement Agreement, including requirements that the City shall have received written confirmation from the rating agencies providing a rating with respect to the Notes at the request of the City that such action, in and of itself, shall not

adversely affect the then-current ratings on the Notes and that no Notes secured by such Credit Facility are outstanding at the time of the substitution.

## **The Banks**

**The following information was provided by the Banks for inclusion in this Offering Memorandum. Neither the City nor any of the Dealers makes any representation as to the accuracy or completeness of such information.**

### **Barclays Bank PLC**

Barclays Bank PLC is a public limited company registered in England and Wales under number 1026167. The liability of the members of Barclays Bank PLC is limited. It has its registered head office at 1 Churchill Place, London, E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). Barclays Bank PLC was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays Bank was re-registered as a public limited company and its name was changed from “Barclays Bank International Limited” to “Barclays Bank PLC”.

Barclays Bank PLC and its subsidiary undertakings (taken together, the “**Group**”) is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group.

The short term unsecured obligations of Barclays Bank PLC are rated A-1 by Standard & Poor’s Credit Market Services Europe Limited, P-1 by Moody’s Investors Service Ltd. and F1 by Fitch Ratings Limited and the long-term obligations of Barclays Bank PLC are rated A+ by Standard & Poor’s Credit Market Services Europe Limited, A2 by Moody’s Investors Service Ltd. and A by Fitch Ratings Limited.

Based on the Group’s audited financial information for the year ended 31 December 2011, the Group had total assets of £1,563,402 million (2010: £1,490,038 million), total net loans and advances<sup>1</sup> of £478,726 million (2010: £465,741 million), total deposits<sup>2</sup> of £457,161 million (2010: £423,777 million), and total shareholders’ equity of £65,170 million (2010: £62,641 million) (including non-controlling interests of £3,092 million (2010: £3,467 million)). The profit before tax from continuing operations of the Group for the year ended 31 December 2011 was £5,974 million (2010: £6,079 million) after credit impairment charges and other provisions of £3,802 million (2010: £5,672 million). The financial information in this paragraph is extracted from the audited consolidated financial statements of Barclays Bank PLC for the year ended 31 December 2011.

Based on the Group’s unaudited financial information for the six months ended 30 June 2012, the Group had total assets of £1,631,298 million, total net loans and advances<sup>1</sup> of £503,505 million, total deposits<sup>2</sup> of £503,099 million, and total shareholders’ equity of £63,641 million (including non-controlling interests of £2,957 million). The profit before tax from continuing operations of the Group for the six months ended 30 June 2012 was £604 million after credit impairment charges and other provisions

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<sup>1</sup> Total net loans and advances include balances relating to both bank and customer accounts.

<sup>2</sup> Total deposits include deposits from bank and customer accounts.

of £1,832 million. The financial information in this paragraph is extracted from the unaudited Interim Results Announcement of Barclays Bank PLC for the six months ended 30 June 2012.

The delivery of the information concerning Barclays Bank PLC and the Group herein shall not create any implication that there has been no change in the affairs of Barclays Bank PLC and the Group since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to its date.

Barclays Bank PLC is responsible only for the information contained under this subheading “The Banks—Barclays Bank PLC” of the Offering Memorandum and did not participate in the preparation of, or in any way verify the information contained in, any other part of the Offering Memorandum. Accordingly, Barclays Bank PLC assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of the Offering Memorandum.

### **PNC Bank, National Association**

**This summary incorporates by reference certain Call Reports of PNC Bank, National Association (“PNC Bank”), filed with the Office of the Comptroller of the Currency (“OCC”), and certain reports of its parent, The PNC Financial Services Group, Inc. (“PNC Financial”), filed with the Securities and Exchange Commission (“SEC”), as set forth below under the heading “Incorporation of Certain Documents by Reference.” You should read those reports and the information set forth below under the headings “PNC Bank and PNC Financial” and “Supervision and Regulation.”**

**You should also understand that, except to the limited extent described herein, this summary does not describe the business or analyze the condition, financial or otherwise, of PNC Bank or otherwise describe any risks associated with PNC Bank or the PNC Credit Facility. You must rely on your own knowledge, investigation and examination of PNC Bank and PNC Bank’s creditworthiness.**

**Neither PNC Bank nor PNC Financial makes any representation regarding the Notes or the advisability of investing in the Notes, nor do they make any representation regarding, nor has PNC Bank or PNC Financial participated in the preparation of, any document of which this summary is a part other than the information supplied by PNC Bank or PNC Financial and presented in this summary headed “PNC Bank, National Association.”**

**THE PNC CREDIT FACILITY IS SOLELY AN OBLIGATION OF PNC BANK AND IS NEITHER AN OBLIGATION OF NOR GUARANTEED BY PNC FINANCIAL OR ANY OF ITS OTHER AFFILIATES.**

### ***PNC Bank and PNC Financial***

PNC Bank is a national banking association with its headquarters in Pittsburgh, Pennsylvania and its main office in Wilmington, Delaware. PNC Bank is a wholly-owned indirect subsidiary of PNC Financial and is PNC Financial’s principal bank subsidiary. PNC Bank’s origins as a national bank date to 1865. PNC Bank offers a wide range of commercial banking, retail banking, and trust and wealth management services to its customers. PNC Bank’s business is subject to examination and regulation by federal banking authorities. Its primary federal bank regulator is the OCC and its deposits are insured by the Federal Deposit Insurance Corporation (“FDIC”).

PNC Financial, the parent company of PNC Bank, is one of the largest diversified financial services companies in the United States and is headquartered in Pittsburgh, Pennsylvania. PNC Financial has businesses engaged in retail banking, corporate and institutional banking, asset management, and residential mortgage banking. PNC Financial provides many of its products and services nationally as well as products and services in PNC Financial's primary geographic markets located in Pennsylvania, Ohio, New Jersey, Michigan, Illinois, Maryland, Indiana, North Carolina, Florida, Kentucky, Washington, D.C., Alabama, Delaware, Georgia, Virginia, Missouri, Wisconsin and South Carolina. PNC Financial also provides certain products and services internationally.

PNC Financial was incorporated under the laws of the Commonwealth of Pennsylvania in 1983 with the consolidation of Pittsburgh National Corporation and Provident National Corporation. Since 1983, PNC Financial has diversified its geographic presence, business mix and product capabilities through internal growth, strategic bank and non-bank acquisitions and equity investments, and the formation of various non-banking subsidiaries.

Effective March 2, 2012, PNC Financial acquired RBC Bank (USA), the U.S. retail banking subsidiary of Royal Bank of Canada, and merged RBC Bank (USA) into PNC Bank, with PNC Bank continuing as the surviving entity. The transaction added more than 400 branches in North Carolina, Florida, Alabama, Georgia, Virginia and South Carolina. At the same time, PNC Bank also acquired certain credit card accounts of RBC Bank (USA) customers issued by RBC Bank (Georgia), National Association, a wholly owned subsidiary of Royal Bank of Canada.

PNC Financial  
*in billions*

	<u>September 30, 2012</u>	<u>December 31, 2011</u>
Total assets	\$300.8	\$271.2
Total deposits	\$206.3	\$188.0
Shareholders' equity	\$38.7	\$34.1

PNC Bank  
*in billions*

	<u>September 30, 2012</u>	<u>December 31, 2011</u>
Total assets	\$292.5	\$263.3
Total loans (net of unearned income) and loans held for sale	\$184.8	\$162.1
Total deposits	\$209.3	\$197.3
Total bank equity capital	\$36.5	\$31.6
Total equity capital	\$40.2	\$35.4

***Supervision and Regulation***

PNC Financial, the parent company of PNC Bank, is a bank and financial holding company and is subject to numerous governmental regulations involving both its business and organization. To a substantial extent, the purpose of the regulation and supervision of financial services institutions and their holding companies is not to protect shareholders and non-customer creditors, but rather to protect customers (including depositors) and the financial markets in general.

Applicable laws and regulations restrict permissible activities and investments and require compliance with protections for loan, deposit, brokerage, fiduciary, mutual fund and other customers, and for the protection of customer information, among other things. They also restrict PNC Financial's ability

to repurchase stock or to receive dividends from subsidiaries that operate in the banking and securities businesses and impose capital adequacy requirements. PNC Financial and subsidiaries are also subject to laws and regulations designed to combat money laundering, terrorist financing, and transactions with persons, companies or foreign governments designated by U.S. authorities. The consequences of noncompliance can include substantial monetary and nonmonetary sanctions as well as damage to reputation and businesses. In addition, PNC Financial and PNC Bank are subject to comprehensive examination and supervision by banking and other regulatory bodies. Examination reports and ratings (which often are not publicly available) and other aspects of this supervisory framework can materially impact the conduct, growth, and profitability of the company's businesses.

There have been numerous legislative and regulatory developments and dramatic changes in the competitive landscape of the financial services industry over the last several years. The United States and other governments have undertaken major reform of the regulatory oversight structure of the financial services industry, including engaging in new efforts to impose requirements designed to reduce systemic risks and protect consumers and investors from financial abuse. PNC Financial expects to face further increased regulation of the financial services industry as a result of current and future initiatives intended to provide economic stimulus, financial market stability, and enhanced regulation of financial services companies and to enhance the liquidity and solvency of financial institutions and markets. PNC Financial and PNC Bank also expect in many cases more intense scrutiny from bank supervisors in the examination process and more aggressive enforcement of laws and regulations on both the federal and state levels. Compliance with regulations and other supervisory initiatives will likely increase the company's costs and reduce its revenue, and may limit the company's ability to pursue certain desirable business opportunities.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") mandates the most wide ranging overhaul of financial industry regulation in decades. The Dodd-Frank Act was signed into law on July 21, 2010. Although the Dodd-Frank Act and other reforms will affect a number of the areas in which PNC Financial does business, it is not clear at this time the full extent of the adjustments that will be required and the extent to which PNC Financial will be able to adjust its businesses in response to the requirements. Many parts of the law are now in effect and others are now in the implementation stage, which is likely to continue for several years. The law requires that regulators, some of which are new regulatory bodies created by the Dodd Frank Act, draft, review and approve more than 300 implementing regulations and conduct numerous studies that are likely to lead to more regulations, a process that, while well underway, is proceeding somewhat slower than originally anticipated, thus extending the uncertainty surrounding the ultimate impact of the Dodd-Frank Act on PNC Financial and its subsidiaries.

A number of reform provisions are likely to significantly impact the ways in which bank holding companies and banks, including PNC Financial and PNC Bank, do business. Additional information on a number of these provisions (including new consumer protection regulation, enhanced capital and liquidity requirements, limitations on investment in and sponsorship of funds, risk retention by securitization participants, new regulation of derivatives, potential applicability of state consumer protection laws, and limitations on interchange fees) and some of their potential impacts on PNC Financial is provided in Item 1A Risk Factors included in PNC Financial's 2011 Annual Report on Form 10-K as amended by Amendment No. 1 on Form 10-K/A.

You will find a general discussion of some of the elements of the regulatory framework affecting PNC Financial and its subsidiaries, additional information discussing the regulatory environment for the financial services industry, and discussion of certain business, regulatory and legal risks that affect PNC Financial in the following sections of PNC Financial's 2011 Annual Report on Form 10-K as amended by Amendment No. 1 on Form 10-K/A, as such discussion may be amended or updated in other reports filed

by PNC Financial with the SEC: the Supervision And Regulation section included in Item 1, the Risk Factors included in Item 1A, the Risk Management section included in Item 7, and the Regulatory Matters, Legal Proceedings, and Commitments and Guarantees Notes of the Notes To Consolidated Financial Statements included in Item 8.

### ***Incorporation of Certain Documents by Reference***

PNC Bank submits certain unaudited reports called “Consolidated Reports of Condition and Income” (“Call Reports”) to the OCC, its primary federal bank regulator, quarterly. Each Call Report consists of a balance sheet, income statement, changes in bank equity capital, and other supporting schedules as of the end of or for the period to which the report relates. The Call Reports are prepared in accordance with regulatory instructions issued by the Federal Financial Institutions Examination Council. Because of the special supervisory, regulatory and economic policy needs served by the Call Reports, those regulatory instructions do not in all cases follow accounting principles generally accepted in the United States, including the opinions and statements of the Accounting Principles Board or the Financial Accounting Standards Board (“U.S. GAAP”). While the Call Reports are supervisory and regulatory documents, not primarily financial accounting documents, and do not provide a complete range of financial disclosure about PNC Bank, the reports nevertheless provide important information concerning the financial condition and results of operations of PNC Bank.

The publicly available portions of the Call Reports are on file with, and publicly available on written request to, the FDIC, Public Information Center, 3501 North Fairfax Drive, Arlington, VA 22226, or by calling the FDIC Public Information Center at 877-275-3342 or 703-562-2200. The Call Reports are also available by accessing the FDIC’s website at <http://www.fdic.gov>.

PNC Financial, the parent company of PNC Bank, is subject to the informational requirements of the Securities Exchange Act of 1934 (“Exchange Act”). In accordance with the Exchange Act, PNC Financial files annual, quarterly and current reports, proxy statements, and other information with the SEC. PNC Financial’s SEC File Number is 001-09718. You may read and copy this information at the SEC’s Public Reference Room, located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You can obtain information on the operation of the Public Reference Room by calling the SEC at 1 800-SEC-0330 or 202-551-8090. You can also obtain copies of this information by mail from the public reference section of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates.

The SEC also maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers, like PNC Financial, who file electronically with the SEC. The address of that website is <http://www.sec.gov>. You can also inspect reports, proxy statements and other information about PNC Financial at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have included the web addresses of the FDIC and the SEC as inactive textual references only. Except as specifically incorporated by reference into this summary, information on those websites is not part hereof.

The publicly-available portions of PNC Bank’s Call Reports for the years ended December 31, 2011, 2010, and 2009 and for the quarters ended March 31, 2012, June 30, 2012, and September 30, 2012, and of any amendments or supplements thereto, as filed by PNC Bank with the OCC, are incorporated herein by reference. The publicly-available portions of each other PNC Bank Call Report, and of any amendments or supplements thereto or to any of the PNC Bank Call Reports listed above, filed with the OCC after December 31, 2011 and prior to the expiration of the PNC Credit Facility are also incorporated herein by reference and will be deemed a part hereof from the date of filing of each such

document. Subsequently filed reports, and amendments or supplements to reports, will automatically update and supersede prior information.

In addition to the Call Reports referred to above, PNC Bank incorporates herein by reference the following documents: PNC Financial's Annual Report on Form 10-K for the year ended December 31, 2011 as amended by Amendment No. 1 on Form 10-K/A; PNC Financial's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012, June 30, 2012, and September 30, 2012; PNC Financial's Current Reports on Form 8-K filed with the SEC on January 6, 2012, February 13, 2012, February 17, 2012, March 5, 2012, March 8, 2012 (with respect to Items 8.01 and 9.01 of the second current report filed), March 22, 2012, April 10, 2012, April 24, 2012 (with respect to Items 3.03, 5.03, 8.01, and 9.01 other than Exhibit 99.1), April 25, 2012, April 27, 2012, June 21, 2012, June 28, 2012, September 21, 2012, and October, 9, 2012; and any amendments or supplements to those reports. Each other annual, quarterly and current report, and any amendments or supplements thereto or to any of the PNC Financial reports listed above, filed by PNC Financial with the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act after December 31, 2011 and prior to the expiration of the PNC Credit Facility is also incorporated herein by reference and will be deemed a part hereof from the date of filing of each such document. Subsequently filed reports, and amendments or supplements to reports, will automatically update and supersede prior information. The information incorporated by reference herein does not include any report, document or portion thereof that PNC Financial furnishes to, but does not file with, the SEC unless otherwise specifically provided above.

Neither the delivery of this document nor the sale of any Notes will imply that the information herein or in any document incorporated by reference is correct as of any time after its date. Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes hereof to the extent that a statement contained therein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part hereof.

Any of the above documents incorporated herein by reference (other than exhibits to such documents unless such exhibits are specifically incorporated by reference into such documents) are available upon request by holders of the Notes or by prospective investors in the Notes without charge: (1) in the case of PNC Bank documents, by written request addressed to Ronald Lewis, Manager of Regulatory Reporting, at The PNC Financial Services Group, Inc., One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2707; or (2) in the case of PNC Financial documents, (a) for copies without exhibits, by contacting Shareholder Services at 800-982-7652 or via the online contact form at [www.computershare.com/contactus](http://www.computershare.com/contactus), and (b) for exhibits, by contacting Shareholder Relations at 800-843-2206 or via e mail at [investor.relations@pnc.com](mailto:investor.relations@pnc.com). The interactive data file ("XBRL") exhibit is only available electronically.

#### **Wells Fargo Bank, National Association**

*The information under this subheading has been provided solely by Wells Fargo Bank, National Association ("Wells N.A.") and is believed to be reliable. This information has not been verified independently by the City or the Dealers. The City and the Dealers make no representation whatsoever as to the accuracy, adequacy or completeness of such information.*

Wells N.A. is a national banking association organized under the laws of the United States of America with its main office at 101 North Phillips Avenue, Sioux Falls, South Dakota 57104, and engages in retail, commercial and corporate banking, real estate lending and trust and investment services. Wells N.A. is an indirect, wholly-owned subsidiary of Wells Fargo & Company ("Wells Fargo"), a

diversified financial services company, a financial holding company and a bank holding company registered under the Bank Holding Company Act of 1956, as amended, with its principal executive offices located in San Francisco, California.

Wells N.A. prepares and files Call Reports on a quarterly basis. Each Call Report consists of a balance sheet as of the report date, an income statement for the year-to-date period to which the report relates and supporting schedules. The Call Reports are prepared in accordance with regulatory instructions issued by the Federal Financial Institutions Examination Council. While the Call Reports are supervisory and regulatory documents, not primarily accounting documents, and do not provide a complete range of financial disclosure about Wells N.A., the reports nevertheless provide important information concerning Wells N.A.'s financial condition and results of operations. Wells N.A.'s Call Reports are on file with, and are publicly available upon written request to the Federal Deposit Insurance Corporation (the "FDIC"), 550 17th Street, N.W., Washington, D.C. 20429, Attention: Division of Insurance and Research. The FDIC also maintains an internet website that contains the Call Reports. The address of the FDIC's website is <http://www.fdic.gov>. Wells N.A.'s Call Reports are also available upon written request to the Wells Fargo Corporate Secretary's Office, Wells Fargo Center, MAC N9305-173, 90 South 7th Street, Minneapolis, MN 55479.

**The Wells Credit Facility issued by Wells N.A. will be solely an obligation of Wells N.A. and will not be an obligation of, or otherwise guaranteed by, Wells Fargo, and no assets of Wells Fargo or any affiliate of Wells N.A. or Wells Fargo will be pledged to the payment thereof. Payment of such Wells Credit Facility will not be insured by the FDIC.**

The information contained in this subsection "The Banks—Wells Fargo Bank, National Association", including financial information, relates to and has been obtained from Wells N.A., and is furnished solely to provide limited introductory information regarding Wells N.A. and does not purport to be comprehensive. Any financial information provided in this subsection is qualified in its entirety by the detailed information appearing in the Call Reports referenced above. The delivery hereof shall not create any implication that there has been no change in the affairs of Wells N.A. since the date hereof.

### **Investment Decisions**

**Prospective purchasers of Notes should consider the credit of the Bank issuing the Credit Facility supporting such Notes and not the credit of either of the other Banks in making an investment decision regarding possible purchase of Notes.**

### **Events of Default on the Notes**

The occurrence of any of the following events constitutes an "Event of Default" under the CP Agreement:

a. failure by the City to observe or perform any covenant, agreement or obligation contained in the CP Agreement or in the Notes and the continuation of that failure for a period of 30 days after written notice of that failure is given to the City, which notice may be given by any Bank or, if such Bank failed to honor a properly presented and conforming drawing under its Credit Facility, the Issuing and Paying Agent in its discretion, and shall be given by the Issuing and Paying Agent at the written request of the holders of not less than 25% in aggregate outstanding principal amount of Notes of the related Subseries then outstanding if the applicable Bank has failed to honor a properly presented and conforming drawing under the related Credit Facility; provided that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, that failure shall not constitute an Event of Default so long as the City institutes curative action reasonably

acceptable to the Issuing and Paying Agent within the applicable period and diligently pursues that action to completion; or

b. the occurrence of any “Event of Default” under the General Ordinance; or

c. receipt from any Bank of notice of the occurrence of an “Event of Default” under such Bank’s Reimbursement Agreement.

In case of an Event of Default, the rights and remedies in the Ordinance shall apply to the CP Agreement and any agreement supplementing, modifying or amending the CP Agreement. Notwithstanding the foregoing, provided that a Credit Facility is in full force and effect with respect to a Subseries of Notes and the Bank providing such Credit Facility has not failed to honor a properly presented and conforming drawing as required in connection therewith, the Bank shall have the right, at any time during the continuance of an Event of Default, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the CP Agreement with respect to such Series or Subseries of Notes, including, without limitation, the right to approve all waivers of any Event of Default with respect to such Series or Subseries of Notes, provided that such direction shall not be otherwise than in accordance with law and the provisions of the CP Agreement and provided further that no Event of Default may be waived unless the Credit Facility provided by such Bank shall have been reinstated, and no remedy or right may be exercised under the CP Agreement and no Event of Default may be waived with respect to such Series or Subseries of Notes without the prior written consent of the Bank for such Series or Subseries of Notes.

If an “Event of Default” occurs and is continuing under a Reimbursement Agreement, the applicable Bank, in its sole discretion, may issue a “Final Drawing Notice.” The Credit Facility issued by a Bank that issues a Final Drawing Notice will terminate on the 15th day after the date the Issuing and Paying Agent receives the Final Drawing Notice. Under each Reimbursement Agreement, the Issuing and Paying Agent is required to draw on the related Credit Facility to pay the principal of and interest to the stated maturity of all outstanding Notes secured by such Credit Facility, prior to such termination of the Credit Facility.

### **General Factors Affecting the Airline Industry**

The revenues of the Airport are affected substantially by the economic health of the airport transportation industry and the airlines serving the Airport. Particularly, since 2001 the airline industry has undergone structural changes and sustained significant financial losses. The economic condition of the industry is volatile and the industry is sensitive to a variety of factors, including (i) the cost and availability of fuel, labor, aircraft, and insurance, (ii) general economic conditions, (iii) international trade, (iv) currency values, (v) competitive considerations, including the effects of airline ticket pricing, (vi) traffic and airport capacity constraints, (vii) governmental regulation, including security regulations and taxes imposed on airlines and passengers, and maintenance and environmental requirements, (viii) passenger demand for air travel, and (ix) disruption caused by airline accidents, criminal incidents and acts of war or terrorism, such as the events of September 11, 2001. Due to the discretionary nature of business and personal travel spending, airline passenger traffic and revenues are heavily influenced by the strength of the U.S. economy, other regional economies, corporate profitability, security concerns and other factors. Ongoing structural changes to the industry are the result of a number of factors including the impact of low cost carriers, internet travel web sites and carriers reorganizing under the U.S. Bankruptcy Code.

## **Airport System Capital Improvement Projects**

Over the next several years, the City expects to undertake capital improvements and to finance such improvements in part with proceeds of additional bonds or notes. The Airport culminated a 10-year planning and environmental review process in January 2011 with the Federal Aviation Administration issuing a Record of Decision approving the Airport's Capacity Enhancement Program (the "CEP") and in September 2011 awarding a \$466.5 million letter of intent to provide funding for certain elements of the CEP. The CEP provides for a new runway, which will allow independent simultaneous aircraft operations in all weather conditions, to significantly reduce delays; two runway extensions; enlarging and reconfiguring the existing terminal complex; relocating several off-airport facilities; developing a centralized ground transportation center; additional parking facilities; and constructing an automated people mover transport of passengers between terminals that will interface with the existing SEPTA rail line. The cost of the CEP is was estimated to be \$6.4 billion in 2010, and the total period for the phased construction is anticipated to be approximately 13 calendar years in duration, lasting from 2013 through 2025. The funding of this longer term capital program will require the issuance of additional airport revenue bonds.

The implementation of capital projects and the issuance of additional bonds or notes for their financing are subject to, among other requirements, obtaining Majority-In-Interest approval from the airlines with which the City has entered into an Airline Agreement and meeting the additional bonds test requirements of the General Ordinance. Such future capital improvement projects will be initiated only in response to identified requirements or demand and as economically justified.

## **Further Information and Continuing Disclosure**

The Notes are exempt from the continuing disclosure requirements of Rule 15c2-12 (the "Rule") adopted by the Commission. However, it is the practice of the City, in connection with the issuance and sale of each issue of the City's bonds or notes, to require in its contract with its underwriters or dealers that the underwriters or dealers deposit the official statement or offering memorandum of the City relating to such issue of bonds or notes with a nationally recognized municipal securities information repository (a "Repository") as soon as practicable after delivery of such official statement or offering memorandum. It is also the City's practice to file its Comprehensive Annual Financial Report ("CAFR"), which contains the audited combined financial statements of the City, with a Repository as soon as practicable after delivery of such report. Since July 1, 2009, pursuant to the Rule, all such filings must be made with the Municipal Securities Rulemaking Board ("MSRB") through the MSRB's Electronic Municipal Market Access ("EMMA") system. The CAFR for the City's Fiscal Year ended June 30, 2011 was filed with EMMA on February 24, 2012. The CAFR is prepared by the Office of the Director of Finance of the City in conformance with guidelines adopted by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants audit guide, Audits of State and Local Government Units. Upon written request to the Office of the Director of Finance and payment of the costs of duplication and mailing, the City will make available copies of the CAFR for the fiscal year ended June 30, 2011. Such a request should be addressed to: Office of the Director of Finance, Municipal Services Building, 1401 John F. Kennedy Boulevard, Philadelphia, PA 19102. A copy of the financial statements of the City for the fiscal year ended June 30, 2011, may be downloaded at <http://www.phila.gov/investor>. The CAFR contains pertinent information with respect to the Division of Aviation. The City also expects to provide financial and other information as to the City from time to time to Moody's Investors Service ("Moody's"), Standard & Poor's Rating Services, a Division of The McGraw-Hill Companies, Inc. ("S&P"), and Fitch Ratings ("Fitch") in connection with securities ratings issued by those rating agencies for bonds or notes of the City. It is the City's practice to make certain financial information available on its investor website, <http://www.phila.gov/investor>.

The foregoing statement as to filing or furnishing of additional information reflects the City's current practices, but is not a contractual obligation to the holders of the City's bonds or notes. Further, the City is not obligated to make any filings under the Rule with respect to the Notes and has not entered into any continuing disclosure agreement pursuant to the Rule with respect to the Notes.

Brief descriptions of the Notes, the security therefor, the Airport System and certain data about the City are included in this Offering Memorandum. Such descriptions do not purport to be comprehensive or definitive. All references in this Offering Memorandum to the Act, the General Ordinance, the Thirteenth Supplemental Ordinance and the CP Agreement are qualified by reference to the definitive form of each such document in its entirety. Copies of the Act, the General Ordinance, the Thirteenth Supplemental Ordinance, the CP Agreement and the financial statements of the City and the Division of Aviation for the fiscal year ended June 30, 2011, are available from the Office of the Director of Finance, 13th Floor, Municipal Services Building, 1401 John F. Kennedy Boulevard, Philadelphia, Pennsylvania 19102. The forms of approving opinions of Co-Note Counsel that will be delivered in connection with the issuance of the Notes are attached hereto as APPENDIX A.

**Not all relevant information with respect to the CP Agreement, the Ordinance and operations of the Airport that may be necessary to analyze its current financial condition is included in this Offering Memorandum in light of the presence of the Credit Facilities, as described above. In making an investment decision regarding a possible purchase of any Notes, prospective investors should consider the credit of the applicable Bank issuing the Credit Facility supporting such Notes and not on the credit of either of the other Banks.**

#### **Tax Status of the Notes**

The federal income tax treatment of interest on the Notes differs depending on whether they are Series A Notes, Series B Notes or Series C Notes. Each is addressed separately below. The following discussion is a summary of the opinions of Saul Ewing LLP and Gonzalez Saggio & Harlan LLP, Co-Note Counsel to the City, that are to be rendered on the tax status of interest on the Notes and addressing certain federal income tax considerations that may be relevant to prospective purchasers of Notes. This discussion is based upon applicable law, including current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed regulations under the Code, and current administrative rulings and court decisions, all of which are subject to change.

#### **Series A Notes and Series B Notes**

Upon each initial issuance of any new amount of Series A Notes and Series B Notes, from time to time, Co-Note Counsel will each provide opinions, expected to be substantially in the relevant forms set forth in APPENDIX A hereto, to the effect that, under existing law, (1) interest on the Series A Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest is included in adjusted current earnings for purposes of the federal alternative minimum tax imposed on corporations; and (2) interest on the Series B Notes is excluded from gross income for federal income tax purposes except for any period during which the Series B Notes are held by a person who is a "substantial user" of the facilities financed with the proceeds of the Series B Notes or a "related person," as those terms are used in Section 147(a) of the Code, and is an item of tax preference in calculating the federal alternative minimum tax liability of individuals and corporations. Co-Note Counsel expresses no opinion regarding other federal tax consequences relating to the Series A Notes and Series B Notes or the receipt of interest thereon.

In rendering their opinions with respect to the Series A Notes and Series B Notes, Co-Note Counsel has assumed compliance by the City with its covenants to comply with the provisions of the

Code. The Code establishes certain requirements that must be met at and subsequent to the issuance of the Series A Notes and Series B Notes in order that interest on the Series A Notes and Series B Notes be and remain excluded from gross income of the owners thereof for federal income tax purposes. Failure to comply with the continuing requirements may cause interest on the Series A Notes and Series B Notes to be included in gross income for federal income tax purposes retroactively to the date of their issuance irrespective of the date on which such noncompliance occurs. In the Tax Certificate, which will be delivered concurrently with the issuance of the Series A Notes and Series B Notes, the City will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code.

### ***Other Federal Tax Matters***

Prospective purchasers of the Series A Notes and Series B Notes should be aware that the ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Series A Notes and Series B Notes, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, taxpayers eligible for the earned income credit, recipients of Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, certain S corporations and foreign corporations subject to the branch profits tax. Prospective purchasers of the Series A Notes and Series B Notes should consult their tax advisors regarding the applicability and impact of such consequences. Prospective purchasers of the Series A Notes and Series B Notes may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### ***General***

The opinions of Co-Note Counsel are rendered as of their date and Co-Note Counsel assume no obligation to update or supplement their opinions to reflect any facts or circumstances that may come to their attention or any changes in law or the interpretation thereof that may occur after the date of their opinions.

Legislation affecting state and municipal bonds is regularly under consideration by the United States Congress. Such legislation or other proposals could affect the tax exemption of interest on, or the market price or marketability of tax-exempt obligations, such as the Series A Notes and Series B Notes. No assurance can be given with respect to the impact of future legislation on the Series A Notes and Series B Notes. Prospective purchasers of the Series A Notes and Series B Notes should consult their own tax and financial advisers regarding such matters.

The discussion herein does not purport to address all aspects of federal, state or local taxation that may be relevant to a particular owner of a Series A Notes or Series B Notes. Prospective owners of the Series A Notes and Series B Notes, particularly those who may be subject to special rules, are advised to consult their tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Series A Notes and Series B Notes.

### **Series C Notes**

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Series C Notes. The summary is based upon the provisions of the Code, the regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change or possible differing interpretations. This summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special

treatment under the federal income tax laws. This summary focuses primarily on investors who will hold the Series C Notes as “capital assets” (generally, property held for investment within the meaning of Code Section 1221), but much of the discussion is applicable to other investors. Potential purchasers of the Series C Notes should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Series C Notes.

Upon each initial issuance of any new amount of Series C Notes, from time to time, Co-Note Counsel will each provide an opinion, expected to be substantially in the relevant form set forth in APPENDIX A hereto.

### ***Circular 230 Disclosure and Disclaimer Regarding Federal Tax Discussion***

**Pursuant to federal regulations governing practice before the Internal Revenue Service (Circular 230), prospective owners of the Series C Notes are hereby notified that any discussion of United States federal tax issues contained in this Offering Memorandum (i) is written in connection with the promotion or marketing of the Series C Notes and the transactions or matters addressed herein, and (ii) is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed under the Code. Each taxpayer should seek advice from an independent tax advisor based on the taxpayer’s particular circumstances.**

### ***Federal Income Taxes***

Interest on the Series C Notes is included in gross income for federal income tax purposes pursuant to the Code.

### ***United States Tax Consequences***

The following is a summary of certain United States federal income tax consequences resulting from the beneficial ownership of the Series C Notes by certain persons. This summary does not consider all possible federal income tax consequences of the purchase, ownership, or disposition of the Series C Notes and is not intended to reflect the individual tax position of any beneficial owner. Moreover, except as expressly indicated, this summary is limited to those persons who purchase a Series C Note at its issue price, which is the first price at which a substantial amount of the Series C Notes is sold to the public, and who hold Series C Notes as “capital assets” within the meaning of the Code (generally, property held for investment). This summary does not address beneficial owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold Series C Notes as a hedge against currency risks or as part of a straddle with other investments or as part of a “synthetic security” or other integrated investment (including a “conversion transaction”) comprising a bond and one or more other investments, or United States Holders (as defined below) that have a “functional currency” other than the United States dollar (Special Taxpayers). This summary is applicable only to a person (United States Holder) who or which is the beneficial owner of Series C Notes and is (a) an individual citizen or resident of the United States, (b) a corporation or partnership or other entity created or organized under the laws of the United States or any State (including the District of Columbia), or (c) a person otherwise subject to federal income taxation on its worldwide income. This summary is based on the United States tax laws and regulations currently in effect and as currently interpreted and does not take into account possible changes in the tax laws or interpretations thereof any of which may be applied retroactively. Except as provided below, it does not discuss the tax laws of any state, local, or foreign governments.

### ***United States Holders***

*Payments of Stated Interest.* In general, for a beneficial owner who or which is a United States Holder, interest on a Series C Note will be taxable as ordinary income at the time it is received or accrued, depending on the beneficial owner's method of accounting for tax purposes.

*Series C Notes Purchased at Original Issue Discount.* The initial public offering price of certain maturities of the Series C Notes may be less than the principal amount payable on such Series C Notes at maturity. Under Section 1273 of the Code, the excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Series C Notes are sold constitutes original issue discount unless the amount of such excess is less than a specified *de minimis* amount (generally equal to 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity) in which case the original issue discount shall be treated as zero. A United States Holder may irrevocably elect to include in gross income all interest that accrues on a Series C Note using the constant-yield method, subject to certain modifications.

*Series C Notes Purchased at a Market Discount.* A Series C Note will be treated as acquired at a market discount (market discount bond) if the amount for which a United States Holder purchased the Series C Note is less than the Series C Note's adjusted issue price, unless such difference is less than a specified *de minimis* amount. In general, any payment of principal or any gain recognized on the maturity or disposition of a market discount bond will be treated as ordinary income to the extent that such gain does not exceed the accrued market discount on the Series C Note. Alternatively, a United States Holder of a market discount bond may elect to include market discount in income currently over the life of the market discount bond. That election applies to all debt instruments with market discount acquired by the electing United States Holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS. If an election is made to include market discount in income currently, the tax basis of the Series C Note in the hands of the United States Holder will be increased by the market discount thereon as such discount is included in income.

Market discount generally accrues on a straight-line basis unless the United States Holder elected to accrue such discount on a constant yield-to-maturity basis. That election is applicable only to the market discount bond with respect to which it is made and is irrevocable. A United States Holder of a market discount bond that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings allocable to the Series C Note in an amount not exceeding the accrued market discount on such Series C Note until maturity or disposition of the Series C Note.

*Purchase, Sale, Exchange, and Retirement of Series C Notes.* A United States Holder's tax basis in a Series C Note generally will equal its cost, increased by any market discount and original issue discount included in the United States Holder's income with respect to the Series C Note, and reduced by the amount of any amortizable bond premium applied to reduce interest on the Series C Note. A United States Holder generally will recognize gain or loss on the sale, exchange, or retirement of a Series C Note equal to the difference between the amount realized on the sale or retirement (not including any amount attributable to accrued but unpaid interest) and the United States Holder's tax adjusted basis in the Series C Note. Except to the extent described above under *Series C Notes Purchased at a Market Discount*, gain or loss recognized on the sale, exchange or retirement of a Series C Note will be capital gain or loss and will be long-term capital gain or loss if the Series C Note was held for more than one year.

*Backup Withholding.* United States Holders may be subject to backup withholding on payments of interest and, in some cases, disposition proceeds of the Series C Notes, if they fail to provide an accurate Form W-9, "Request for Taxpayer Identification Number and Certification," or a valid substitute form, or have been notified by the IRS of a failure to report all interest and dividends, or otherwise fail to

comply with the applicable requirements of backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against the United States Holder's United States federal income tax liability (or refund) provided the required information is timely furnished to the IRS. Prospective United States Holders should consult their tax advisors concerning the application of backup withholding rules.

### ***Information Reporting***

In general, information reporting requirements will apply with respect to payments to a United States Holder of principal and interest (and with respect to annual accruals of original issue discount) on the Series C Notes, and with respect to payments to a United States Holder of any proceeds from a disposition of the Series C Notes. This information reporting obligation, however, does not apply with respect to certain United States Holders including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. In the event that a United States Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or is notified by the IRS that it has failed properly to report payments of interest and dividends, a backup withholding tax (currently at a rate of 28%) generally will be imposed on the amount of any interest and principal and the amount of any sales proceeds received by the United States Holder on or with respect to the Series C Notes.

Any payments of interest and original issue discount on the Series C Notes to a Non-United States Holder generally will be reported to the IRS and to the Non-United States Holder, whether or not such interest or original issue discount is exempt from United States withholding tax pursuant to a tax treaty or the portfolio interest exemption. Copies of these information returns also may be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the payee resides.

Information reporting requirements will apply to a payment of the proceeds of the disposition of a Series C Note by or through (a) a foreign office of a custodian, nominee, other agent, or broker that is a United States person, (b) a foreign custodian, nominee, other agent, or broker that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States, (c) a foreign custodian, nominee, other agent, or broker that is a controlled foreign corporation for United States federal income tax purposes, or (d) a foreign partnership if at any time during its tax year one or more of its partners are United States persons who, in the aggregate, hold more than 50% of the income or capital interest of the partnership or if, at any time during its taxable year, the partnership is engaged in the conduct of a trade or business within the United States, unless the custodian, nominee, other agent, broker, or foreign partnership has documentary evidence in its records that the beneficial owner is not a United States person and certain other conditions are met, or the beneficial owner otherwise establishes an exemption.

The federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a beneficial owner's particular situation. Beneficial owners should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership, and disposition of the Series C Notes, including the tax consequences under state, local, foreign, and other tax laws and the possible effects of changes in federal or other tax laws.

**INVESTORS WHO ARE NONRESIDENTS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE SPECIFIC TAX CONSEQUENCES TO THEM OF OWNING SERIES C NOTES.**

**THE FOREGOING SUMMARY AS TO SERIES C NOTES IS NOT INTENDED AS AN EXHAUSTIVE RECITAL OF THE POTENTIAL TAX CONSEQUENCES OF HOLDING THE SERIES C NOTES. PROSPECTIVE PURCHASERS OF THE SERIES C NOTES SHOULD CONSULT**

THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF THE OWNERSHIP OF THE SERIES C NOTES. CO-NOTE COUNSEL WILL NOT RENDER ANY OPINION WITH RESPECT TO ANY FEDERAL TAX CONSEQUENCES OF OWNERSHIP OF THE SERIES C NOTES.

### **Pennsylvania Tax Opinion**

In the opinion of Co-Note Counsel, under the laws of the Commonwealth of Pennsylvania as enacted and construed, the Notes and the interest thereon are exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax, but such exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Notes or the interest thereon. Under the laws of the Commonwealth as enacted and construed, any profits, gains or income derived from the sale, exchange or other disposition of obligations of the City, such as the Notes, will be subject to Pennsylvania taxes within the Commonwealth. The Notes and the interest thereon may be subject to state or local taxes in jurisdictions other than the Commonwealth under applicable state or local tax laws.

### **Legal and Other Matters**

Certain legal matters relating to the authorization of the Notes are subject to approving opinions of Saul Ewing LLP, Philadelphia, Pennsylvania, and Gonzalez Saggio & Harlan LLP, New York, New York, Co-Note Counsel to the City, which will be furnished with the issuance of any new amount of the Notes. The expected text of such opinions (the “Approving Opinions”) is set forth in APPENDIX A to this Offering Memorandum. The Approving Opinions will be limited to matters relating to authorization and validity of the Notes and to the status of interest thereon as described in “Tax Status of Interest on the Notes.” Co-Note Counsel to the City have not been engaged to investigate the financial resources of the City or its ability to provide for payment of the Notes, and the Approving Opinions will make no statement as to such matters or as to the accuracy or completeness of this Offering Memorandum or any other information that may be relied on by anyone in making the decision to purchase the Notes.

The Issuing and Paying Agent has not participated in the preparation of this Offering Memorandum and takes no responsibility for its content.

### **Ratings of the Notes**

<u>Subseries of Notes</u>	<u>Issuer of Credit Facility</u>	<u>Short Term Ratings</u>		
		<u>Moody’s</u>	<u>S&amp;P</u>	<u>Fitch</u>
A-1, B-1 and C-1	Barclays Bank PLC	P-1	A-1	F1
A-2, B-2 and C-2	PNC Bank, National Association	P-1	A-1	F1
A-3, B-3 and C-3	Wells Fargo Bank, National Association	P-1	A-1+	F1+

The ratings on the Notes from Fitch, Moody’s and S&P are based upon the availability of the Credit Facility securing the particular Subseries of Notes.

A rating, including any related outlook with respect to potential changes in such ratings, reflects only the view of the agency giving such rating and is not a recommendation to buy, sell or hold the Notes. An explanation of the procedure and methodology used by each rating agency and the significance of such ratings may be obtained from the rating agency furnishing the same. Such ratings may be changed at any time, and no assurance can be given that they will not be revised downward or withdrawn entirely by

any of such rating agencies if, in the judgment of any of them, circumstances so warrant. Any such downward revision or withdrawal of any of such ratings is likely to have an adverse effect on the market price or marketability of the Notes.

### **Co-Financial Advisors**

First Southwest Company, Houston, Texas, and Frasca & Associates, LLC, New York, New York, have been retained by the City as Co-Financial Advisors in connection with the issuance of the Notes and, in such capacity, have assisted the City in connection with the issuance of the Notes. Although the Co-Financial Advisors have read and participated in the preparation of this Offering Memorandum, they have not independently verified any of the information set forth herein. No person, therefore, is entitled to rely upon the participation of the Co-Financial Advisors as an implicit or explicit expression of opinion as to the completeness and accuracy of the information contained in this Offering Memorandum.

### **Relationship of Parties**

Saul Ewing LLP, Co-Note Counsel, has in the past provided legal services to the City and periodically serves as counsel to the City on certain matters.

Wells Fargo Bank, National Association is serving as both Credit Facility Provider and Dealer for the Series A Notes and the Series B Notes. Wells Fargo Securities LLC is serving as Dealer and Wells Fargo Bank, National Association is serving as the Credit Facility Provider on the Series C Notes. Wells Fargo Securities LLC and Wells Fargo Bank, National Association are affiliates of each other and subsidiaries of Wells Fargo & Company.

### **Miscellaneous**

No attempt is made herein to summarize the Act, the Ordinance, the CP Agreement, the Reimbursement Agreements and other agreements with respect thereto, the financial condition or operations of the City, the terms and provisions of the Notes or other matters which may be material to a credit decision to purchase the Notes. Note purchasers are expected to conduct their own due diligence and analysis prior to making an investment decision. Copies of all relevant documents may be examined at the office of the Chief Financial Officer of the City during regular business hours. Copies of the Act, the Ordinances, the Credit Facilities and the Reimbursement Agreements also are on file with the Issuing and Paying Agent for the Notes and with the Dealers. Capitalized terms used and not otherwise defined in this Offering Memorandum have the meanings set forth in the CP Agreement or the Ordinance.

The Appendices are integral parts of this Offering Memorandum and must be read together with all other parts of this Offering Memorandum. So far as any statements made in this Offering Memorandum involve matters of opinion, whether or not expressly stated, they are set forth as such and not as representation of fact.

### **Incorporation of Additional Information**

The information and expressions of opinion herein speak as of their date unless otherwise noted and are subject to change without notice. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City or the Banks since the date hereof (or since the date of any information included herein that is dated other than the date hereof).

This Offering Memorandum shall be deemed to be amended, supplemented and reissued as of the latest date of any supplement hereto. While not required to do so, the City expects to provide other material information related to its financial position, the Airport and the results of its operations from time to time. See “Further Information and Continuing Disclosure”.

The City’s CAFR and other information about the City can be found at the City’s website (“City Website”), [www.phila.gov/investor](http://www.phila.gov/investor). The “Terms of Use” statement of the City Website, incorporated herein by this reference, provides, among other things, that the information contained therein is provided for the convenience of the user, that the City is not obligated to update such information, and that the information may not provide all information that may be of interest to investors. The information contained on the City Website is not incorporated by reference in this Official Statement and persons considering a purchase of the Notes should rely only on information contained in this Offering Memorandum or incorporated by reference herein.

### **Additional Bank Information**

Copies of publicly available information concerning the Banks may be obtained from each respective Bank as described herein under “The Banks.”

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This Offering Memorandum has been duly approved, executed and delivered by the following officers on behalf of the City.

**CITY OF PHILADELPHIA,  
PENNSYLVANIA**

By: /s/ Michael A. Nutter  
Mayor

By: /s/ Alan L. Butkovitz  
City Controller

By: /s/ Shelley R. Smith  
City Solicitor

Approved:

/s/ Rob Dubow  
Director of Finance

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**APPENDIX A**

**PROPOSED FORMS OF OPINIONS OF CO-NOTE COUNSEL TO THE CITY**

Saul Ewing LLP  
Philadelphia, PA

and

Gonzalez Saggio & Harlan LLP  
New York, NY

[Date\*]

City of Philadelphia  
Municipal Services Bldg.  
Philadelphia, PA 19102

**City of Philadelphia, Pennsylvania  
Airport Revenue Commercial Paper Notes  
Series A (Non-AMT)**

We have acted as Co-Note Counsel to the City of Philadelphia, Pennsylvania (the “City”) in connection with the issuance of its Airport Revenue Commercial Paper Notes, Series A (Non-AMT) (the “Series A Notes”). The Series A Notes are being issued under and pursuant to the First Class City Revenue Bond Act of the Commonwealth of Pennsylvania, Act No. 234 of October 18, 1972, P.L. 955, as amended (the “Act”), and the Amended and Restated General Airport Revenue Bond Ordinance approved June 16, 1995, as supplemented and amended (the “Original Ordinance”), including as supplemented and amended by the Thirteenth Supplemental Ordinance approved on October 19, 2012 (the “Thirteenth Supplemental Ordinance”, together with the Original Ordinance, the “General Ordinance”) and the Commercial Paper Agreement between the City and U.S. Bank National Association, as Issuing and Paying Agent (the “Issuing and Paying Agent”) dated as of January 1, 2013 (the “CP Agreement”). All capitalized terms used and not defined herein shall have the same meanings set forth in the CP Agreement or the General Ordinance.

The Series A Notes are issuable from time to time as fully registered notes dated their respective dates of issuance, in denominations of \$100,000 or in additional increments thereto of \$1,000. The Series A Notes mature, bear interest, and are payable in the manner and upon the terms and conditions set forth therein and in the CP Agreement. The Series A Notes, together with outstanding issues of Airport Revenue Bonds and Notes, and all other airport revenue bonds hereafter issued for the purposes and upon the terms and conditions prescribed in the General Ordinance are equally and ratably secured to the extent provided in the General Ordinance, as the case may be, and the Act, by a pledge of Pledged Amounts.

As Co-Note Counsel for the City, we have examined the Act and such Constitutional provisions, statutes and regulations of the Commonwealth of Pennsylvania and such other records and documents of the City as we deemed necessary for the purposes of this opinion. We have also examined the

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\* To be dated concurrently with each initial issuance of any Series A Notes.

proceedings authorizing the issuance and sale of the Series A Notes, including the General Ordinance, the CP Agreement, the transcript of proceedings filed by the City with the Court of Common Pleas of Philadelphia, together with evidence of the filing thereof, and certain statements, certifications (including specifically the City's Issuance Request and Tax Certificate relating to the Series A Notes), opinions, agreements, reports, affidavits, receipts and other documents which we have considered relevant, including, without limitation, an opinion of the City Solicitor of the City and a certification of officials of the City having responsibility for issuing the Series A Notes given pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder.

We have not been engaged and have not undertaken to consider the adequacy of the Pledged Amounts of the City or other financial resources of the City, its ability to provide for payment of the Series A Notes, or the accuracy, completeness, or sufficiency of the Offering Memorandum dated January 7, 2013, or other offering material relating to the Series A Notes, and we express no opinion herein relating to such matters.

In rendering the opinion set forth below, we have relied upon the genuineness, accuracy and completeness of all documents, records, certifications and other instruments we have examined, including, without limitation, the authenticity of all signatures appearing thereon.

Based on the foregoing we are of the opinion that:

1. Under the Constitution and laws of the Commonwealth of Pennsylvania, including the Act and the General Ordinance, the City is authorized to issue the Series A Notes, and the terms thereof comply with the requirements of the Act and the General Ordinance.

2. The General Ordinance has been duly enacted and the CP Agreement has been duly authorized, executed and delivered and the covenants and agreements of the City contained in such documents, including, specifically but not by way of limitation, the pledge of the Pledged Amounts, as therein described, constitute legal, valid and binding obligations of the City with respect to the Series A Notes and are enforceable against the City in accordance with their respective terms except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar laws, or by legal or equitable principles affecting creditors' rights generally.

3. The Series A Notes have been duly authorized and issued and are valid and binding obligations of the City, are enforceable against the City in accordance with their terms and are limited obligations of the City, payable solely out of Pledged Amounts, as provided in the General Ordinance for the timely payment of the principal thereof, at their respective maturities or redemption dates, and the interest thereon when due.

4. The Series A Notes do not pledge the credit or taxing power, nor create any debt or charge against the tax or general revenues of the City, nor do they create any lien against any property of the City other than the revenues, monies and funds pledged in the General Ordinance.

5. The issuance of the Series A Notes does not cause the debt of the City to exceed constitutional debt limitations.

6. Interest on the Series A Notes issued in compliance with the CP Agreement and the Tax Certificate relating to the Series A Notes is excluded from gross income for federal income tax purposes and is not included in the computation of the federal alternative minimum tax imposed on individuals, trusts, estates and, except as provided in the following sentence, corporations. For corporations only,

interest on the Series A Notes is taken into account in determining adjusted current earnings for purposes of the adjustment to alternative minimum taxable income used in computing the alternative minimum tax on corporations (as defined for alternative minimum tax purposes). The opinion set forth in the first sentence of this paragraph assumes compliance by the City with certain requirements of the Code, that must be met subsequent to the issuance of the Series A Notes in order that the interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with such requirements. Failure to comply with such requirements could cause the interest on the Series A Notes to be includable in gross income for federal income tax purposes retroactive to the date of issuance of such Series A Notes. The City has covenanted to comply with all such requirements.

We express no opinion regarding other federal tax consequences relating to the Series A Notes or the receipt of interest thereon.

7. Under the laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, the Series A Notes, and the interest thereon are free from taxation for state and local purposes within the Commonwealth of Pennsylvania, but such exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Series A Notes or the interest thereon.

We express no opinion with respect to, and assume no responsibility for, the accuracy or completeness of the Offering Memorandum prepared in respect of the offering of the Series A Notes, and make no representation that we have independently verified the contents thereof.

We call to your attention that the rights of the holders of the Series A Notes and the enforceability thereof and of the General Ordinance may be subject to bankruptcy, insolvency, reorganization, moratorium and other laws or equitable principles affecting creditors' rights generally.

We are advised that Wells Fargo Bank, National Association, Barclays Bank PLC and PNC Bank, National Association have delivered to the Issuing and Paying Agent direct pay letters of credit (the "Letters of Credit") to secure the payment of the principal of, and interest on, the Series A Notes. We express no opinion as to the validity or enforceability of the Letters of Credit, the protections afforded thereby, or any other matters pertaining thereto.

You may continue to rely upon this opinion as to Series A Notes issued subsequent to the date of this opinion only to the extent that (i) subsequent to the date hereof, there is no change in existing law, regulation, or governmental agency guidance, or the interpretation of any of the foregoing; (ii) the City has complied and continues to comply with the covenants and conditions contained in the CP Agreement; (iii) the representations set forth in the City's Tax Certificate relating to the Series A Notes remain true and accurate, and the City otherwise remains in compliance with such Tax Certificate; (iv) we have not issued a new opinion subsequent to the date hereof as to the matters addressed herein; and (v) we have not expressly withdrawn this opinion as evidenced by written notice of such withdrawal to the City and the Issuing and Paying Agent.

This opinion is issued as of the date hereof, and we assume no obligation to (i) monitor or advise the City or any other person of any changes in the foregoing subsequent to the delivery hereof; (ii) update, revise, supplement or withdraw this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, regulation, or governmental agency guidance, or the interpretation of any of the foregoing, that may hereafter occur, or for any other reason whatsoever; or (iii) review any legal matters incident to the authorization, issuance, validity, and exemption from federal or state income

tax of the Series A Notes, or the purposes to which the proceeds thereof are to be applied, after the date hereof.

Very truly yours,

Saul Ewing LLP  
Philadelphia, PA

and

Gonzalez Saggio & Harlan LLP  
New York, NY

[Date\*]

City of Philadelphia  
Municipal Services Bldg.  
Philadelphia, PA 19102

**City of Philadelphia, Pennsylvania  
Airport Revenue Commercial Paper Notes  
Series B (AMT)**

We have acted as Co-Note Counsel to the City of Philadelphia, Pennsylvania (the “City”) in connection with the issuance of its Airport Revenue Commercial Paper Notes, Series B (AMT) (the “Series B Notes”). The Series B Notes are being issued under and pursuant to the First Class City Revenue Bond Act of the Commonwealth of Pennsylvania, Act No. 234 of October 18, 1972, P.L. 955, as amended (the “Act”), and the Amended and Restated General Airport Revenue Bond Ordinance approved June 16, 1995, as supplemented and amended (the “Original Ordinance”), including as supplemented and amended by the Thirteenth Supplemental Ordinance approved on October 19, 2012 (the “Thirteenth Supplemental Ordinance”, together with the Original Ordinance, the “General Ordinance”) and the Commercial Paper Agreement between the City and U.S. Bank National Association, as Issuing and Paying Agent (the “Issuing and Paying Agent”) dated as of January 1, 2013, (the “CP Agreement”). All capitalized terms used and not defined herein shall have the same meanings set forth in the CP Agreement or the General Ordinance.

The Series B Notes are issuable from time to time as fully registered notes dated their respective dates of issuance, in denominations of \$100,000 or in additional increments thereto of \$1,000. The Series B Notes mature, bear interest, and are payable in the manner and upon the terms and conditions set forth therein and in the CP Agreement. The Series B Notes, together with outstanding issues of Airport Revenue Bonds and Notes, and all other airport revenue bonds hereafter issued for the purposes and upon the terms and conditions prescribed in the General Ordinance are equally and ratably secured to the extent provided in the General Ordinance, as the case may be, and the Act, by a pledge of Pledged Amounts.

As Co-Note Counsel for the City, we have examined the Act and such Constitutional provisions, statutes and regulations of the Commonwealth of Pennsylvania and such other records and documents of the City as we deemed necessary for the purposes of this opinion. We have also examined the proceedings authorizing the issuance and sale of the Series B Notes, including the General Ordinance, the CP Agreement, the transcript of proceedings filed by the City with the Court of Common Pleas of Philadelphia, together with evidence of the filing thereof, and certain statements, certifications (including specifically the City’s Issuance Request and Tax Certificate relating to the Series B Notes), opinions,

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\* To be dated concurrently with each initial issuance of any Series B Notes.

agreements, reports, affidavits, receipts and other documents which we have considered relevant, including, without limitation, an opinion of the City Solicitor of the City and a certification of officials of the City having responsibility for issuing the Series B Notes given pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder.

We have not been engaged and have not undertaken to consider the adequacy of the Pledged Amounts of the City or other financial resources of the City, its ability to provide for payment of the Series B Notes, or the accuracy, completeness, or sufficiency of the Offering Memorandum dated January 7, 2013, or other offering material relating to the Series B Notes, and we express no opinion herein relating to such matters.

In rendering the opinion set forth below, we have relied upon the genuineness, accuracy and completeness of all documents, records, certifications and other instruments we have examined, including, without limitation, the authenticity of all signatures appearing thereon.

Based on the foregoing we are of the opinion that:

1. Under the Constitution and laws of the Commonwealth of Pennsylvania, including the Act and the General Ordinance, the City is authorized to issue the Series B Notes, and the terms thereof comply with the requirements of the Act and the General Ordinance.

2. The General Ordinance has been duly enacted and the CP Agreement has been duly authorized, executed and delivered and the covenants and agreements of the City contained in such documents, including, specifically but not by way of limitation, the pledge of the Pledged Amounts, as therein described, constitute legal, valid and binding obligations of the City with respect to the Series B Notes and are enforceable against the City in accordance with their respective terms except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar laws, or by legal or equitable principles affecting creditors' rights generally.

3. The Series B Notes have been duly authorized and issued and are valid and binding obligations of the City, are enforceable against the City in accordance with their terms and are limited obligations of the City, payable solely out of Pledged Amounts, as provided in the General Ordinance for the timely payment of the principal thereof, at their respective maturities or redemption dates, and the interest thereon when due.

4. The Series B Notes do not pledge the credit or taxing power, nor create any debt or charge against the tax or general revenues of the City, nor do they create any lien against any property of the City other than the revenues, monies and funds pledged in the General Ordinance.

5. The issuance of the Series B Notes does not cause the debt of the City to exceed constitutional debt limitations.

6. Interest on the Series B Notes is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions, except as to interest on any Series B Note during any period such Series B Note is held by a person who is a "substantial user" of the facilities financed with the Series B Notes or a "related person," as those terms are used in Section 147(a) of the Code. The opinion set forth in the preceding sentence is subject to the condition that the City comply with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the Series B Notes in order that interest thereon continues to be excluded from gross income. Failure to comply with certain of such requirements could cause the interest on the Series B

Notes to be includable in gross income retroactive to the date of issuance of the Series B Notes. The City has covenanted to comply with all such requirements.

7. Interest on the Series B Notes is treated as an item of tax preference under Section 57 of the Code for purposes of the individual and corporate alternative minimum tax.

We express no opinion regarding other federal tax consequences relating to the Series B Notes or the receipt of interest thereon.

8. Under the laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, the Series B Notes, and the interest thereon are free from taxation for state and local purposes within the Commonwealth of Pennsylvania, but such exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Series B Notes or the interest thereon.

We express no opinion with respect to, and assume no responsibility for, the accuracy or completeness of the Offering Memorandum prepared in respect of the offering of the Series B Notes, and make no representation that we have independently verified the contents thereof.

We call to your attention that the rights of the holders of the Series B Notes and the enforceability thereof and of the General Ordinance may be subject to bankruptcy, insolvency, reorganization, moratorium and other laws or equitable principles affecting creditors' rights generally.

We are advised that Wells Fargo Bank, National Association, Barclays Bank PLC and PNC Bank, National Association have delivered to the Issuing and Paying Agent direct pay letters of credit (the "Letters of Credit") to secure the payment of the principal of, and interest on, the Series B Notes. We express no opinion as to the validity or enforceability of the Letters of Credit, the protections afforded thereby, or any other matters pertaining thereto.

You may continue to rely upon this opinion as to Series B Notes issued subsequent to the date of this opinion only to the extent that (i) subsequent to the date hereof, there is no change in existing law, regulation, or governmental agency guidance, or the interpretation of any of the foregoing; (ii) the City has complied and continues to comply with the covenants and conditions contained in the CP Agreement; (iii) the representations set forth in the City's Tax Certificate relating to the Series B Notes remain true and accurate, and the City otherwise remains in compliance with such Tax Certificate; (iv) we have not issued a new opinion subsequent to the date hereof as to the matters addressed herein; and (v) we have not expressly withdrawn this opinion as evidenced by written notice of such withdrawal to the City and the Issuing and Paying Agent.

This opinion is issued as of the date hereof, and we assume no obligation to (i) monitor or advise the City or any other person of any changes in the foregoing subsequent to the delivery hereof; (ii) update, revise, supplement or withdraw this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, regulation, or governmental agency guidance, or the interpretation of any of the foregoing, that may hereafter occur, or for any other reason whatsoever; or (iii) review any legal matters incident to the authorization, issuance, validity, and exemption from federal or state income tax of the Series B Notes, or the purposes to which the proceeds thereof are to be applied, after the date hereof.

Very truly yours,

Saul Ewing LLP  
Philadelphia, PA

and

Gonzalez Saggio & Harlan LLP  
New York, NY

[Date\*]

City of Philadelphia  
Municipal Services Bldg.  
Philadelphia, PA 19102  
City of Philadelphia, Pennsylvania

**Airport Revenue Commercial Paper Notes  
Series C (Federally Taxable)**

We have acted as Co-Note Counsel to the City of Philadelphia, Pennsylvania (the “City”) in connection with the issuance of its Airport Revenue Commercial Paper Notes, Series C (Federally Taxable) (the “Series C Notes”). The Series C Notes are being issued under and pursuant to the First Class City Revenue Bond Act of the Commonwealth of Pennsylvania, Act No. 234 of October 18, 1972, P.L. 955, as amended (the “Act”), and the Amended and Restated General Airport Revenue Bond Ordinance approved June 16, 1995, as supplemented and amended (the “Original Ordinance”), including as supplemented and amended by the Thirteenth Supplemental Ordinance approved on October 19, 2012 (the “Thirteenth Supplemental Ordinance”, together with the Original Ordinance, the “General Ordinance”) and the Commercial Paper Agreement between the City and U.S. Bank, National Association, as Issuing and Paying Agent (the “Issuing and Paying Agent”) dated as of January 1, 2013 (the “CP Agreement”). All capitalized terms used and not defined herein shall have the same meanings set forth in the CP Agreement or the General Ordinance.

The Series C Notes are issuable from time to time as fully registered notes dated their respective dates of issuance, in denominations of \$100,000 or in additional increments thereto of \$1,000. The Series C Notes mature, bear interest, and are payable in the manner and upon the terms and conditions set forth therein and in the CP Agreement. The Series C Notes, together with outstanding issues of Airport Revenue Bonds and Notes, and all other airport revenue bonds hereafter issued for the purposes and upon the terms and conditions prescribed in the General Ordinance are equally and ratably secured to the extent provided in the General Ordinance, as the case may be, and the Act, by a pledge of Pledged Amounts.

As Co-Note Counsel for the City, we have examined the Act and such Constitutional provisions, statutes and regulations of the Commonwealth of Pennsylvania and such other records and documents of the City as we deemed necessary for the purposes of this opinion. We have also examined the proceedings authorizing the issuance and sale of the Series C Notes, including the General Ordinance, the CP Agreement, the transcript of proceedings filed by the City with the Court of Common Pleas of Philadelphia, together with evidence of the filing thereof, and certain statements, certifications (including specifically the City’s Issuance Request relating to the Series C Notes), opinions, agreements, reports,

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\* To be dated concurrently with each initial issuance of any Series C Notes.

affidavits, receipts and other documents which we have considered relevant, including, without limitation, an opinion of the City Solicitor of the City and a certification of officials of the City having responsibility for issuing the Series C Notes.

We have not been engaged and have not undertaken to consider the adequacy of the Pledged Amounts of the City or other financial resources of the City, its ability to provide for payment of the Series C Notes, or the accuracy, completeness, or sufficiency of the Offering Memorandum dated January 7, 2013, or other offering material relating to the Series C Notes, and we express no opinion herein relating to such matters.

In rendering the opinion set forth below, we have relied upon the genuineness, accuracy and completeness of all documents, records, certifications and other instruments we have examined, including, without limitation, the authenticity of all signatures appearing thereon.

Based on the foregoing we are of the opinion that:

1. Under the Constitution and laws of the Commonwealth of Pennsylvania, including the Act and the General Ordinance, the City is authorized to issue the Series C Notes, and the terms thereof comply with the requirements of the Act and the General Ordinance.

2. The General Ordinance has been duly enacted and the CP Agreement has been duly authorized, executed and delivered and the covenants and agreements of the City contained in such documents, including, specifically but not by way of limitation, the pledge of the Pledged Amounts, as therein described, constitute legal, valid and binding obligations of the City with respect to the Series C Notes and are enforceable against the City in accordance with their respective terms except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar laws, or by legal or equitable principles affecting creditors' rights generally.

3. The Series C Notes have been duly authorized and issued and are valid and binding obligations of the City, are enforceable against the City in accordance with their terms and are limited obligations of the City, payable solely out of Pledged Amounts, as provided in the General Ordinance for the timely payment of the principal thereof, at their respective maturities or redemption dates, and the interest thereon when due.

4. The Series C Notes do not pledge the credit or taxing power, nor create any debt or charge against the tax or general revenues of the City, nor do they create any lien against any property of the City other than the revenues, monies and funds pledged in the General Ordinance.

5. The issuance of the Series C Notes does not cause the debt of the City to exceed constitutional debt limitations.

6. Under the laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, the Series C Notes, and the interest thereon are free from taxation for state and local purposes within the Commonwealth of Pennsylvania, but such exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Series C Notes or the interest thereon.

We call to your attention that the interest on the Series C Notes is fully subject to federal income tax. We express no opinion herein regarding other federal tax consequences arising with respect to the Series C Notes.

We express no opinion with respect to, and assume no responsibility for, the accuracy or completeness of the Offering Memorandum prepared in respect of the offering of the Series C Notes, and make no representation that we have independently verified the contents thereof.

We call to your attention that the rights of the holders of the Series C Notes and the enforceability thereof and of the General Ordinance may be subject to bankruptcy, insolvency, reorganization, moratorium and other laws or equitable principles affecting creditors' rights generally.

We are advised that Wells Fargo Bank, National Association, Barclays Bank PLC and PNC Bank, National Association have delivered to the Issuing and Paying Agent direct pay letters of credit (the "Letters of Credit") to secure the payment of the principal of, and interest on, the Series C Notes. We express no opinion as to the validity or enforceability of the Letters of Credit, the protections afforded thereby, or any other matters pertaining thereto.

You may continue to rely upon this opinion as to Series C Notes issued subsequent to the date of this opinion only to the extent that (i) subsequent to the date hereof, there is no change in existing law, regulation, or governmental agency guidance, or the interpretation of any of the foregoing; (ii) the City has complied and continues to comply with the covenants and conditions contained in the CP Agreement;; (iii) we have not issued a new opinion subsequent to the date hereof as to the matters addressed herein; and (iv) we have not expressly withdrawn this opinion as evidenced by written notice of such withdrawal to the City and the Issuing and Paying Agent.

This opinion is issued as of the date hereof, and we assume no obligation to (i) monitor or advise the City or any other person of any changes in the foregoing subsequent to the delivery hereof; (ii) update, revise, supplement or withdraw this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, regulation, or governmental agency guidance, or the interpretation of any of the foregoing, that may hereafter occur, or for any other reason whatsoever; or (iii) review any legal matters incident to the authorization, issuance, validity, and exemption from federal or state income tax of the Series C Notes, or the purposes to which the proceeds thereof are to be applied, after the date hereof.

Very truly yours,

## APPENDIX B

### INFORMATION REGARDING DTC AND THE BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Master Note will be issued for each Subseries of each Series of the Notes in the respective aggregate principal amounts of each such Subseries of Notes, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, the Master Notes deposited with DTC are registered in the name of DTC’s partnership nominee, Cede & Co, or such other name as may be requested by an authorized representative of DTC. The deposit of the Master Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the

Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Issuing and Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Issuing and Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Issuing and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the City or the Issuing and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

So long as Cede & Co. is the registered owner of the Notes, as nominee for DTC, references herein to Bondholders or registered owners of the Notes (other than under the caption "Tax Status of Interest on the Notes") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Notes.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the Issuing and Paying Agent to DTC only.

NEITHER THE CITY NOR THE ISSUING AND PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (ii) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE

OWNERS OF THE NOTES UNDER THE ORDINANCES OR THE CP AGREEMENT; (iii) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE NOTES; (iv) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF NOTES; OR (v) ANY OTHER MATTER.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

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